



BESTWAY CEMENT LIMITED

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BOARD OF DIRECTORS

Sir Mohammed Anwar Pervez, O.B.E, H.Pk.	Chairman
Mr. Zameer Mohammed Choudrey	Chief Executive
Mr. Arshad Mehmood Chaudhary	Director
Mr. Muhammad Irfan A. Sheikh	Director Finance & CFO
Mr. Mazhar Rafi	Director Administration & Marketing
Mr. Ghulam Sarwar Malik	Director Projects, Procurement & Coordination
Mr. Mehmood Afzal	Director Works

COMPANY SECRETARY

Mr. Kaleem Ashraf, ACA

STATUTORY AUDITORS

KPMG Taseer Hadi & Co. Chartered Accountants

COST AUDITORS

BDO Ebrahim & Co. Chartered Accountants.

LEGAL ADVISORS

Raja M. Bashir, Advocate Supreme Court.

AUDIT COMMITTEE

Mr. Mazhar Rafi	Chairman
Mr. Ghulam Sarwar Malik	
Mr. Mehmood Afzal	

REGISTERED / HEAD OFFICE

Bestway Building, 19-A, College Road, F-7 Markaz, Islamabad.
Tel: (92-51) 265 4856 ~63 , Fax: (92-51) 265 4865/265 4992
E-mail: management@bestway.com.pk

PLANT SITE

Hattar

Suraj Gali Road, Village Shadi, Hattar, Distt. Haripur.
Khyber Pakhtoon Khawah Pakistan.
Tel: (92) 0303 771 1057 ~ 58, Fax: (92) 0303 711056
E-mail: gmworks1@bestway.com.pk



Chakwal

Village Tatral, Near PSO Petrol Pump
22 Km Kallar Kahar, Choa Saiden Shah Road
Chakwal. Ph: 0543 584560 ~ 3
Email: gmworks3@bestway.com.pk

MARKETING HEAD OFFICE

House# 293-A, Peshawar Road Rawalpindi
Tel: (92-51) 551 3110, 551 4492, 552 0962 Fax: (92-51) 551 3109
E-mail: dirmkt@bestway.com.pk

SHARES DEPARTMENT

Progressive Management Services (Pvt) Ltd.
10th Floor, Mehdi Towers, A-115
S.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 (Pakistan) Limited.
The Bank of Punjab.
Faysal Bank Limited.
Askari Bank Limited.
Bank AI-Habib Limited.
NIB Bank Limited.
National Bank of Pakistan.
United Bank Limited.
Bank Alfalah Limited.
Barclays Bank PLC, Pakistan.
Soneri Bank Limited.
Meezan Bank Limited.
Silkbank Limited.
HSBC Bank Middle East Limited.
Habib Metropolitan Bank Limited.
First Women Bank Limited.



The Directors take pleasure in presenting the Company's un-audited accounts for the nine months ended 31st March 2010.

Industry Overview

During the period under review, the industry witnessed some volumetric recovery however fierce competition kept the selling prices under pressure. Although some improvement was seen in the law & order situation. The energy crisis further deepened the overall economic environment in the country, thus severely impacting profitability of the industry.

Production and Sales

The capacity utilisation of the Company during the nine months under review stood at 96% as against the 70% for the same period of last year. Despite fierce competition, Bestway was able to retain its market share in the north zone and its position as one of the leading exporters of the country.

Operating Highlights

The turnover net of sales tax, excise duty and rebates and discounts to customers stood at Rs.10,007 million for the period as compared to Rs.10,825 million for the corresponding period last year, which is a decrease of 8%.

Financial charges stood at Rs.1,604 million for the period ended March 31, 2010 as against Rs.1,649 million for the corresponding period last year.

Loss before tax for the period under review amounted to Rs.721 million as compared to profit of Rs.829 million during the period ended March 31, 2009. Loss after taxation for the period under review stood at Rs.618 million as compared to Rs.729 million profit for the same period last year. This was primarily due to sharp decline in net retention prices caused by fierce competition in both the domestic and export markets.

Waste Heat Recovery Power Plant

During the quarter under review the waste heat recovery project started commercial operation and is now working satisfactorily. This has resulted not only in reducing Company's dependence on external source of electricity but also in reduction of cost of production.

Future Outlook

The cement industry is having to grapple with low selling prices due to fierce competition, high interest rates, increasing power tariffs and increase in duties, taxes and royalty on raw materials. Unfavourable economic, political and law & order atmosphere in the country has had further adverse impact on the sector. Selling prices have however started showing signs of firming up with further improvement likely in the coming months. With the end of winter season demand in cement is also likely to improve. There also has been improvement in the law & order situation recently. These factors should result in higher domestic demand and selling prices of cement.



On the export front, some regional markets like the UAE are likely to remain depressed, while other markets like Afghanistan continue to generate good demand for Pakistani cement. Recent announcement of inland freight subsidy by the Government to the tune of 35% of inland freight cost of exports should go some way towards encouraging exports via sea.

Bestway is already firmly established as the leading brands in Afghanistan and your Company will continue to expand its share in that market. Other regional markets like India and Srilanka are likely to continue to generate some demand for our cement for few more years to come. We are constantly exploring other international markets and your Company has been able to make good inroads into markets like Africa.

Your management is cognisant of the challenges that lie ahead and will continue to make all out efforts to ensure further growth and superior returns in the ensuing years.

