

Company Information

Board of Directors

Sir Mohammed Anwar Pervez
Mr. Zameer Mohammed Choudrey
Mr. Arshad Mehmood Chaudhary
Mr. Muhammad Irfan A Sheikh
Mr. Mazhar Rafi
Mr. Arshad Hameed
Mr. Ghulam Sarwar Malik

Chairman
Chief Executive
Director
Director Finance & CFO
Director Administration & Marketing
Director Coordination
Director Works

Company Secretary

Mr. Mazhar Rafi

Statutory Auditors

KPMG Taseer Hadi & Co., Chartered Accountants.

Cost Auditors

S. Ebrahim & Co., Chartered Accountants.

Legal Advisors

Raja M. Bashir, Advocate Supreme Court.

Audit Committee

Mr. Mazhar Rafi
Mr. Arshad Hameed
Mr. Ghulam Sarwar Malik

Registered Office

5th Floor, UBL Building, Jinnah Avenue, Islamabad
Tel: (92-51) 220-6146 -51, Fax: (92-51) 2272150
E-mail: management@bestway.com.pk

Head Office

5th Floor, UBL Building, Jinnah Avanne, Islamabad
Tel: (92-51) 220-6146 -51, Fax: (92-51) 2272150,
E-mail: management@bestway.com.pk

Plant Site

Hattar

SwajGali Road, VillageShadi, Hattar, Distt.Haripur,
N.W.F.P. Pakistan.

Tel: (92) 0303-771-1057 - 58, Fax: (92) 0303-71-1056
E-mail: bclhtr@isb.paknet.com.pk

New Project Site.

Village Tatra.1. Near PSG Petrol Pump
22Km KallarKahar, ChoaSaiden Shall Road
Chakwal, Pakistan, Tel: (92-543) 584560-3

Marketing Office

167-A, Adamjee Road, Rawalpindi Cantt.
Tet (92-51) 551-3110, 51,492, 552-0962 Fax: (92-51) 551-3109
E-mail: bdrwp@isb.paknet.com.pk

Shares Department

10th Floor, Mehdi Towers/A-115
8,M.C.H.S, Shahrah-e-Faisal, Karachi.
Tel: (92-21) 452-6983 - 84, Fax: (92-21) 452-6985

Bankers

Habib Bank Limited.
MCB Bank Limited.
Allied Bank Limited.
Standard Chartered Bank.
Bank of Punjab.
Faysal Bank Limited.
Union Bank Limited.
Askari Commercial Bank Limited.
Bank Al-Habib Limited.
NIB Bank Limited.
National Bank of Pakistan.
United Bank Limited.
Citibank N. A.
Bank Alfalah Limited.

Directors' Report

The Directors take pleasure in presenting the Company's un-audited accounts for the quarter ended 30th September, 2004.

Industry Overview

The market remained buoyant during the quarter ended 30th September 2004. Despatches of cement by the industry stood at 4.1 million tonnes as against 3.2 million tonnes for the same period last year which represents a tremendous growth of 28%. Sales volumes in the domestic market registered a growth of 24% while exports grew by 69% year on year. The industry was thus able to achieve an overall capacity utilisation of 93% for the quarter under review as against 75% for the corresponding period of last year.

Production and Sales

	2004 Tonnes	2003 Tonnes	Increase Tonnes	Percentage Increase
Clinker production	246,337	195,354	50,983	26%
Cement production	312,889	219,371	93,518	43%
Cement sales	307,299	236,471	70,828	30%

Volumes for the quarter saw significant growth on the back of continued increase in demand in local as well as exports markets. Your Company continued to out perform the industry and recorded a growth in volumes of 30% as against the industry average of 28%. Capacity utilisation for your Company during the quarter under review was 118%, which is the highest in the industry and also well above industry average of 93%.

Operating Highlights

Turnover net of sales tax, excise duty and rebates and discounts to customers stood at Rs.853 million for the quarter as compared to Rs.616 million for the corresponding period of last year, which is an increase of 38%. Operating profit for the quarter under review increased from Rs.198 million to Rs.350 million which represents an increase of 77%.

Financial charges stood at Rs.24 million for the quarter ended September 30, 2004 as against Rs.41 million for the corresponding quarter of last year, representing a decrease of 41%.

Profit before taxation for the quarter under review increased by 100% to Rs.314 million as compared to Rs.157 million for the same period of last year. Profit after taxation for the quarter amounted to Rs.226 million as compared to Rs.104 million for the corresponding period of last year, which represents an increase of 217%.

