

# 2020

ANNUAL REPORT



**BUILDING  
ON STRENGTH**  
BESTWAY CEMENT LIMITED



**BESTWAY CEMENT LIMITED**  
**BUILDING ON STRENGTH**



**GO  
GREEN**



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BESTWAY CEMENT LIMITED - PAKISTAN'S ONLY CEMENT MANUFACTURER TO TAKE ORDERS ONLINE AT YOUR CONVENIENCE.  
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**XTREME  
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SPECIAL TILE ADHESIVE FOR  
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**PAKCEM**  
ORDINARY PORTLAND CEMENT  
ALL PURPOSE CEMENT

**BESTWAY**  
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ALL PURPOSE CEMENT



YOU CAN ALSO BUY THROUGH OUR DISTRIBUTION CHANNEL



**LOW ALKALI CEMENT** (SPECIALTY PORTLAND CEMENT FOR CONCRETE & MORTAR)  
**SRC** (SPECIALTY PORTLAND CEMENT FOR CONCRETE & MORTAR)  
**LOW ALKALI CEMENT** (SPECIALTY PORTLAND CEMENT FOR CONCRETE & MORTAR)  
**DURA CEM** (SPECIALTY PORTLAND CEMENT FOR CONCRETE & MORTAR)  
**STALLION** (SPECIALTY PORTLAND CEMENT FOR CONCRETE & MORTAR)  
**ECOCEM** (SPECIALTY PORTLAND CEMENT FOR CONCRETE & MORTAR)  
**XTREME** (SPECIALTY PORTLAND CEMENT FOR CONCRETE & MORTAR)

**REGIONAL SALES OFFICES**

**RAWALPINDI**  
051 5513110

**PESHAWAR**  
091 5844346

**LAHORE**  
042 35784280

**MULTAN**  
061 4540022

**BUILDING ON STRENGTH**

+92 51 111 111 722

[www.bestway.com.pk](http://www.bestway.com.pk)

# CONTENTS

Company Information	1
Notice of Annual General Meeting	2
Vision and Mission	3
Corporate Social Responsibility Award 2019	5
Product Portfolio	6
Chairman's Review	7
Directors' Report	9
Report of Audit Committee	17
Statement of Compliance with Listed Companies	19
CSR & Organizational Activities	21
Independent Auditors' Review Report	30
Independent Auditor's Report	31
Statement of Financial Position	35
Statement of Profit or Loss	37
Statement of Profit or Loss and other Comprehensive Income	38
Statement of Changes in Equity	39
Statement of Cash Flows	40
Notes to the Financial Statements	41
Key Operating and Financial Data for Six Years	92
Pattern of Shareholding	93
ڈائریکٹرز رپورٹ	103
Proxy Form	104
پراکسی فارم	106

BESTWAY



# COMPANY INFORMATION

## Board of Directors

Sir Mohammed Anwar Pervez, O.B.E., H. Pk	Chairman
Lord Zameer Choudrey, CBE, SI Pk	Chief Executive
Mr. Mohammed Younus Sheikh	Director
Mr. Dawood Pervez	Director
Mr. Muhammad Irfan A. Sheikh	Director Finance & CFO
Ms. Najma Naheed Pirzada	Director
Mr. Haider Zameer Choudrey	Director
Ms. Nazia Nazir	Director

## Audit Committee

Ms. Najma Naheed Pirzada	Chairperson
Mr. Dawood Pervez	
Mr. Haider Zameer Choudrey	

## Human Resource & Remuneration Committee

Ms. Nazia Nazir	Chairperson
Mr. Muhammad Irfan A. Sheikh	
Mr. Mohammed Younus Sheikh	

## Company Secretary

Ms. Sehar Husain

## Registered / Head Office

Bestway Building, 19-A, College Road,  
F-7 Markaz, Islamabad.  
Tel: +92 (0) 51 265 4856 – 64  
Fax: +92 (0) 51 265 4865  
Email: management@bestway.com.pk

## Plant Sites

### Hattar

Suraj Gali Road, Village Shadi, Hattar, Distt. Haripur,  
Khyber Pakhtunkhwa, Pakistan.  
Tel: +92 (0) 995 639 261 – 3  
Fax: +92 (0) 995 639 265  
Email: gmworks1@bestway.com.pk

### Farooqia

12 km, Taxila-Haripur Road,  
Farooqia, Tehsil & Distt. Haripur,  
Khyber Pakhtunkhwa, Pakistan.  
Tel: +92 (0) 995 639 501 – 3  
Fax: +92 (0) 995 639 505  
Email: gmworks2@bestway.com.pk

### Chakwal

Village Tatal, Near PSO Petrol Pump,  
22 km Kallar Kahar, Choa Saiden Shah Road,  
Chakwal, Pakistan.  
Tel: +92 (0) 543 584 560 – 62  
Fax: +92 (0) 543 584 274  
Email: gmworks3@bestway.com.pk

## Kallar Kahar

Choie Mallot Road, Tehsil Kallar Kahar,  
Distt. Chakwal, Pakistan.  
Tel: +92 (0) 51 402 0111  
Fax: +92 (0) 51 402 0230  
Email: gmworks4@bestway.com.pk

## Sales Office

House 276, Near Riphah University,  
Opposite Roomi Park, Peshawar Road,  
Rawalpindi.  
Tel: +92 (0) 51 551 3110, 512 5128 – 9  
Fax: +92 (0) 51 551 3109  
Email: directorsales@bestway.com.pk

## Statutory Auditors

A. F. Ferguson & Co., Chartered Accountants

## Legal Advisor

Syed Hassan Ali Raza, Advocate High Court

## Shares Department

THK Associates (Pvt.) Ltd.  
1st Floor, 40-C, Block-6, P.E.C.H.S.,  
Karachi-75400  
Tel: +92 (0) 21 111 000 322  
Fax: +92 (0) 21 3416827

## Bankers

- Allied Bank Limited
- Askari Bank Limited
- Bank Alfalah Limited
- Dubai Islamic Bank Pakistan Limited
- Faysal Bank Limited
- Habib Bank Limited
- Habib Metropolitan Bank Limited
- MCB Bank Limited
- Meezan Bank Limited
- National Bank of Pakistan
- Soneri Bank Limited
- Standard Chartered Bank (Pakistan) Limited
- United Bank Limited

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 27th Annual General Meeting of Bestway Cement Limited (the Company) will be held at Bestway Building, 19-A, College Road, F-7 Markaz, Islamabad at 3:00 p.m. on Friday, October 2, 2020 to transact the following business:

1. To confirm the minutes of Extraordinary General Meeting held on December 5, 2019.
2. To receive, consider and adopt the Annual Audited Financial Statements for the year ended June 30, 2020 together with the Directors' and Auditors' Reports thereon.
3. To approve cash dividend of Rs. 3 per share i.e. 30% already paid by the Company as interim dividend for the year ended June 30, 2020.
4. To appoint auditors of the Company and fix their remuneration for the year ending June 30, 2021. The retiring auditors M/s A. F. Ferguson & Co., Chartered Accountants have consented to be so appointed and the Board of Directors has recommended their appointment.
5. Any other business with the permission of the chair.

By Order of the Board

September 11, 2020  
Islamabad

**Sehar Husain**  
Company Secretary

## **NOTES:**

1. The share transfer books of the Company will remain closed from 26-09-2020 to 02-10-2020 (both days inclusive). No transfer will be accepted for registration during this period. Transfers received in order at M/s THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi-75400 upto the close of business on 25-09-2020 will be treated in time to attend the Annual General Meeting (AGM).
2. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend the meeting and vote instead of him/her. Proxies in order to be effective must be received by the Company not later than 48 hours before the meeting.