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
April 30, 2010
Islamabad



BESTWAY CEMENT LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2010

	Unaudited March 31 2010 Rupees	Audited June 30 2009 Rupees
Share capital and reserves		
Authorised share capital 350,000,000 ordinary shares of Rs. 10 each	3,500,000,000	3,500,000,000
Issued, subscribed and paid up share capital	3,257,475,910	3,257,475,910
Share premium account	1,963,498,330	1,963,498,330
Unappropriated profit	2,376,783,614	2,994,585,223
	7,597,757,854	8,215,559,463
Non-current liabilities		
Long term financing - secured	9,744,293,108	11,455,803,336
Liabilities against assets subject to finance lease	175,736,645	194,033,624
Long term murabaha - secured	270,000,000	330,000,000
Deferred liabilities	425,638,131	613,414,947
Long term advance	-	1,749,960
	10,615,667,884	12,595,001,867
Current liabilities		
Trade and other payables	1,570,263,452	1,355,336,265
Markup payable	737,785,196	341,291,606
Short term borrowings - secured	4,194,620,311	2,385,747,374
Current portion of liabilities against assets subject to finance lease	48,337,259	38,672,516
Current portion of long term murabaha	120,000,000	120,000,000
Current portion of long term financing	3,308,333,334	3,170,833,334
	9,979,339,552	7,411,881,095
	28,192,765,290	28,222,442,425

Contingencies and commitments

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The annexed notes from 1 to 12 form an integral part of this financial information.

CHIEF EXECUTIVE



BESTWAY CEMENT LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2010

	Unaudited March 31 2010 Rupees	Audited June 30 2009 Rupees
Non-current assets		
Property, plant and equipment	16,999,029,972	16,991,285,086
Investment property	336,340,149	336,340,149
Long term investments	6,096,180,347	5,297,909,985
Long term advances	24,018,000	720,741,010
Long term deposits	70,450,847	70,450,847
	23,526,019,316	23,416,727,077
Current assets		
Stores, spare parts and loose tools	1,961,965,637	1,779,660,333
Stock in trade	810,733,793	1,056,308,381
Trade debts- considered good	198,293,546	585,065,905
Advances	276,144,236	288,323,020
Deposits and prepayments	9,786,763	9,041,107
Interest accrued	-	89,941
Other receivables	430,092,903	72,295,479
Due from Government agencies	691,043,801	562,639,377
Cash and bank balances	288,685,293	452,291,805
	4,666,745,974	4,805,715,348
	28,192,765,290	28,222,442,425

DIRECTOR & CFO



BESTWAY CEMENT LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT/
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE
NINE MONTHS ENDED MARCH 31, 2010

	For the nine months ended		For the three months ended	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
	Rupees	Rupees	Rupees	Rupees
Turnover - net	10,006,993,287	10,825,446,846	2,919,447,819	3,405,259,885
Cost of sales	8,441,729,406	7,482,128,685	2,883,791,924	2,422,651,701
Gross profit	1,565,263,881	3,343,318,161	35,655,895	982,608,184
Administrative expenses	93,598,962	79,944,556	29,514,708	22,466,057
Distribution cost	845,837,764	994,313,869	29,468,141	214,339,281
Other operating expenses	-	31,014,008	-	7,435,296
Finance cost	1,603,907,207	1,648,779,569	562,858,856	597,096,930
Other income	(257,321,666)	(239,824,136)	(239,132,926)	(104,205,625)
	2,286,022,268	2,514,227,866	382,708,779	737,131,939
(Loss)/ Profit before taxation	(720,758,387)	829,090,295	(347,052,884)	245,476,245
Taxation - Current	87,903,132	71,825,864	38,650,125	23,006,393
- Deferred	(190,859,909)	28,216,433	(151,138,961)	49,390,329
	(102,956,778)	100,042,297	(112,488,836)	72,396,722
(Loss)/ Profit after taxation	(617,801,609)	729,047,998	(234,564,048)	173,079,523
(Loss)/ Earnings per share (basic and diluted)	(1.90)	2.24	(0.72)	0.53

The annexed notes from 1 to 12 form an integral part of this financial information.

CHIEF EXECUTIVE

DIRECTOR & CFO



BESTWAY CEMENT LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
(UNAUDITED) FOR THE NINE MONTHS ENDED
MARCH 31, 2010