New Project

The directors are pleased to inform that the work on the new cement plant of 6,000 tpd cement capacity in Tehsil Choa Saidan Shah, District Chakwal, Punjab has been progressing satisfactorily. During the quarter under review, sufficient land and leases have been acquired, letter of credit for the import of plant & machinery has been

established and various contractors for different activities have been engaged. It is expected that the project will be completed within the anticipated time frame.

Future Prospects

The off-take in domestic market continues to show growth and the prices are expected to remain stable at least for the foreseeable future. Likewise, growth in export of cement is also expected to continue and, going forward, selling prices are likely to improve. On the other hand, fuel cost is expected to rise further due to higher coal prices in the international market. Interest rates have also started climbing. The management remains confident however, that your Company will be able to post handsome profit for the current year also, due to its prudent policies and tight financial management.

Acknowledgements

The Directors wish to place on record their appreciation for the continued support, contribution and confidence demonstrated in the Company by its shareholders, members of staff, customers, suppliers, our Bankers and various Government agencies throughout the period.

For and on behalf of the Board

Chief Executive

30th October, 2004
Islamabad

BESTWAY CEMENT LIMITED
BALANCE SHEET AS AT SEPTEMBER 30, 2004

	September 30 2004 Rupees	June 30 2004 Rupees		September 30 2004 Rupees	June 30 2004 Rupees
Capital and reserves			Tangible fixed assets		
<i>Authorised share capital</i>			Operating assets	3,222,540,353	3,165,501,041
200,000,000 ordinary shares of Rs. 10 each	2,000,000,000	2,000,000,000	Capital work in progress	397,787,607	34,654,972
				3,620,327,960	3,200,156,013
<i>Issued, subscribed and paid up share capital</i>			Long term deposits, prepayments and deferred costs		
193,469,555 ordinary shares of Rs.10 each issued for cash consideration	1,934,695,550	1,934,695,550		24,803,547	18,890,547
Reserve for issue of bonus shares	193,469,555	193,469,555			
<i>Accumulated profit</i>	763,572,313	537,585,375	Long term investments		
	2,891,737,418	2,665,750,480		1,862,819,950	1,862,819,950
Long term finance	2,015,432,353	1,895,432,353	Current assets		
			Stores, spares and loose tools	460,545,068	365,845,980
Deferred liabilities	333,716,280	250,532,290	Stock in trade	70,022,500	113,143,807
			Receivable from customers	20,393,815	41,630,455
Current liabilities			Advances, deposits, prepayments and other receivables	118,187,306	92,684,796
Short term finance	294,335,447	211,836,991	Cash and bank balances	366,669,458	293,181,265
Current maturity of long term liabilities	429,467,647	429,467,647		1,035,818,147	906,486,303
Creditors, provisions, accrued and other liabilities	385,610,905	341,863,497			
Proposed dividend	193,469,555	193,469,555			
	1,302,883,553	1,176,637,690			
Contingencies and commitments	-	-			
				6,543,769,604	5,988,352,814
	6,543,769,604	5,988,352,814		6,543,769,604	5,988,352,814

CHIEF EXECUTIVE

DIRECTOR & CFO

BESTWAY CEMENT LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED SEPTEMBER 30, 2004

	September 2004 Rupees	September 2003 Rupees
Sales - net	852,622,739	615,766,686
Cost of sales	476,075,150	404,175,011
Gross profit	376,547,589	211,591,675
Operating expenses		
Administration and general	21,386,767	7,924,214
Selling and distribution	5,037,332	5,312,769
	26,424,099	13,236,983
Operating profit	350,123,490	198,354,692
Financial charges	24,072,850	40,729,581
Other income	(4,953,198)	(7,794,973)
Workers profit participation fund	16,550,192	8,271,004
	35,669,844	41,205,612
Profit before taxation	314,453,646	157,149,080
Provision for taxation - current	6,018,095	3,867,922
- deferred	82,448,613	49,309,580
Profit after taxation	225,986,938	103,971,578
Accumulated profit brought forward	537,585,375	245,949,188
Accumulated profit carried forward	763,572,313	349,920,766
Earning per share - basic	1.17	0.54
-diluted	1.06	0.49