## **For CDC Account Holders/Corporate Entities:**

In addition to the above the following requirements have to be met:

3. The proxy form shall be witnessed by two persons whose names, addresses and NIC numbers shall be mentioned on the form.
4. Attested copies of NIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
5. The proxy shall produce his original NIC or original passport at the time of meeting.
6. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
7. Shareholders are informed that rate of withholding tax for non-filers is 30% against 15% for filers of the income tax returns. The shareholders are advised to e-file their returns as the Department places the names of the e-filers on their website and to provide their NTN to the Shares Registrars of the Company for availing the benefit of lower withholding rate.
8. In terms of section 242 of Companies Act, 2017, listed Companies are required to pay cash dividend only through electronic mode directly into the bank account designated by the entitled shareholders. In order to comply with this requirement, shareholders are therefore requested to immediately provide the dividend mandate (bank account details) to the share registrar of the company in case of physical shares and to the CDC in case shares are held electronically.
9. Shareholders are requested to promptly notify any changes in their addresses, mobile number and email.

## **Online Participation in AGM:**

In view of the prevailing situation on the spread of the COVID-19, the company has decided to conduct the Shareholders' Meeting online in order to protect the wellbeing of the shareholders. Therefore shareholders will be able to login and participate in the AGM proceedings through their smartphones or computer devices after completing all the formalities required for the verification and identification of the shareholders.

In this regard, shareholders are required to update their valid e-mail addresses with the Share Registrar, latest by September 25, 2020. A detailed procedure shall be communicated through e-mail directly to the shareholders who have provided their valid e-mail IDs and same shall be placed at the Company's website (<https://www.bestway.com.pk>) in investor relation section.

The shareholders who have already updated their valid e-mail addresses with the Company or its Share Registrar and are interested to attend AGM may send their folio number at [ir@bestway.com.pk](mailto:ir@bestway.com.pk) for their / their appointed proxy's verification. Such information should be sent from their duly registered valid e-mail address for the registration purposes latest by September 30, 2020.



# VISION

To produce  
**high quality**  
cement at the  
**lowest cost.**





# MISSION

- Consistently produce high quality cement.
- Endeavour to be the lowest cost producer.
- Achieve 25% of the market share of the North Zone in the short term and ultimately 30% in the longer term.
- Consistently maintain a high standard of customer service.
- Continue to invest in human resource through training, development and promotions from within whenever possible in order to meet future expansion needs.
- Continue to set aside adequate funds from the net profits for fulfilling its various social responsibilities, particularly in the field of education and health.





# CORPORATE SOCIAL RESPONSIBILITY AWARDS 2020



# PRODUCT PORTFOLIO



**ECOCEM**  
ECONOMY WITH STRENGTH  
ALL PURPOSE CEMENT



**BESTWAY**  
ORDINARY PORTLAND CEMENT  
ALL PURPOSE CEMENT



**PAKCEM**  
ORDINARY PORTLAND CEMENT  
ALL PURPOSE CEMENT



**STALLION**  
EARLY SETTING CEMENT  
FOR PRE-CAST



**LOW ALKALI**  
INFRASTRUCTURE PROJECTS  
ESPECIALLY FOR DAMS & BRIDGES



**DURA CEM**  
ORDINARY PORTLAND CEMENT  
ASTM C150 (TYPE I)



**LOW HEAT CEMENT**  
LOW HEAT OF HYDRATION CEMENT  
FOR MASS CONCRETING & DAMS



**SRC**  
SUPHATE RESISTANT CEMENT  
PROTECTS AGAINST  
WATER LOGGED & SALINE SOILS



**XTREME**  
TILE BOND  
TILE GROUT



**STALLION**  
HIGH QUALITY CEMENT  
ALL PURPOSE CEMENT



**BUZKASH**  
CEMENT  
STRONG, DURABLE, ECONOMICAL  
ALL PURPOSE CEMENT



**LION**  
LOW CHROME CEMENT



# CHAIRMAN'S REVIEW

## LEADING THROUGH CHALLENGING TIMES

It gives me great pleasure to place before you the financial statements of Bestway Cement Limited for the year ended 30 June 2020.

During the year Bestway successfully retained its position as one of the largest cement producers and the market leader in the country. We continued to invest in the infrastructure and technologies to make your Company's operations even more efficient. The management team, led by the Chief Executive, proactively adapted the business to face the challenging economic environment and the disruptions caused by Covid-19.

During the year under review, Bestway recorded a decline in turnover amid challenging market and economic conditions. Turnover decreased by 19%, from Rs. 79.0 billion during the last year to Rs. 63.7 billion in the year ended 30 June 2020. Gross profit for the year declined by 93% to Rs. 1.1 billion and net profit after tax amounted to Rs. 0.05 billion, impacted by fierce competition resulting in lower prices, increasing input costs, higher interest rates and currency devaluation. Decline in sales and profits were exacerbated by Covid-19 lockdowns during the fourth quarter.

Despite various challenges, it is a matter of great satisfaction that your management's proactive approach and preparedness meant that the Company demonstrated resilience and remains in good financial health.

Environment conservation has emerged as one of the most pressing issues in recent times all over the world. Pakistan is among some of the most vulnerable countries with depletion of water resources fast becoming a major

challenge. Your Company has always been at the forefront of environment protection. After pioneering Waste Heat Recovery Power Generation in cement industry of Pakistan, Bestway has also championed water conservation through replacement of the conventional Water-Cooled System with Air-Cooled Condenser System (ACC) at two of its plants, the first and only ones in the cement industry, which has resulted in reduction of about 80% in the industrial water requirements at those plants. Rainwater harvesting has been a key area of focus and your Company has made huge strides in not only improving the existing rainwater harvesting ponds but also setting up new ones. You would be pleased to learn that 100% of industrial water requirement at our Chakwal and Kallar Kahar plants are being fulfilled through rainwater harvesting.

Your Company has also installed latest technology Reverse Osmosis Plants to convert industrial waste water for reuse. Moreover, the domestic water of plant residential areas is also being treated and recycled thus conserving huge amounts of water.



## Sustainability

I firmly believe that our commitment to healthy financial performance needs to be matched by a continued focus on corporate social responsibility. The Company takes pride in its proactive development and welfare of the under-privileged through activities such as improving access to health services, education, vocational trainings, environmental conservation programmes, and helping create jobs and local employment. Your Company conducts its corporate social responsibility activities mainly through its charitable trust, Bestway Foundation. During the year under review, your Company spent more than Rs. 230 million on various CSR initiatives making it one of largest corporates in the country in terms of CSR spend.

Looking forward, we will continue to pursue initiatives which impact the socio-economic development of our local communities, particularly in the areas of health services and education, taking part in urban development and environmental conservation programs. We take pride in setting ambitious long-term sustainable development goals and reporting on our progress.

## Governance

Strong governance and transparent reporting are critical to retaining various stakeholders' trust and the long-term creation of value. Our firm commitment to corporate governance best practices enables us in achieving that goal and in managing our risks and opportunities effectively. Accordingly in 2019-20, the Company continued to conduct its operations with integrity and responsibility. Transparency in Bestway's operations has been an area of steady focus and continuous review over the years. All efforts are made to ensure adherence to strict internal standards of conduct as well as prescribed industry regulations.

## Outlook


While Pakistan appears to have controlled the Covid-19 situation quite well, risk of its resurgence would continue to dampen economic optimism till such time that a vaccine has been developed and widely available in the country.

The economic relief measures put in place by the Government to mitigate the effects of Covid-19 including various incentives for the construction industry seem to have been successful. This, coupled with government's particular focus on infrastructure development and housing, will likely result in higher domestic cement consumption and therefore higher revenues going forward.

Whilst there are many challenges ahead including rising cost of production, devaluation of the Rupee and ever-changing economic and geopolitical landscape, we will strive to further optimise our performance together with delivering value products, consistent with our past achievements.

Our continuing success as a business depends on our workforce. I wish to express my admiration for our remarkable workforce who, with their experience, energy and dedication are the determining factors of Bestway's current and future successes.

I would also like to commend my fellow directors for their commitment and the contribution they make to our strategic deliberations. On behalf of the Board, I would also like to thank every one of our stakeholders for their contribution to the continuing success of Bestway.