	For the nine months ended	
	March 31, 2010	March 31, 2009
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss)/ profit before taxation	(720,758,387)	829,090,295
Adjustments for:		
Gain on disposal of property, plant and equipment	(415,005)	(841,402)
Depreciation	486,623,761	428,539,371
Rental income from investment property	(8,819,165)	(26,601,594)
Profit on deposit accounts	(438,057)	(301,238)
Profit on held to maturity investment	(6,602)	-
Finance cost	1,603,907,207	1,648,779,569
Provision for staff retirement benefits	16,687,120	10,447,176
Dividend Income	(212,840,325)	(193,491,209)
Exchange gain	(23,721,247)	(57,084,592)
	1,860,977,688	1,809,446,080
	1,140,219,301	2,638,536,375
(Increase)/ decrease in current assets		
Stores, spare parts and loose tools	(182,305,304)	357,483,127
Stock in trade	245,574,588	(471,716,299)
Trade debts	386,772,359	(23,926,668)
Advances	12,178,784	(87,630,716)
Deposits and prepayments	(745,656)	(2,185,230)
Accrued profit	89,941	23,904
Other receivables	62,648,623	(786,620,836)
Due from government agencies	(128,404,424)	(161,294,498)
Increase/ (decrease) in current liabilities		
Trade and other payables	134,093,260	(633,971,702)
	529,902,170	(1,809,838,917)
Cash generated from operations	1,670,121,470	828,697,458
Finance cost paid	(1,216,045,853)	(1,126,062,515)
Staff retirement benefits paid	(13,604,026)	(4,864,775)
Income tax paid	(207,605,723)	(187,342,294)
	(1,437,255,603)	(1,318,269,584)
Net cash generated from/used in operating activities	232,865,868	(489,572,126)
CASH FLOWS FROM INVESTING ACTIVITIES		
Deletions/(additions) in capital work in progress	2,340,020,080	(1,678,671,535)
Additions in fixed assets	(2,835,335,129)	(237,821,443)
Additions in long term investments - net	(101,540,751)	-
Proceeds from the encashment of performance guarantees	-	674,903,451
Proceeds from sale of fixed assets	1,361,408	260,943
Dividend received from associated company- UBL	-	116,094,725
Additions to long term advances and deposits	-	4,003,000
Profit received on deposit accounts	438,057	301,238
Net cash used in investing activities	(995,056,336)	(1,120,929,623)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short term borrowings	1,808,872,937	229,087,056
Long term financing including murabaha - disbursements	400,000,000	1,666,122,400
- repayments	(2,034,010,228)	(726,696,666)
Proceeds from issue of right shares	-	385,031,274
Net cash generated from financing activities	174,862,709	1,553,544,064
Net decrease in cash and cash equivalents	(187,327,759)	(56,957,684)
Cash and cash equivalents at beginning of the period	452,291,805	348,573,988
Exchange gain	23,721,247	57,084,592
Cash and cash equivalents at end of the period	288,685,293	348,700,896

The annexed notes from 1 to 12 form an integral part of this financial information.

CHIEF EXECUTIVE

DIRECTOR & CFO



BESTWAY CEMENT LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
(UNAUDITED) FOR THE NINE MONTHS ENDED
MARCH 31, 2010

	Capital reserve		Revenue reserve		Total
	Rupees	Rupees	Rupees	Rupees	
Balance as at July 01, 2008	2,832,587,750	901,277,930	1,102,077,293	2,020,561,237	6,856,504,210
Total comprehensive income for the period					
Advance for issue of shares received during the period	-	-	385,031,267	-	385,031,267
Right issues (1 right share for every 10 shares held as on June 30, 2008)	424,888,160	-	(424,888,160)	-	-
Premium on issue of right shares (@ Rs. 25 per right share)	-	1,062,220,400	(1,062,220,400)	-	-
Profit after tax for the period	-	-	729,047,998	-	729,047,998
Total comprehensive income for the period			729,047,998		729,047,998
Balance as at March 31, 2009	3,257,475,910	1,963,498,330	-	2,749,609,235	7,970,583,475
Balance as at June 30, 2009	3,257,475,910	1,963,498,330	-	2,994,585,223	8,215,559,463
Total comprehensive income for the period					
Loss after tax for the period	-	-	-	(617,801,609)	(617,801,609)
Total comprehensive income/ (loss) for the period				(617,801,609)	(617,801,609)
Balance as at March 31, 2010	3,257,475,910	1,963,498,330	-	2,376,783,614	7,397,757,854

The annexed notes from 1 to 12 form an integral part of this financial information.

CHIEF EXECUTIVE

DIRECTOR & CFO



BESTWAY CEMENT LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL
INFORMATION (UNAUDITED) FOR THE NINE MONTHS
ENDED MARCH 31, 2010

1 LEGAL STATUS AND OPERATIONS

Bestway Cement Limited ("the Company") is a public company incorporated in Pakistan on December 22, 1993 under the Companies Ordinance, 1984 and is listed on the Karachi Stock Exchange (Guaranteed) Limited since April 9, 2001. The Company is engaged in production and sale of cement. The Company's registered office is situated at Bestway Building, 19-A, College Road F-7 Markaz, Islamabad.

2 BASIS OF PREPARATION

- 2.1 This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.
- 2.2 This condensed interim financial information is unaudited and is being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984 and in accordance with the requirements of International Accounting Standard 34 "Interim Financial Reporting".
- 2.3 This condensed interim financial information does not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended June 30, 2009. Comparative figures of the balance sheet are extracted from the audited annual financial statements for the year ended June 30, 2009 whereas comparative profit and loss account, statement of changes in equity and cash flow statement are stated from unaudited condensed interim financial information for the nine months period ended March 31, 2009.

3. ACCOUNTING POLICIES AND ESTIMATES

Except as described below, the accounting policies, related judgments, estimates and assumptions adopted for preparation of this condensed interim financial information are the same as those applied in preparation of the annual audited financial statements for the year ended June 30, 2009.

3.1 Change in accounting policy

The Company has applied revised IAS-1; "Presentation of financial Statements (2007)", which became effective as of 01 January 2009. This change requires the Company to present all transactions with the owners in the statement of changes in equity whereas all other changes in equity are presented in statement of comprehensive income. However separate statement of comprehensive income has not been presented in this condensed interim financial information as there was no item to report as of and for the nine months ended March 31, 2010 except for the profit/ (loss) for the period. This presentation has been applied in this condensed interim financial information as of and for the nine months ended March 31, 2010. Comparative information has been represented so that it is also in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earning per share.