CHIEF EXECUTIVE

DIRECTOR & CFO

BESTWAY CEMENT LIMITED
CASH FLOW STATEMENT FOR THE YEAR
FROM JULY 01, 2004 TO SEPTEMBER 30, 2004

	Sep. 30, 2004	June 30, 2004
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation	314,453,646	159,693,707
Adjustments for:		
Gain on disposal of fixed assets	-	(583,078)
Depreciation	48,107,224	195,767,732
Profit on investments	(284,195)	(30,686,991)
Financial charges	24,072,850	269,329,080
Deferred costs' amortisation	-	899,054
Provision for staff retirement benefits	735,379	3,107,216
Exchange (gain)/loss	(4,444,696)	624,428
	68,186,561	438,457,441
Operating profit before working capital changes	382,640,207	598,151,148
Increase in current assets	(54,987,312)	(69,231,835)
Increase in current liabilities	42,457,573	38,936,461
	(12,529,739)	(30,295,374)
Cash generated from operations	370,110,468	567,855,774
Financial charges paid	(22,783,018)	(266,418,849)
Income tax paid	(6,622,178)	(22,614,002)
	(29,405,196)	(289,032,851)
Net cash generated from operating activities	340,705,272	278,822,923
CASH FLOWS FROM INVESTING ACTIVITIES		
(Additions) in/ Deletions from capital work in progress	(363,132,635)	27,674,604
Additions in fixed assets	(105,272,970)	(215,313,637)
Proceeds from sale of fixed assets	126,434	1,245,282
Long term security deposits, prepayments, receipts/(payments)	(5,913,000)	5,499,269
Income from Investments	31,940	31,899,124
Encashment of investments	-	(5,580)
Equity investment	-	(1,710,927,950)
Exchange gain/ (loss) on purchase of foreign currency & prepaid markup	(274,032)	(1,014,452)
Net cash used in investing activities	(474,434,263)	(1,860,943,341)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Deletions)/ Additions in long term finances	120,000,000	1,101,001,161
Repayment of finance lease principal amount	-	(115,124,039)
(Decrease)/ Increase in short term finances	82,498,455	767,388,198
Dividend paid	-	(145,102,166)
Net cash generated/(used) from financing activities	202,498,455	1,608,163,154
NET CASH GENERATED/(USED) DURING THE YEAR	68,769,464	26,042,736
CASH EQUIVALENTS		
Cash and cash equivalents at 01st July	293,181,265	16,105,240
Exchange loss on US\$ bank accounts	4,718,728	(530,779)
Cash and cash equivalents at 30th June	366,669,458	41,617,196

CHIEF EXECUTIVE

DIRECTOR & CFO

BESTWAY CEMENT LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2004

	Issued, subscribed and paid up capital Rupees	Unappropriated profit Rupees	Reserve for issue of bonus shares Rupees	Total Rupees
Balance as at June 30, 2003	1,934,695,550	245,949,188	-	2,180,644,738
Profit after taxation for the quarter ended September 30, 2003	-	103,971,578	-	103,971,578
Balance as at September 30, 2003	1,934,695,550	349,920,766	-	2,284,616,316
Profit after taxation for the nine months ended June 30, 2004	-	574,603,719	-	574,603,719
	1,934,695,550	924,524,485	-	2,859,220,035
Appropriation:				
Dividend	-	(193,469,555)	-	(193,469,555)
Transfer to Reserve for issue of bonus shares	-	(193,469,555)	-	(193,469,555)
	1,934,695,550	537,585,375	-	2,472,280,925
Reserve for issue of bonus shares			193,469,555	193,469,555
Balance as at June 30, 2004	1,934,695,550	537,585,375	193,469,555	2,665,750,480
Profit after taxation for the quarter ended September 30, 2004	-	225,986,938	-	225,986,938
Balance as at September 30, 2004	1,934,695,550	763,572,313	193,469,555	2,891,737,418

CHIEF EXECUTIVE

DIRECTOR

Notes

BESTWAY CEMENT LIMITED
NOTES TO THE ACCOUNTS FOR THE QUARTER ENDED SEPTEMBER 30, 2004

1. Bestway Cement Limited is a public company incorporated on December 22, 1993 under the Companies Ordinance, 1984 and formally listed on the Karachi Stock Exchange on April 9, 2001. The Company is engaged in production and sale of cement.
2. These accounts have been prepared under the historical cost convention without effects of inflation or current values in accordance with the International Accounting Standards as applicable in Pakistan. However only such disclosures are made in these accounts as are required by International Accounting Standard 34 (Interim Financial Reporting).
3. The accounting policies adopted in these quarterly accounts are the same as those applied in the preparation of the financial statements for the year ended 30th June 2004.

4. Contingencies and Commitments	Sep. 30, 2004 Rupees	June 30, 2004 Rupees
In respect of letter of credits	<u>2,386,612,743</u>	<u>90,894,348</u>
In respect of insurance guarantee against excise duty on exports.	<u>30,000,000</u>	<u>30,000,000</u>
In respect of bank guarantees 4.1	<u>174,905,064</u>	<u>174,905,064</u>

4.1 All bank guarantees are secured by way of charge on the fixed assets of the Company.

5. Figures have been rounded off to the nearest rupee.
Figures of the previous year/period have been rearranged, wherever necessary, for the purpose of comparison.

CHIEF EXECUTIVE

DIRECTOR & CFO