**Sir Mohammed Anwar Pervez, OBE H Pk**  
Chairman



# DIRECTORS' REPORT

The Board of Directors take pleasure in presenting their report together with audited financial statements for the year ended 30 June 2020 and the Auditor's Report there on.

## Overview of the Economy

According to the Economic Survey of Pakistan the country's economy has been subjected to demand and supply shock and the fiscal year 2020 witnessed a contraction in economic activity. Covid-19 pandemic, high inflation and weakening Rupee posed significant challenges to the economy, resulting in a decline of 0.38% in GDP (2019: growth of 1.9%) for the year ended 30 June 2020. Large scale manufacturing contracted by 7.8% (2019: 2.6%) while the construction activity in the country also remained subdued due to slowdown in the economy.

## Industry Overview

Domestic cement dispatches declined by 1% from 40.3 million tonnes last year to 40.0 million tonnes for the year under review. This is attributed to slowdown in construction activity due to challenging macroeconomic environment, which was further exacerbated by Covid-19 lockdowns during the fourth quarter.

Exports registered an increase of 20%, rising to 7.8 million tonnes as compared to 6.5 million tonnes last year. Export of cement and clinker witnessed contrasting fortunes during the year. Cement exports declined from 4.4 million tonnes to 3.6 million tonnes, mainly due to seizure of trade with India. However, clinker exports for the year rose to 4.2 million tonnes as against 2.1 million tonnes in the previous year. Commissioning of new production lines, particularly in the South, along with Rupee devaluation enabled this substantial growth in clinker exports by sea.

Overall, cement dispatches by the industry declined by 2.5% from 44.7 million tonnes to 43.6 million tonnes for the year under review.

Industry gross margins significantly eroded due to intense competition and rising input costs.

## Production and Sales Review

	Year ended 30 June 2020	Year ended 30 June 2019	Increase/ (Decrease)	Percentage
	Tonnes	Tonnes	Tonnes	%
Clinker production	6,418,623	6,627,324	(208,701)	(3%)
Cement production	7,263,500	8,104,768	(841,268)	(10%)
Cement and Xtreme Bond sales	7,311,290	8,125,772	(814,482)	(10%)





Your Company's total cement dispatches declined by 10% due to reduction in both local and export sales volumes. This was primarily driven by excess capacity resulting from recent industry expansions and cessation of exports to India. Decline in sales was exacerbated by Covid-19 lockdowns during the fourth quarter.

Despite fierce competition, Bestway successfully retained its position as one of the largest cement producers and the market leader in the country.

### **Operating Highlights**

The Company recorded gross turnover of Rs. 63.7 billion in the year ended 30 June 2020, 19% lower compared to Rs. 79.0 billion during the last year. Net turnover for the year declined by 31% from Rs. 53.6 billion to Rs. 37.1 billion.

Gross profit for the year declined to just Rs. 1.1 billion from Rs. 16.0 billion last year.

Erosion of turnover and gross profit was driven by significant decline in cement prices, substantial increase in Federal Excise Duty, lower volumes and higher input costs.

Financial charges increased to Rs. 2.2 billion for the year as against Rs. 1.5 billion for the last year. This increase was primarily driven by much lower cash generation from operations and higher interest rates.

Loss before tax amounted to Rs. 0.5 billion as compared to a profit of Rs. 13.2 billion for the year ended 30 June 2019. Profit after taxation amounted to Rs. 0.05 billion as compared with Rs. 10.1 billion last year.

Earnings per share of the Company for the year ended 30 June 2020 stood at Rs. 0.08 against Rs. 16.93 from last year.

### **Statement of Financial Position**

Total Equity of the Company stood at Rs. 54.7 billion as against Rs. 57.6 billion at the year ended 30 June 2019.

Your Company remained prompt with its repayment obligations on all types of loans.

Net current liabilities on 30 June 2020 stood at Rs. 1.4 billion (2019: Rs. 9.7 billion). Significant reduction in net current liabilities resulted from reprofiling of a large portion of loans from short term to medium and long term.

### **Other Investments**

United Bank Limited

Your Company's investment in United Bank Limited continues to yield strong returns for the Company. The Bank's profit before tax for the year ended 31 December 2019 stood at Rs. 35.7 billion against Rs. 25.6 billion for last year which represents an increase of 39%.

You would be delighted to learn that the bank paid out a cash dividend of 120% for its year ended 31 December 2019 thus providing a return of Rs. 1.1 billion on your investment.





## UBL Insurers Limited

UIL reported profit before tax for the year ended 31 December 2019 of Rs. 449 million as against Rs. 365 million for the year before, which represents an increase of 23%. UBL Insurers paid out a cash dividend of 5.34% for its year ended 31 December 2019 thus providing a return of Rs. 7.5 million on your investment.

## Contribution to the National Exchequer

Bestway Cement is among the largest taxpayers in the country. During the year under review, your Company's contribution to the exchequer amounted to more than Rs. 26.3 billion on account of income tax, sales tax and excise duty. In addition, your Company pays large amounts in the form of various indirect duties and taxes to the federal, provincial and local governments.

## Plants' Performance

Your Company's management follows an elaborate plan of preventative maintenance, which it has adopted right from the beginning. This proactive approach ensures efficient and stable operations with minimum disruptions. Our well-knit team of dedicated managers, engineers, technicians and other members of management and administrative staff play a key role in the successful implementation of this plan.

During the year under review, all our cement plants and the waste heat recovery plants operated satisfactorily. Your Company achieved average cement capacity utilisation of 69% (2019: 76%) during the year. Lower capacity utilisation compared with last year was the result of lower demand and the management's efforts to reduce working capital utilisation.

## Return to Shareholders

The year under review has been tough due to declining volumes, significantly lower prices and increasing costs. In order to conserve cash flows, the Company has therefore decided not to declare a final dividend, keeping the total pay-out for the year at 30%.

## Quality Assurance

Bestway Cement is a company driven by efficiency and quality consciousness. With strict quality control procedures in place, the Company has deployed high quality control equipment at the plants. Bestway's laboratories are equipped with state-of-the-art x-ray fluorescence and diffraction analysers and were the first in Pakistan to introduce the technology. By virtue of this equipment, the Company has been able to consistently produce better quality cement than is currently available in the country. Laboratories at Farooqia plant have ISO 17025 certification making Bestway only the 2nd cement producer in Pakistan to have achieved this milestone. Our laboratories at the other 3 plants are also in process of securing this certification.



## Marketing

Bestway continues to enjoy its status as the market leader due to its consistently superior quality, widest product range, effective marketing strategy, customer care and sheer dedication of its sales and marketing teams. Your Company is the second largest cement producer in Pakistan and certified for ISO 9001 Quality Management System.

Bestway is well recognised for its supreme quality products. Its products continue to be firmly established as premium brands in the domestic market, as well as various international markets. Your Company is among the few in the country which possess CE-Certificate of Conformity and are certified to export its cement to India. These certifications enable Bestway to pursue export opportunities in India, the European Community and countries where CE-Certification is required. Your Company continues to be one of the largest exporters of cement to Afghanistan.



## Training and Development

Your Company places great importance on the training, development and education of its personnel. In order to keep its workforce abreast with best operational techniques and practices, technical and general managerial training courses are organised for various departments and categories of personnel. Staff members are also sent on courses, workshops and seminars organised externally by other institutions. The Company actively encourages and assists its employees in pursuit of professional development and career enhancement.



As part of its commitment to skills development and grooming of workforce, your Company regularly employs freshly qualified engineers, graduates, professionals and even unskilled human resource. Planned training programmes are carefully conducted to ensure that these personnel are equipped with necessary knowledge, hands-on experience and confidence to become skilled and productive resource.