**BESTWAY CEMENT LIMITED**

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2010

3.2 Accounting policies, related judgments, estimates and assumptions adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2009.

4 LONG TERM FINANCING - secured	Unaudited March 31, 2010 Rupees	Audited June 30, 2009 Rupees
Balance at the beginning of period/ year	14,626,636,670	13,970,000,000
Disbursements during the period/ year	400,000,000	2,570,000,000
Repayments during the period/ year	(1,974,010,228)	(1,913,363,330)
Balance at the end of period/ year	<u>13,052,626,442</u>	<u>14,626,636,670</u>
Less: Current portion shown under current liabilities	<u>(3,308,333,334)</u>	<u>(3,170,833,334)</u>
	<u>9,744,293,108</u>	<u>11,455,803,336</u>
5 LONG TERM MURABAHA - secured		
Balance at beginning of the period/ year	450,000,000	540,000,000
Disbursements during the period/ year	-	-
Repayments during the period/ year	(60,000,000)	(90,000,000)
	<u>390,000,000</u>	<u>450,000,000</u>
Current portion of long term murabaha	(120,000,000)	(120,000,000)
Balance at end of the period/ year	<u>270,000,000</u>	<u>330,000,000</u>

6 SHORT TERM BORROWINGS - secured

During the period, the Company has obtained short term finance facilities amounting to Rs. 1,458 million from banks having maturity of one month to six months or on rollover basis. These facilities carry markup ranging from one month's KIBOR plus 0.75% per annum to three months' KIBOR plus 1.75% per annum. These facilities are secured against first pari passu hypothecation charge on present and future assets of the Company excluding land and building amounting to Rs. 1,544 million and stand by letter of credit (SBL) against dollar deposits equivalent to Rs. 300 million.

**BESTWAY CEMENT LIMITED**

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2010

7 CONTINGENCIES AND COMMITMENTS**7.1 Contingencies**

Contingencies are same as disclosed in the annual financial statements for the year ended June 30, 2009.

	Unaudited March 31, 2010 Rupees	Audited June 30, 2009 Rupees
7.2 Commitments		
7.2.1 In respect of letters of credit and contracts	<u>1,636,109,718</u>	<u>894,060,562</u>
7.2.2 In respect of bank guarantees	<u>67,329,762</u>	<u>85,115,746</u>

7.3 All bank guarantees are secured by way of charge over operating fixed assets of the Company.

8 PROPERTY, PLANT AND EQUIPMENT

	Unaudited March 31, 2010 Rupees	Audited June 30, 2009 Rupees
8.1 Movement in property, plant and equipment		
Carrying value at beginning of the period/ year	16,991,285,086	16,004,481,991
Additions during the period/ year	8.2 523,577,162	2,516,194,068
Carrying value of disposals/ adjustments during the period/ year	(29,208,516)	(954,790,231)
Depreciation charge for the period/ year	<u>(486,623,761)</u>	<u>(574,600,742)</u>
Carrying value at end of the period/ year	<u>16,999,029,972</u>	<u>16,991,285,086</u>

**BESTWAY CEMENT LIMITED**

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL
INFORMATION (UNAUDITED) FOR THE NINE MONTHS
ENDED MARCH 31, 2010

	Unaudited March 31, 2010 Rupees	Audited June 30, 2009 Rupees
8.2 Additions in property, plant and equipment		
Freehold land	4,506,461	10,054,510
Buildings on freehold land	225,167,659	35,524,346
Plant and machinery	2,568,587,892	247,941,724
Quarry Equipment	-	151,174,213
Other equipment	4,146,489	13,367,442
Furniture and fixture	1,935,782	5,402,793
Vehicle	3,401,194	22,582,545
Office equipment	5,788,928	7,510,983
Capital work in progress	<u>(2,289,957,243)</u>	<u>2,022,635,512</u>
	<u>523,577,162</u>	<u>2,516,194,068</u>

9 LONG TERM INVESTMENTS

During the period Company made an investment of Rs. 798.26 million in Mustehkam Cement Limited (a subsidiary company) against issue of 26,608,792 ordinary shares of Rs. 10 each at a premium of Rs. 20.

10 TRANSACTIONS WITH RELATED PARTIES

Bestway (Holdings) Limited, U.K. is the ultimate parent company of the Company, therefore all subsidiaries and associated undertakings of Bestway (Holdings) Limited, U.K are related parties of the Company. Other related parties comprise of subsidiary company, associated undertakings, major shareholders, entities with common directorships, directors and key management personnel. Transactions with related parties during the period are as follows:

**BESTWAY CEMENT LIMITED**

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL
INFORMATION (UNAUDITED) FOR THE NINE MONTHS
ENDED MARCH 31, 2010

	Nine months ended March 31,	
	2010 Rupees	2009 Rupees
Parent company		
Management fee (expense)	503,045	821,099
Subsidiary company		
Sale of coal	533,310,654	249,806,377
Purchase of coal	-	243,411,900
Advances given	551,469,000	1,189,080,373
Recoveries made	475,660,604	313,607,393
Purchase of clinker	174,836,579	114,662,976
Management fee (income)	22,500,000	18,000,000
Markup on advances given	49,700,430	26,954,076
Sale of cement	-	18,172,883
Stores, spare parts and loose tools given	18,167,158	9,563,010
Stores, spare parts and loose tools received	13,074,158	3,632,512
Expenses incurred on their behalf	2,226,035	1,514,098
Associated undertakings under common directorship		
Service and bank charges	2,344,719	2,076,864
Expenses incurred on their behalf	-	6,780,873
Management fee (income)	360,000	360,000
Office rent received	495,079	465,075
Utility expense received	30,695	37,652
Dividend received	-	193,491,209
Recoveries made	1,811,973	-
Sale of cement	-	126,000
Other related parties		
- Key management personnel		
Remuneration and allowances	98,621,520	102,974,727



BESTWAY CEMENT LIMITED

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL
INFORMATION (UNAUDITED) FOR THE NINE MONTHS
ENDED MARCH 31, 2010**

11 DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue by the Board of Directors of the Company in the meeting held on **30 April 2010**.

12 GENERAL

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE

DIRECTOR & CFO



**Consolidated
Financial Information
March 2010**



BESTWAY CEMENT LIMITED
CONDENSED INTERIM CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2010

	Note	Unaudited March 31, 2010 Rupees	Audited June 30, 2009 Rupees
SHARE CAPITAL AND RESERVES			
Authorised share capital 350,000,000 (2008: 350,000,000) ordinary shares of Rs. 10 each		<u>3,500,000,000</u>	<u>3,500,000,000</u>
Issued, subscribed and paid up share capital		3,257,475,910	3,257,475,910
Share premium		1,963,498,330	1,963,498,330
Exchange reserve		352,027,905	316,321,377
Cash flow hedge reserve		(9,672,558)	(12,786,337)
Unappropriated profit		<u>3,611,523,653</u>	<u>4,230,726,308</u>
		<u>9,174,853,240</u>	<u>9,755,235,588</u>
Minority interest		<u>531,634,472</u>	<u>481,507,638</u>
		<u>9,706,487,712</u>	<u>10,236,743,226</u>
NON CURRENT LIABILITIES			
Long term financing - secured	5	<u>13,644,293,108</u>	15,655,803,336
Liability against assets subject to finance lease-secured		175,736,645	194,033,624
Long term murabaha-secured	6	<u>270,000,000</u>	330,000,000
Long term advances		-	1,749,960
Long term security deposits		600,900	225,000
Deferred liabilities		<u>2,392,251,951</u>	<u>2,496,529,780</u>
		<u>16,482,882,605</u>	<u>18,685,226,649</u>
CURRENT LIABILITIES			
Trade and other payables		<u>2,553,396,863</u>	1,515,244,677
Markup payable		966,863,018	435,441,878
Short term borrowings - secured	7	<u>5,031,420,530</u>	3,450,242,645
Current portion of liability against asset subject to finance lease		48,337,259	38,672,516
Current portion of long term murabaha	6	<u>120,000,000</u>	120,000,000
Current portion of long term financing	5	<u>3,608,333,334</u>	<u>3,170,833,334</u>
		<u>12,328,351,004</u>	<u>8,730,435,050</u>
		<u>38,517,721,321</u>	<u>37,645,519,976</u>

CONTINGENCIES AND COMMITMENTS 8

The annexed notes 1 to 12 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE



BESTWAY CEMENT LIMITED
CONDENSED INTERIM CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2010

	Note	Unaudited March 31, 2010 Rupees	Audited June 30, 2009 Rupees
NON CURRENT ASSETS			
Property, plant and equipment	9	<u>25,921,513,178</u>	25,215,948,736
Goodwill		1,135,192,353	1,135,192,353
Investment property		336,340,149	336,340,149
Long term investments		<u>5,228,365,077</u>	<u>4,793,728,886</u>
Long term advance		24,018,000	28,021,000
Long term deposits		<u>87,495,534</u>	<u>87,495,534</u>
		<u>32,732,924,291</u>	<u>31,596,726,658</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		<u>2,462,671,948</u>	2,218,330,368
Stock in trade		1,028,874,227	1,253,453,026
Trade debts- considered good		207,657,533	588,805,549
Advances		<u>329,179,509</u>	<u>333,343,138</u>
Deposits and prepayments		12,016,191	10,132,921
Interest accrued		-	89,941
Other receivables		217,864,957	3,845,193
Due from Government agencies		<u>1,201,869,319</u>	<u>1,178,627,762</u>
Cash and bank balances		<u>324,663,346</u>	<u>462,165,420</u>
		<u>5,784,797,030</u>	<u>6,048,793,318</u>
		<u>38,517,721,321</u>	<u>37,645,519,976</u>

DIRECTOR & CFO

**BESTWAY CEMENT LIMITED**

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT/
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE
NINE MONTHS ENDED MARCH 31, 2010

	For the nine months ended		For the three months ended	
	March 31,		March 31,	
	2010 Rupees	2009 Rupees	2010 Rupees	2009 Rupees
Turnover-net	10,468,874,839	11,910,202,552	3,212,888,504	3,687,448,586
Cost of sales	8,957,595,674	8,454,773,083	3,131,938,163	2,695,113,978
GROSS PROFIT	1,511,279,165	3,455,429,469	80,950,341	992,334,608
Administrative expenses	123,725,178	104,208,979	36,015,694	30,344,803
Distribution cost	850,120,511	1,072,438,857	31,384,047	215,945,484
Other operating expenses	-	31,014,008	-	7,435,295
Finance cost	1,772,438,600	1,783,022,539	691,029,471	633,202,216
Other operating income	(42,554,375)	(48,620,060)	(23,597,510)	(26,801,355)
	2,703,729,914	2,942,064,323	734,831,702	860,126,443
Share of profit in associated company	587,746,364	406,543,874	210,560,436	196,963,862
(LOSS)/ PROFIT BEFORE TAXATION	(604,704,386)	919,909,020	(443,320,926)	329,172,027
Taxation	33,892,314	(254,364,399)	146,644,881	(139,894,941)
(LOSS)/ PROFIT FOR THE PERIOD	(570,812,071)	665,544,621	(296,676,044)	189,277,086
Attributable to:				
Shareholders of the Bestway Cement Limited	(562,430,001)	677,308,292	(294,127,508)	186,760,112
Minority interest	(8,382,071)	(11,763,671)	(2,548,537)	2,516,974
	(570,812,071)	665,544,621	(296,676,044)	189,277,086

The annexed notes 1 to 12 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE

DIRECTOR & CFO

**BESTWAY CEMENT LIMITED**

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT
(UNAUDITED) FOR THE NINE MONTHS ENDED
MARCH 31, 2010

	2010 Rupees	2009 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss)/ profit before taxation	(604,704,386)	919,909,019
Adjustments for:		
Gain on disposal of property, plant and equipment	(415,005)	(841,402)
Depreciation	668,950,163	576,858,420
Rental income from investment property	(8,819,165)	(26,601,594)
Profit on deposit accounts	(438,057)	(301,238)
Share of profit in associated company	(587,746,364)	(406,543,874)
Profit on held to maturity investment	(6,602)	-
Finance cost	1,772,438,600	1,783,022,539
Provision for staff retirement benefits	22,211,785	12,601,220
Exchange gain	(23,721,247)	(55,607,929)
	1,842,454,109	1,882,586,142
	1,237,749,723	2,802,495,161
(Increase)/ decrease in current assets		
Stores, spare parts and loose tools	(244,341,579)	331,521,733
Stock in trade	224,578,800	(454,606,999)
Trade debts	381,148,016	(22,419,917)
Advances	4,163,629	(210,276,330)
Deposits and prepayments	(1,883,270)	(3,510,155)
Accrued profit	89,941	23,904
Other receivables	62,648,623	105,817,674
Due from Government agencies	(8,534,693)	(230,526,421)
Increase/ (decrease) in current liabilities		
Trade and other payables	1,101,095,916	(272,248,234)
	1,518,965,383	(756,224,745)
	2,756,715,106	2,046,270,416
Cash generated from operations		
Finance cost paid	(1,435,996,173)	(1,275,859,118)
Staff retirement benefits paid	(19,482,179)	(6,134,112)
Income tax paid	(228,427,816)	(231,246,674)
	(1,683,906,168)	(1,513,239,904)
	1,072,808,938	533,030,512
CASH FLOWS FROM INVESTING ACTIVITIES		
Deletions/ (additions) to capital work in progress	7,208,616,176	(4,789,192,407)
Additions in fixed assets	(8,434,890,937)	(268,435,904)
Decrease/ (increase) in stores held for capitalization	37,160,233	(37,699,291)
Proceeds from encashment of performance guarantee	-	674,903,451
Additions in long term investments - net	(101,540,751)	-
Proceeds from sale of fixed assets	1,361,408	260,943
Additions to long term advances and deposits	-	4,003,000
Profit received on deposit accounts	438,057	301,238
Dividend received	-	116,094,725
Net cash used in investing activities	(1,288,855,815)	(4,299,764,245)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short term borrowings	1,581,177,884	727,424,424
Long term financing including murabaha - disbursements	400,000,000	3,384,122,400
- repayments	(2,034,010,228)	(726,696,666)
Proceeds from issue of right shares	107,280,000	385,031,274
Increase in long term security deposits	375,900	-
Net cash generated from financing activities	54,823,556	3,769,881,432
Net cash used during the period	(161,223,321)	3,147,699
Cash and cash equivalents at beginning of the period	462,165,420	368,032,517
Exchange gain	23,721,247	55,607,929
Cash and cash equivalents at end of the period	324,663,346	426,788,145