Trainee engineers undergo intensive training in electrical, mechanical and mining departments, while management trainees are inducted in marketing, finance, personnel and administration where they are carefully trained to become effective managers in the future. Apprentices are employed in various technical departments at all the factories. While some of those trainees and apprentices are retained in the Company, others move on to other industries where they successfully build upon the foundation provided to them at Bestway Cement through the training imparted to them for the advancement of their careers and contributing towards the development of the country.

### Health and Safety

Your Company reputes itself as a responsible corporate citizen and gives highest priority to health and safety for not only its own employees, but also for subcontracted personnel, in respect of effective conduct of our business. Your Company is therefore committed to preventing human injury and property damage at workplace and strives for continuous improvement in its environment, health and safety management and performance.

Initiatives including training on safe system of work such as trainings on various aspects of health & safety, safety meetings, permit to work system coupled with risk assessments, identification and control of hazards, incident reporting, safety audits, safety champions, good housekeeping and hygiene controls are actively and consistently pursued to instil safe behaviour in all personnel. Your Company has strived to make industrial operations safer, and has established numerous directives and standards and advisories to increase level of awareness amongst employees, contractors and other stakeholders like visitors and surrounding communities. These advisories are to be strictly adhered to across the organisation and shared with external stakeholders as best practices since for us, safety is a way of life rather than professional obligation.

### Covid-19

Recent Covid-19 pandemic posed unprecedented challenges to your Company and tested its preparedness to deal with unforeseen emergencies of that nature. Bestway had proactively developed and implemented a multipronged strategy to not only ensure that all its staff, their families, our customers, suppliers and stakeholders coming into contact with us remained safe but also the Company was able to continue its operations unhindered.

You would be pleased to know that as a result of the measures adopted by the Company, there was no breakout of infection at any of our plants or offices. In fact, our Farooqia plant was awarded a certificate by the Provincial Inspection Team, Government of Khyber Pakhtunkhwa for implementing measures over and above the government SOPs for prevention of Covid-19.

Your Company's management is delighted to report that all four plants remained fully operational throughout and we have continued to serve our customers, suppliers and other stakeholders without any disruption even though a large number of staff had switched to working from home.

As the restrictions are gradually eased by the Government, your Company will be steadfast in adhering to the highest standards of safety for all staff members and ensure that Bestway is a safe place to work and do business with.

### Environment

Bestway Cement reputes itself as a responsible corporate citizen and gives highest priority to protecting and creating a healthier environment for not only its own employees, but also for our communities where the Company has established its four plants. The wellbeing of the social environment in which Bestway operates is considered an integral part of the Company's success. Our plants are ISO 14001:2004 Environmental Management System (EMS) certified.

The Company ensures that its plants continue to comply with established environmental quality standards at all times. Our plants not only meet the stringent environmental quality standards prescribed by the relevant Environmental Protection Agency (EPA) of Pakistan but also voluntary adherence to the more stringent international emission standards. This has been





achieved through including environmental considerations in the design basis of our plants and ancillaries. Electrostatic Precipitators and Bag-house Filters installed are the best in class while continuous maintenance and up gradation helps the Company maintain its excellent emission record.

Bestway also conducts regular review of its production facilities through independent experts and monthly monitoring of emissions are conducted by third party consultants to ensure that we are in compliance with regulatory requirements and internal targets. Furthermore, active collaboration with the EPA is continuing in lieu of celebrating World Environment Day across all Bestway Plants attended by relevant EPA representatives.

Bestway regularly participates in various environment uplift programmes including tree plantation drives and quarry rehabilitation initiatives. Comprehensive quarry rehabilitation plan is being implemented Company-wide to gradually restore the consumed portions of the quarries. This is a unique large scale initiative by your Company.

At Chakwal plant, the number of Olive trees has now grown to more than 11,000. The area was declared as the Olive focus area by the Government of Punjab. Loquat is an indigenous fruit-bearing tree of the Chakwal region. Three orchards having more than 2,500 loquat trees have been planted in Kallar Kahar, which also includes an orchard in the quarry area as part of the rehabilitation process. As part of Bestway's clean and green ambition, during the past year alone we have planted more than 36,500 plants across all works. These along with other established fruit orchards across all four plants are an on-going contribution of your Company towards achieving sustainable development.

A scenic view point has been established in the Kallar Kahar quarry area as well which includes more than 100 pine and cedar trees and other indigenous species. At Hattar quarry area, another view point, which includes 300 pine trees among other



flowering/ornamental plants, overseeing the plant and all of Hattar Industrial Estate and its surroundings has been established for visitors and is frequently used to hold gatherings.

Bestway Cement ardently supports WWF Pakistan. Your Company has been praised and endorsed for its efforts in reducing the carbon footprint while working towards conservation and protection of environment. It is one of the only few companies in Pakistan which has been certified as a Green Office by WWF Pakistan.

### **Water Conservation**

Your Company is now the leader in water conservation after installation of Air Cooled Condenser Systems, the first and only one in the Cement industry, instead of the conventional water-cooled system which has enabled reduction of about 80% of industrial water requirements.

Rainwater harvesting has been a key area of focus and your Company has made huge strides in not only improving the existing rainwater harvesting ponds significantly but also setting up new ones. You would be pleased to learn that 100% of industrial water requirement at our Chakwal and Kallar Kahar plants are being fulfilled through rainwater harvesting.

Your Company has also installed latest technology Reverse Osmosis Plants to convert industrial waste water for reuse. Moreover, the domestic water of plant residential areas is also being treated and recycled thus conserving huge amounts of water.

### **Alternative Energy and CPP Initiatives**

Cement manufacturing is an energy-intensive process. Power represents one of the largest costs of production. Persistent power crisis in the country necessitated a shift from conventional fossil fuels to alternate energy solutions. As part of its strategy to reduce its reliance on the national grid, your Company has set up Waste Heat Recovery Power Plant (WHRPP) at all four sites Chakwal, Hattar, Farooqia and Kallar Kahar. Bestway's WHRPP at Chakwal was the first in the cement industry of Pakistan prompting others to follow suit.

This is an important step in energy conservation for your Company, making it a forerunner in adopting Waste Heat Recovery

(WHR) technology at all its operations. These projects serve to significantly reduce the Company's dependence on external source of electricity thus helping in reduction of production costs, improving operational efficiency and protecting the environment. During the year under review, your Company met 40% of its energy requirement through WHRPP, boilers and gensets.

### Corporate Social Responsibility

Bestway invests in its operations for long term and appreciates that it has a special responsibility towards the local communities. The Company takes pride in its proactive development and welfare of the under-privileged through activities such as improving access to health services, education, vocational trainings, environmental conservation programmes, and helping create jobs and local employment. Your Company conducts its corporate social responsibility activities mainly through its charitable trust, Bestway Foundation.

During the year under review, your Company spent more than Rs. 230 million on various CSR initiatives making it one of largest corporates in the country in terms of CSR spend.



### Covid-19

As Pakistan was hit by Covid-19 pandemic, it became evident that the government alone would not have the resources to cope with the emergency. Like always, your Company stepped up to the challenge with a substantial donation of Rs. 100 million to the Prime Minister's Covid-19 Pandemic Relief Fund. This sum was in addition to various other relief activities undertaken by your Company such as distribution of thousands of food packages in local communities, provision of emergency medical supplies for medical staff and resources provided to local administration for setting up of quarantine centres and organising awareness campaigns.

### Education

Keeping up with the aim of supporting the less fortunate for quality education, Bestway is operating a primary school in the vicinity of Farooqia, Taxila-Haripur Road since year 2018 and a large primary to middle purpose-built and well equipped school in the village Tatal of District Chakwal since year 2016, built at a cost of Rs. 67 million.

To date, there are altogether more than 546 students who are being provided superior education by experienced teachers at both locations at a token fee.

Bestway also imparts free college education exclusively to Girls through Farah Pervaz Degree College in Gujar Khan. The project consisting of numerous classrooms, laboratories, facilities for extracurricular activities and accommodation for the residence of the faculty members, was entirely funded by your Company and became operational in 2011 at a cost of Rs. 30 million.