The annexed notes 1 to 12 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE

DIRECTOR & CFO



BESTWAY CEMENT LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2010

	Attributable to shareholders of the Parent Company				Total	Minority interest				Total
	Share premium	Exchange reserve	Cash flow hedge reserve	Advance for issue of right shares		Unappropriated profit	Total	Minority interest	Total	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Issued, subscribed and paid up share capital										
Balance as at July 01, 2009	901,277,930	159,604,386	-	1,102,077,293	3,161,834,233	8,137,381,792	497,041,860		8,634,425,652	
Changes in equity for the year ended June 30, 2009										
Loss for the year	-	-	-	-	1,068,892,075	1,068,892,075	(15,534,222)		1,053,357,853	
Total recognised income and expense for the year	-	-	-	-	1,068,892,075	1,068,892,075	(15,534,222)		1,053,357,853	
Parent Company's share of associate's exchange translation reserve-net	-	-	-	-	-	-	-	-	-	
Issue of share capital	1,062,270,400	156,716,791	-	(424,888,160)	1,567,167,911	1,567,167,911	-		1,567,167,911	
Premium on issue of right shares	-	-	-	(1,062,270,400)	-	-	-	-	-	
Cash flow hedge reserve	-	-	(12,786,337)	-	-	(12,786,337)	-	-	(12,786,337)	
Advance for issue of right shares received during the year	-	-	385,051,267	-	385,051,267	385,051,267	-	-	385,051,267	
Balance as at June 30, 2009	1,963,498,330	316,321,377	(12,786,337)	-	4,230,726,386	9,753,235,588	481,507,638		10,236,463,226	
Changes in equity for the period ended March 31, 2010										
Loss for the period	-	-	-	-	(562,480,001)	(562,480,001)	(8,382,071)		(570,812,071)	
Total comprehensive loss for the period	-	-	-	-	(562,480,001)	(562,480,001)	(8,382,071)		(570,812,071)	
Transactions with owners, recorded directly in equity										
Issue of right shares	-	-	-	-	-	-	-	-	-	
Premium on issue of right shares	-	-	-	-	(56,772,655)	(56,772,655)	5,072,655		1,157,500	
Increase in minority interest due to purchase of minority shares by Parent Company	-	-	-	-	-	-	-	-	-	
Parent Company's share of associate's exchange translation reserve-net	-	-	-	-	-	-	-	-	-	
Cash flow hedge reserve	-	35,706,528	3,113,780	-	31,157,308	31,157,308	-		35,706,528	
Balance as at March 31, 2010	1,963,498,330	352,027,905	(9,672,550)	-	3,611,533,653	9,174,853,240	531,634,472		9,706,487,712	

The annexed notes 1 to 12 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE

DIRECTOR & CFO



BESTWAY CEMENT LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2010

1 LEGAL STATUS AND OPERATIONS

Bestway Cement Limited ("the Parent Company") is a public company incorporated in Pakistan on December 22, 1993 under the Companies Ordinance, 1984 and is listed on the Karachi Stock Exchange (Guarantee) Limited since April 9, 2001. The Parent Company is engaged in production and sale of cement. The Parent Company's registered office is situated at Bestway Building, 19-A, College Road, F-7 Markaz, Islamabad.

The Parent Company has 95.027% holding in Mustehkam Cement Limited ("the Subsidiary Company") out of which 85.29% was acquired on 10 November 2005 through privatisation by the Government of Pakistan. The Subsidiary Company is a public company incorporated in Pakistan on July 29, 1954 under the Companies Act, 1913 since repealed and replaced by the Companies Ordinance, 1984 and is listed on the Karachi, Lahore and Islamabad Stock Exchanges. The Subsidiary Company is engaged in production and sale of cement. The Subsidiary Company's registered office is situated at Bestway Building, 19-A, College Road, F-7 Markaz, Islamabad.

2 BASIS OF CONSOLIDATION

- 2.1 These condensed interim consolidated financial statements include the financial statements of the Parent Company and the Subsidiary Company together constituting "the Group".
- 2.2 Subsidiaries are those enterprises in which the Parent Company directly or indirectly controls, beneficially owns or holds more than 50 percent of the voting securities or otherwise has power to elect and appoint more than 50 percent of its directors. The financial statements of the Subsidiary Company are included in the consolidated financial statements from the date the control commences until the date the control ceases. The financial statements of the Subsidiary Company have been consolidated on a line-by-line basis.
- 2.3 All material inter company balances, transactions and resulting unrealized profits/(losses) have been eliminated.
- 2.4 Minority interest is that part of net results of the operations of the Subsidiary Company attributable to interests which are not owned by the Parent Company. Minority interest is presented as a separate item in the consolidated financial statements.

3 BASIS OF PREPARATION

- 3.1 This condensed interim consolidated financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.
- 3.2 These condensed interim consolidated financial statements are unaudited and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of International Accounting Standard 34 "Interim Financial Reporting".
- 3.3 This condensed interim consolidated financial information does not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended June 30, 2009. Comparative figures of the balance sheet are extracted from the audited annual consolidated financial statements for the year ended June 30, 2009 whereas comparative profit and loss account, statement of changes in equity and cash flow statement are stated from unaudited condensed interim consolidated financial information for the nine months period ended March 31, 2009.

**BESTWAY CEMENT LIMITED**

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2010

4 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

Except as described below, the accounting policies, related judgments, estimates and assumptions adopted for preparation of this condensed interim consolidated financial information are the same as those applied in preparation of the annual audited consolidated financial statements for the year ended June 30, 2009.

4.1 Change in accounting policy

The Company has applied revised IAS-1; "Presentation of financial Statements (2007)", which became effective as of 01 January 2009. This change requires the Company to present all transactions with the owners in the statement of changes in equity whereas all other changes in equity are presented in statement of comprehensive income. However separate statement of comprehensive income has not been presented in this condensed interim consolidated financial information as there was no item to report as of and for the nine months ended March 31, 2010 except for the profit/ (loss) for the period. This presentation has been applied in this condensed interim consolidated financial information as of and for the nine months ended March 31, 2010. Comparative information has been represented so that it is also in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earning per share.

5 LONG TERM FINANCING - secured

	Unaudited	Audited
	March 31, 2010	March 31, 2009
	Rupees	Rupees
Balance at the beginning of period/ year	18,826,636,670	18,260,000,002
Disbursements during the period/ year	400,000,000	2,570,000,000
Repayments during the period/ year	1,974,010,228	(2,003,363,332)
Balance at the end of period/ year	17,252,626,442	18,826,636,670
Less: Current portion shown under current liabilities	(3,608,333,334)	(3,170,833,334)
	13,644,293,108	15,655,803,336

6 LONG TERM MURABAHA - secured

Balance at beginning of the period/ year	450,000,000	540,000,000
Disbursements during the period/ year	-	-
Repayments during the period/ year	(60,000,000)	(90,000,000)
	390,000,000	450,000,000
Current portion of long term murabaha	(120,000,000)	(120,000,000)
Balance at end of the period/ year	270,000,000	330,000,000

**BESTWAY CEMENT LIMITED**

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2010

7 SHORT TERM BORROWINGS - secured

During the period, the Group has obtained running finance facilities amounting to Rs. 1,458 million from banks having maturity of one month to six months or on rollover basis. These facilities carry markup ranging from one month's KIBOR plus 0.75% per annum to three months' KIBOR plus 1.75% per annum. These facilities are secured against first pari passu hypothecation charge on present and future assets of the Company excluding land and building amounting to Rs. 1,544 million and stand by letter of credit (SBLC) against dollar deposits equivalent to Rs. 300 million.

8 CONTINGENCIES AND COMMITMENTS**8.1 Contingencies**

Contingencies are same as disclosed in the annual consolidated financial statements for the year ended June 30, 2009.

	Unaudited	Audited
	March 31, 2010	June 30, 2009
	Rupees	Rupees
8.2 Commitments		
8.2.1 In respect of letters of credit and contracts	1,770,887,034	2,262,114,878
8.2.2 In respect of bank guarantees	67,329,762	85,115,746

8.3 All bank guarantees are secured by way of charge over fixed assets of the Group.

8.4 Share of contingencies & commitments in associated company**8.4.1 Contingencies**

Direct credit substitutes	1,508,001,584	1,966,958,744
Transactions related	7,394,502,087	6,662,352,029
Trade related	10,404,426,105	10,998,792,626
Others	1,569,120,264	1,418,947,934

8.4.2 Commitments

In respect of sale of forward foreign exchange contracts	4,518,936,090	4,208,754,371
In respect of purchase of forward foreign exchange contracts	8,102,040,336	4,780,999,769
Others	3,857,417,411	4,551,837,440

**BESTWAY CEMENT LIMITED**

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS
ENDED MARCH 31, 2010

9	PROPERTY, PLANT AND EQUIPMENT	Note	Unaudited	Audited
			March 31, 2010	June 30, 2009
			Rupees	Rupees
	Fixed assets		25,737,574,431	17,972,580,058
	Capital work in progress		100,934,246	7,073,141,108
	Stores held for capitalisation		83,004,501	170,227,570
		9.1	<u>25,921,513,178</u>	<u>25,215,948,736</u>
9.1	Movement in property, plant and equipment			
	Book value at the beginning of the period/ year		25,215,948,736	20,260,091,385
	Additions during the period/ year	9.2	6,123,132,970	6,684,307,004
	Book value of disposals/ adjustments during the period/ year		(4,748,618,365)	(944,532,738)
	Depreciation charge for the period/ year		(668,950,163)	(783,916,915)
	Book value at the end of the period/ year		<u>25,921,513,178</u>	<u>25,215,948,736</u>
9.2	Additions in property, plant and equipment			
	Freehold land		4,604,211	18,452,210
	Buildings		1,261,312,253	28,630,087
	Plant and machinery		7,125,028,668	100,718,725
	Quarry equipment		-	151,174,213
	Other equipment		4,499,554	27,029,643
	Furniture and fixture		2,851,253	6,279,440
	Office equipment		10,131,867	9,629,668
	Vehicles		4,662,407	25,664,809
	Capital work in progress		(2,289,957,243)	6,316,728,209
			<u>6,123,132,970</u>	<u>6,684,307,004</u>

**BESTWAY CEMENT LIMITED**

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS
ENDED MARCH 31, 2010

10 TRANSACTIONS WITH RELATED PARTIES

The Group is control by the ultimate parent company, therefore all subsidiaries and associated undertakings of the ultimate parent company are related parties of the Group. Other related parties comprise of directors, key management personnel, entities with common directorships and entities over which the directors are able to exercise influence. The transactions with related parties are as follows:

	Nine months ended March 31	
	2010	2009
	Rupees	Rupees
Parent company		
Management fee (expense)	503,045	821,099
Associated undertakings under common directorship		
Service and bank charges	2,744,099	2,475,590
Expenses incurred on their behalf	-	6,780,873
Management fee (income)	360,000	360,000
Office rent received	495,079	465,075
Utility expense paid	30,695	37,652
Receivables made	1,811,973	-
Dividend received	-	193,491,209
Sale of cement	-	126,000
Other related parties		
- Key management personnel		
Remuneration and allowances	102,990,001	111,104,727

11 DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue by the Board of Directors of the Company in the meeting held on **April 30, 2010**

12 GENERAL

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE**DIRECTOR & CFO**