In addition to its own established educational institutions, Bestway also supports numerous government schools in deprived rural areas in and around its local communities.

During the year, extensive rehabilitation and renovation work of four government schools in Mangwal, Sirkalaa and Jathaal in district Chakwal was undertaken with an estimated cost of almost Rs. 10 million. The work was in progress at the year end.



### National & International Scholarships

Higher education is essential for building a strong and vibrant society, whereas many talented and well deserving youth is unable to continue their education due to lack of sufficient financial resources. Your Company, in keeping with its resolve to support the deserving students, has set up Bestway Scholarship Endowment Fund of Rs. 12.5 million through its philanthropic arm Bestway Foundation, with National University of Sciences and Technology (NUST) for the benefit of financially challenged students enrolled at the University's undergraduate Programs.

These scholarships is given to five (5) Student Beneficiaries, primarily covering their fee expenses every year in either of the disciplines of Environmental Engineering, Metallurgy & Materials Engineering, Mechanical Engineering, Computer Engineering and Mechatronics Engineering.

Apart from the above, more than 450 national and international scholarships have been provided by your Company to a large number of talented students to date. These scholarships are aimed at those students who need financial assistance in order to continue with their education.

Bestway also offers 12 fully funded scholarships every year for deserving and talented Pakistani students in the Oxford University, University of Bradford and University of Kent in the UK.



## **Promoting Philanthropy**

Bestway regularly provides financial assistance to institutions and organisations striving to make a real difference in areas of education and health.

Some of the beneficiaries over the past few years include Institute of Business Administration Karachi, Ghulam Ishaq Khan Institute Swabi, NAML College Mianwali, National University of Science and Technology Islamabad, Lahore University of Management Sciences, Sahara for Life Trust Mianwali, Zindagi Trust, Sindh Institute of Urology and Transplantation, Pakistan Hindu Council, Abdul Sattar Edhi Foundation, Shaukat Khanum Memorial Trust, MASKAN Institute Swat, Nisar Fatima Girls School, Shalimar Hospital, Akhpal Kor Foundation, Muhammad Gulistan Khan Foundation, Layton Rahmatullah Benevolent Trust, National Society for Mentally and Emotionally Handicapped Children, Forman Christian College University, Family Educational Services Foundation, Northern University Peshawar, The Citizens Foundation, Zamung Kor, KPSS Secondary School Saigolabad Chakwal, Sultana Foundation, Care Foundation, Kaghan Memorial Trust, Al Mustafa Trust, Thathi Welfare Foundation, Zia ul Uloom Trust, The Kidney Centre Karachi, Pakistan Foundation Fighting Blindness and various other organizations.

## **Health**

In the areas of basic health, free medical facilities are provided to thousands of patients in the local community through all four medical centres located at Bestway's factory premises. During the year under review, more than 36,000 patients benefitted from those medical centres.

## **Financial Assistance**

In addition to pursuing its core objective of improving education and providing basic health facilities, your Company together with its philanthropic arm, also provides financial assistance to 369 widows and indigents of the local community in the form of monthly stipends.

## **Job Creation for Local Community**

Your Company has introduced hundreds of jobs for skilled and unskilled local individuals in and around its factory premises. Employment opportunities have been created in the upstream and downstream activities. Employment generation not only improves the buying power of the local population but also gives them a fair opportunity to improve their standard of living.

## **Apprenticeship & Trainings**

Bestway employs large number of trainee engineers, management trainees, apprentices and internees throughout the year, who undergo intensive training in their respective field. Some of those trainees and apprentices are retained in the Company while others move on to other industries where they successfully build upon the foundation provided to them at Bestway Cement through the training imparted to them for the advancement of their careers and contributing towards the development of the country.

## **Disaster Management & Rehabilitation**

Your Company contributes generously towards disaster management and in aiding the efforts of relief, rehabilitation and reconstruction in aftermath of the earthquake and devastation caused by floods or any other projects of community development.

## **Community Development**

Bestway regularly contributes towards the development and rehabilitation of the areas surrounding its plants. Millions of Rupees are spent annually on activities such as supply of clean drinking water and restoration of water supply to villages, donating cement and provision of logistical support for construction projects in local vicinities including building of mosques and schools etc. and distribution of wheat to the needy in our local communities. A substantial amount of donation is also given to the local administrations to support local festivals, cultural gatherings and several other societal elevation projects.

Besides regularly looking after the water level of Katas Raj pond and facilitating the maintenance of the pond all through the year, Bestway has also constructed a separate guard room, renovated the flooring and secured main gate of the national heritage at a huge cost.

Your company regularly arranges free Dastarkhwan during the holy month of Ramadan at its head office and all its plants where thousands of local inhabitants and passer-by are served Iftar for the whole month. Moreover, food hampers are also distributed amongst hundreds of humble households in the local areas at the beginning of Ramadan.

## **Holding Company**

The Company is a wholly owned subsidiary of Bestway (Holdings) Limited, a company incorporated under the laws of United Kingdom. Bestway (Holdings) Limited, U.K. is a wholly owned subsidiary of Bestway Group Limited therefore, all subsidiaries and associated undertakings of the ultimate parent company are related parties of the Company.

## **Future Outlook**

While Pakistan appears to have controlled the Covid-19 situation quite well, risk of its resurgence would continue to dampen economic optimism till such time that a vaccine has been developed and freely available in the country.

The economic relief measures put in place by the Government to mitigate the effects of Covid-19 including various incentives for the construction industry seem to have been successful. This, coupled with government's particular focus on infrastructure

development and housing, will likely result in higher domestic cement consumption. Higher cement demand should result in much needed stability in cement prices and therefore higher revenues.

International coal prices have declined in recent months as a result of Covid-19 related global economic slowdown. As fuel constitutes a major part of the cost of production, lower fuel prices bode well for the industry. On the other hand however, persistent and steep rise in energy cost, high inflation, currency depreciation and unreasonably high taxation will continue to bear down on the cement industry.

While exports benefit from currency devaluation, declining demand for cement in Afghanistan, cessation of exports to India and the on-going Covid-19 pandemic are likely to keep the export opportunities in check.

Your Company is not only one of the lowest cost-producers in the country but is also fairly low-leveraged which means that it is much better placed to face off the headwinds as compared to most of its competitors. Your management is cognisant of the challenges that lie ahead and, like always, will continue to proactively adapt in order to ensure optimum performance by your Company and superior returns for its shareholders.

### **Pattern of Shareholding**

A statement of the pattern of shareholding in the Company as at 30 June 2020 is in subsequent pages.

### **Composition of the Board**

The Board comprises of 8 directors as follows:

- Male 6
- Female 2

The composition of the Board is as follows:

- Independent Directors
  - i) Ms. Najma Naheed Pirzada
  - ii) Ms. Nazia Nazir
- Other Non-executive Directors
  - i) Sir Mohammed Anwar Pervez (Chairman)
  - ii) Mr. Mohammed Younus Sheikh
  - iii) Mr. Dawood Pervez
  - iv) Mr. Haider Zameer Choudrey
- Executive Directors
  - i) Mr. Zameer Mohammed Choudrey
  - ii) Mr. Muhammad Irfan Anwar Sheikh

### **Committees of the Board**

- Audit Committee
  - i) Ms. Najma Naheed Pirzada (Chairperson)
  - ii) Mr. Dawood Pervez
  - iii) Mr. Haider Zameer Choudrey
- HR and Remuneration Committee
  - i) Ms. Nazia Nazir (Chairperson)
  - ii) Mr. Mohammed Younus Sheikh
  - iii) Mr. Muhammad Irfan Anwar Sheikh

### **Auditors**

The present auditors, A.F. Ferguson & Co., Chartered Accountants retire at the conclusion of the meeting and being eligible, have offered themselves for reappointment. The Audit Committee of the Company having considered the matter, recommend the retiring auditors for reappointment.

### **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 particularly, Allied Bank Limited, Habib Bank Limited, Meezan Bank Limited, MCB Bank Limited, United Bank Limited, Askari Bank Limited, Soneri Bank Limited, Bank Alfalah Limited, Industrial & Commercial Bank of China, Bank Islami Pakistan Limited, Faysal Bank Limited, Dubai Islamic Bank Pakistan Limited, Standard Chartered Bank (Pakistan) Limited, Habib Metropolitan Bank, National Bank of Pakistan, Citibank and various government agencies throughout the year.



Lord Zameer Choudrey  
Chief Executive

Islamabad  
28 August 2020

**For and on behalf of the Board**



Muhammad Irfan A. Sheikh  
Director



# REPORT OF THE AUDIT COMMITTEE

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The Audit Committee of the Company comprises of three (3) non-executive directors, out of which one is independent, and, is also the Chairperson of the Committee. The Head Internal Audit, who, is also Secretary to the Committee, attends Audit Committee meetings. The Chief Executive Officer (CEO) and Chief Financial Officer (CFO), attends Audit Committee meetings by invitation. During the year four (4) audit committee meetings were held, out of which two (2) were also attended by the External auditors of the Company.

The role of the Board Audit Committee in the context of the Board's broader governance framework is to oversee:

- The integrity of Company's financial statements;
- The appointment, remuneration, qualification, independence and performance of External Auditors;
- Risk management and internal control arrangements;
- The performance of Internal audit function;
- Compliance with legal and regulatory requirements;
- Compliance by management with constraints imposed by Board;
- Appropriate measures taken by the management to safeguard the Company's assets;

The Audit Committee has concluded its review of the conduct and operations of the Company during the year ended June 30, 2020, and reports that:

- The Audit Committee reviewed the quarterly, half yearly and annual financial statements of the Company and recommended them for approval of the Board of Directors.
- The Audit Committee has reviewed all related party transactions and recommended the same for approval of the Board of Directors.
- The Company has issued a "Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019" which has also been reviewed and certified by the external auditors of the Company.
- Understanding and compliance with Company's code and policies has been affirmed by the management and employees of the Company individually. The Company's Code of Conduct has been disseminated and placed on Company's website.
- Appropriate accounting policies have been consistently applied. Applicable International Accounting Standards were followed in preparation of financial statements of the Company on a going concern basis, for the financial year ended 30 June, 2020, which present fairly the state of affairs, results of operations, profits, cash flows and changes in equity of the Company for the year under review.
- The CEO and the CFO have endorsed the Financial Statements and Directors' Report. They acknowledge their responsibility for true and fair presentation of the Company's financial condition and results, compliance with regulations and applicable accounting standards and establishment and maintenance of internal controls and systems of the Company.
- Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017. The financial statements comply with the requirements of the Fourth Schedule to the Companies Act, 2017 and the external reporting is consistent with management processes and adequate for shareholder needs.
- The preparation of Financial Statements is in conformity with International Financial Reporting Standards as applicable in Pakistan and requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments were continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under current circumstances.
- All direct or indirect trading and holdings of Company's shares by directors & executives or their spouses were notified in writing to the Company Secretary along with the price, number of shares, form of share certificates and nature of transaction which were notified by the Company Secretary to the Board within the stipulated time. All such holdings have been disclosed in the Pattern of Shareholdings. The Annual Secretarial Compliance Certificates are being filed regularly within stipulated time.
- Closed periods were duly determined and announced by the Company, precluding the Directors, the Chief Executive and executives of the Company from dealing in Company shares, prior to each Board meeting involving announcement

of interim / final results, distribution to shareholders or any other business decision, which could materially affect the share market price of Company, along with maintenance of confidentiality of all business information.

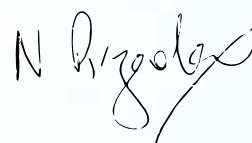
- The Audit Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding of the assets of the Company and the shareholders wealth at all levels within the Company.

#### **Internal Audit**

- The internal control framework has been effectively implemented through an independent in-house Internal Audit function established by the Board which is independent of the External Audit function.
- The Company's system of internal control is sound in design and has been continually evaluated for effectiveness and adequacy.
- The Internal Audit Department carried out independent audits in accordance with an internal audit plan which was approved by the Board Audit Committee. The Committee has reviewed material Internal Audit findings, taking appropriate action or bringing the matters to the Board's attention where required.
- The Head of Internal Audit has direct access to the Chairman of the Board Audit Committee and the Committee has ensured staffing of personnel with sufficient internal audit acumen and that the function has all necessary access to Management and the right to seek information and explanations.
- The progress of Internal audit function was duly discussed during the Board Audit Committee meetings, held during the year, in order to ensure that the Audit Function effectively performed its assigned task.
- Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.

#### **External Auditors**

- The statutory Auditors of the Company, M/s A.F. Ferguson & Co., Chartered Accountants, have completed their Audit assignment of the Company's financial Statements and Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 for the financial year ended 30 June, 2020 and shall retire on the conclusion of the 27th Annual General Meeting.
- The Audit Committee has reviewed and discussed all key Audit matters and other issues identified during the external audit with the External Auditors and management, along with the methods used to address the same.
- The Auditors have been allowed direct access to the Committee and the effectiveness, independence and objectivity of the Auditors has thereby been ensured. The Auditors attended the General Meeting of the Company during the year and have indicated their willingness to continue as Auditors.
- The Audit Committee has recommended the reappointment of M/s A.F. Ferguson & Co., Chartered Accountants, as External Auditors of the Company for the year ending 30 June 2021.
- The Firm has no financial or other relationship of any kind with the Company except that of External Auditors.



**Ms. Najma Naheed Pirzada**  
Chairperson, Board Audit Committee

Islamabad  
28 August 2020



# STATEMENT OF COMPLIANCE

## with Listed Companies (Code of Corporate Governance) Regulations, 2019

**Name of company:** Bestway Cement Limited  
**Year ended:** June 30, 2020

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are eight (8) as per the following:

- a) Male: Six (6)
- b) Female: Two (2)

2. The composition of the Board is as follows:


- i) Independent directors\*
  - 1. Ms. Najma Naheed Pirzada
  - 2. Ms. Nazia Nazir
- ii) Non-executive directors
  - 1. Sir Mohammed Anwar Pervez (Chairman)
  - 2. Mr. Mohammed Younus Sheikh
  - 3. Mr. Dawood Pervez
  - 4. Mr. Haider Zameer Choudrey
- iii) Executive directors
  - 1. Mr. Zameer Mohammed Choudrey
  - 2. Mr. Muhammad Irfan Anwar Sheikh
- iv) Female directors
  - 1. Ms. Najma Naheed Pirzada
  - 2. Ms. Nazia Nazir

\*Best practices of corporate governance entail having an optimal number and mix of board members with adequate skills and experience. The current Board of Directors of the Company adequately meets this requirement. Further, existing two independent directors play an effective part within the Board and make valuable contributions. Therefore, the fraction (2.67) has not been rounded up.

- 3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
- 4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
- 5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
- 7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
- 8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
- 9. Out of eight directors, two directors meet the exemption requirement of the Directors' Training Program and six directors have obtained the Directors' Training Program certification in prior years;
- 10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
- 11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;
- 12. The Board has formed committees comprising of members given below:-

- a) Audit Committee
    - i) Ms. Najma Naheed Pirzada (Chairperson)
    - ii) Mr. Dawood Pervez
    - iii) Mr. Haider Zameer Choudrey
  - b) HR and Remuneration Committee
    - i) Ms. Nazia Nazir (Chairperson)
    - ii) Mr. Muhammad Irfan Anwar Sheikh
    - iii) Mr. Mohammed Younus Sheikh
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
  14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following;-
    - a) Audit Committee – quarterly;
    - b) HR and Remuneration Committee – on required basis;
  15. The Board has set up an effective internal audit function;
  16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
  17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
  18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
  19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr. No.	Requirement	Explanation	Regulation No.
1	Constitution of Nomination Committee	The Human Resources and Remuneration Committee performed the function of Nomination Committee during recent election of directors. The Board shall constitute this committee before the next election of directors.	29
2	Constitution of Risk Management Committee	The function of risk management committee is currently performed by Chief Internal Auditor, who apprises the Board accordingly. However the constitution of this committee shall be completed before the close of current fiscal year.	30
3	Disclosure of significant policies on website	The Company intends to disclose its significant policies on website before the close of current fiscal year.	35

  
 Sir Mohammed Anwar Pervez, OBE H Pk  
 Chairman



# CORPORATE SOCIAL RESPONSIBILITY & ORGANIZATIONAL ACTIVITIES



Ramadan food packages distribution among deserving local villagers in near vicinity of plants



Drinking water RO filtration plant donated to Government Girls Degree College Choa Saiden Shah



Plantation at plants and at nearby villages



Bestway Cement Limited co-sponsored the Million Smiles Youth Conference to reinforce its commitment towards development of youth of the country



Head of Organizational Development, mentoring MBA students in his official visit at LUMS



Womens Day: We believe that the courage women show in the face of adversity is unparalleled. The rhymes of equality are still echoing in the corridors of Bestway.

Ms. Nazia Nazir, Director Bestway Cement Limited honored the occasion along with the senior management of the company.





Bestway Cement Limited, yet again leaders in the Cement Industry of Pakistan to Go Live with the world's best MIS solution, SAP S/4 HANA 1809 by Siemens Pakistan. A success story of digital transformation in a record implementation time of 8 Months.



Bestway's leadership reaches out to its employees through the platform of "Leaders Roundtable"



Proud to be partner of district govt. Haripur for a healthy Khanpur Festival at Kanpur Lake. Chief Minister Khyber Pakhtunkhwa, Mr. Mahmood Khan was the chief guest of the festival



Bestway Cement at International Conference and Exhibition on Environment. Mr. Muhammad Rizwan, Provincial Minister of Punjab for Environment Protection, visited Bestway Stall and encouraged initiatives taken for Environment conservation



Celebrated World Teachers Day at Bestway Foundation Schools and College! Bestway pays tribute to all the teachers who are making a difference and playing a significant role in preparing the future of our country



## Bestway Group Donates More Than PKR 600 Million to Fight Covid-19 and for CSR in Pakistan

Bestway Group, Pakistan's leading foreign investor, has provided financial and material support to the people of Pakistan of more than PKR 600 million in the four months to April 2020, including a cheque for PKR 200 million presented to the Prime Minister yesterday for the COVID-19 Pandemic Relief Fund.

In a statement released by Bestway, the Group CEO Lord Zameer Choudrey, CBE SI Pk said, "Let me reassure the people of Pakistan on behalf of our Chairman Sir Anwar Pervez, OBE HPk that we are conscious of our responsibility as the largest overseas Pakistani investor and InshaAllah will not let our country down in its hour of need. In the four months to April 2020, our Group has spent more than PKR 600 million on COVID-19 relief and CSR activities. More resources will be devoted as and when necessary".



Bestway Group has made these contributions through its key subsidiaries in Pakistan, Bestway Cement Limited and United Bank Limited as well as its charitable arm, Bestway Foundation. The Group has been working in partnership with the country's leading healthcare providers and have donated ventilators and vital medical supplies to hospitals across the country. The Group is also working actively within its local communities across the country and providing thousands of much needed food packages and financial assistance to deserving families.

This is in addition to the extensive charitable work Bestway Group undertakes in the ordinary course. Under the stewardship of Lord Choudrey, Bestway Group has thus far donated in excess of US\$ 21 million to the health and education sectors in Pakistan. On an annual basis, it also provides free medical treatment to over 35,000 individuals at its purpose-built Basic Health Units. Over 5,000 school children receive free education at Bestway Foundation's own and funded educational institutions. In addition to this, the Group's subsidiaries, Bestway Cement Limited and United Bank Limited are regularly recognized amongst the top 10 charitable institutions in the country.



Bestway Cement donates Sanitization Tunnel to the offices of District Complex Chakwal as a fight against COVID-19



Secretary Higher Education Department KPK visited in connection with compliance of COVID 19 SOP's



Food hampers having different food items have been donated to District Managements



Gratitude for employees who worked during pandemic to ensure business continuity





## APART YET TOGETHER ساتھ ساتھ علیحدہ

"Apart Yet Together" was a campaign to hear out the feelings, experiences and emotions of our colleagues during this pandemic while working at home/office on how they managed their work and what they missed the most



# نوول کورونا وائرس (2019-n COV)

### علامات

سانس لینے میں احتیاط

ماسک

ہاتھ دھو

### استقامتی تدابیر

آلودہ جگہ سے اجتناب

کوئی بھی جگہ سے اجتناب

اسپتالوں کو دور رکھیں

آلودہ جگہ سے اجتناب

کوئی بھی جگہ سے اجتناب

### احتیاطی تدابیر

ماسک پہنیں

ہاتھ دھو

ہاتھ دھو

ہاتھ دھو

ہاتھ دھو

www.nhs.gov.uk | corona.info@nhs.gov.uk | 1166



For awareness of Covid19 in general public a thorough campaign was run on social media and at offices for employees



Our volunteer staff after attending a key training on emergency evacuation procedures. Ready to help our employees!



Bestway Group invites Deputy Chairman CWEIC UK to Pakistan in pursuit to position the Islamic Republic of Pakistan a key member of Commonwealth with the potential to assist in creating a powerful platform for meaningful engagement between businesses and Government decision-makers across the Commonwealth through CWEIC, the Rt Hon. Sir Hugo Swire KCMG, Deputy Chairman of Commonwealth Enterprise and Investment Council UK (CWEIC) and former British Parliamentarian visited Pakistan on 20th and 21st February 2020 on a personal invitation extended by the Chief Executive of Bestway Group and the Chairman of Conservative Friends of Pakistan (CFOP), Lord Zameer M. Choudrey CBE SI Pk.

During his stay in Islamabad, Sir Hugo Swire met with the Prime Minister, Mr. Imran Khan. He was accompanied by Sir M. Anwar Pervez and Lord Zameer M. Choudrey. Prime Minister's advisor on Commerce, Mr. Abdul Razzaq Dawood and the Chairman Board of Investment Syed Zubair Haider Gilani were also present on the occasion.





Adding a little skill goes a long way! Our volunteers going through Emergency First Aid Training



"None of us is as smart as all of us" - our belief at Bestway Cement. A "TEAMUP" day was organized to motivate employees in a joyfull manner



Bestway Cement Limited has launched "Bestway Sahulat Cement Sales Centre" to benefit community living in near by vicinity of plants





Clean water, clean air and fertile land are essential for life. We only have one Earth, and if we don't take care of it today, the damage to our environment will become irreversible, threatening the mother nature.

In order to remind us of our responsibility towards the mother nature, this year, students of the Bestway Foundation School Tatral, Chakwal and Farrah Pervaz Girls Degree College Thathi, Gujar Khan; the charitable arms of Bestway Cement Limited; were given a free hand to colour their canvas to represent the stories of environmental hazards with the hope that the message goes across to the mankind to save our planet before it is too late.



## PLANT A TREE, GET POLLUTION FREE

Trees play a very important role in conserving the environment. They provide oxygen, improve air quality and support wildlife. Let's plant more trees for a greener tomorrow.  
Class II (Bestway Foundation School, Chakwal)



## TURN OFF THE LIGHT, MAKE FUTURE BRIGHT

Excessive use of electricity burdens natural and financial resources. Let's save electricity and preserve resources for a brighter and a better future of our children.  
Class IV (Bestway Foundation School, Chakwal)



## CLEANER THE ENVIRONMENT, HEALTHIER THE LIFE

Only a cleaner and greener environment can lead to a healthier qualitative life. Let's conserve our environment, keep it clean not only for ourselves but also for the future generations.  
Class VII (Bestway Foundation School, Chakwal)



## CONSERVE WATER, PRESERVE LIFE

Water is Life and on this Earth there are only a few limited sources of clean water left for human consumption. Let's conserve water and preserve life, before it is too late.  
Class VI (Bestway Foundation School, Chakwal)



## IF IT'S NOT FAR, AVOID THE CAR

Walking to nearby places is not only good for health but it also keeps you active and fit. Let's walk more, use motor cars less and breathe in a cleaner air.  
Class III (Bestway Foundation School, Chakwal)



## LESSER THE WASTE, CLEANER THE EARTH

Domestic waste including plastic bags are one of the major pollutants of the environment. They litter our landscapes, float around in waterways and are harmful to marine and wildlife.  
Class XII (Farrah Pervaz Girls Degree College, Thathi)



# WWF GREEN OFFICE CERTIFICATION FOR THE YEAR 2019-2020

WWF's Green Office is an environmental service for offices. With its help, workplaces are able to reduce their burden on the environment, achieve savings and slow down climate change. Green Office is a practical environmental program that is easy to implement. Its aim is to reduce carbon dioxide emissions and offices' ecological footprint.

Bestway Cement Limited enrolled itself in the program during the year 2016 aiming to reduce its carbon footprint by keeping track of its water, paper and electricity consumption along with food wastage. These four KPIs were thoroughly audited by WWF Team in the previous year ensuring fulfillment of criteria of Green Office program.

WWF validated and awarded Green office certificate to bestway cement yet again for the year 2019-2020. Bestway Cement Limited is the second cement company in Pakistan to have the status of a Green Office.

Bestway holds a key position in sustainable solutions for conservation of environment while motivating office staff to act in an ecologically friendly way with regards to everyday tasks, improving conservational awareness and brining cost savings.



Bestway Cement Limited being a certified WWF Green Office, has been recognised to the Best Digital Content to sensitise masses on environmental issues and the Best Green Office Coordinator amongst the 104 WWF Green Office certified companies in Pakistan.

These honours signify our pledge and efforts for playing a part in reducing carbon foot print while building a cleaner and greener environment for the generations to come!



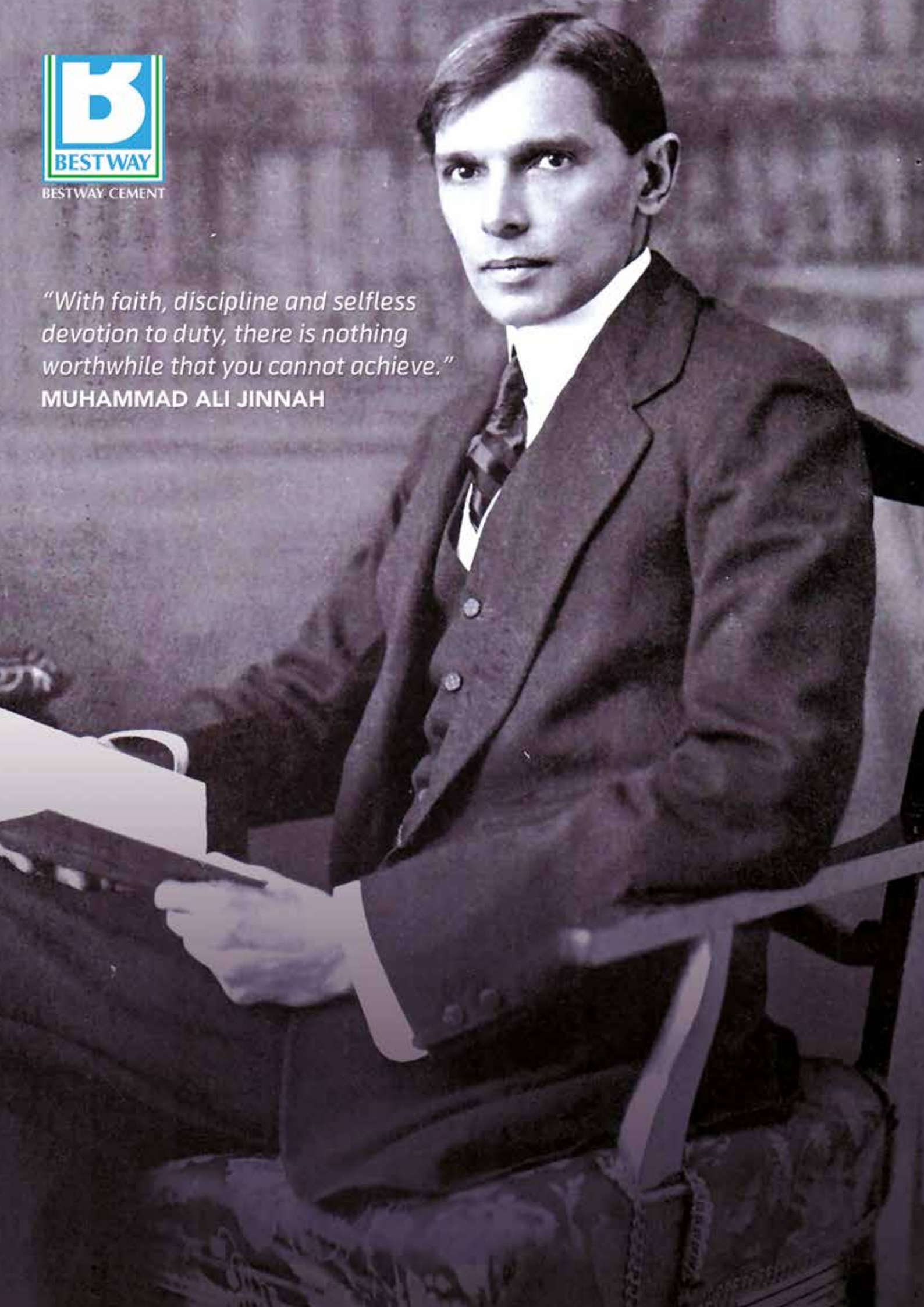




BESTWAY CEMENT

*"With faith, discipline and selfless devotion to duty, there is nothing worthwhile that you cannot achieve."*

**MUHAMMAD ALI JINNAH**



# INDEPENDENT AUDITOR'S REVIEW REPORT

## To the members of Bestway Cement Limited

### Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Bestway Cement Limited (the Company) for the year ended June 30, 2020 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2020.



Chartered Accountants  
Islamabad

Date: 11 September 2020



# INDEPENDENT AUDITOR'S REPORT

**To the members of Bestway Cement Limited.**

**Report on the Audit of the Financial Statements**

## Opinion

We have audited the annexed financial statements of Bestway Cement Limited (the Company), which comprise the statement of financial position as at 30 June 2020, and the statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2020 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAS) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

### S.No. Key audit matter

#### (i) Revenue Recognition

(Refer notes 4.12 and 26 to the financial statements)

The Company is engaged in the production and sale of cement in the local and export market. The Company recognized gross revenue from the sales of cement in local market of Rs 61,795,395 thousand and in export market of Rs 1,892,359 thousand. During the year, the demand and price of cement decreased from last year.

We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company, large number of revenue transactions with a large number of customers in various geographical locations, inherent risk of material misstatement and significant decrease in revenue from last year.

### How the matter was addresses in our audit

Our audit procedures in relation to the matter, amongst others, included:

- Understood and evaluated management controls over revenue and checked their validation;
- Performed verification of sample of revenue transactions with underlying documentation including dispatch documents and sales invoices;
- Performed cut-off procedures on sample basis to ensure revenue has been recognized in the correct period;
- Checked on a sample basis, approval of sales prices by the appropriate authority;
- Performed recalculation of rebates, and discounts as per company's policy on test basis;
- Performed analytical procedures to analyze variation in the price and quantity sold during the year;
- Tested journal entries relating to revenue recognized during the year based on identified risk criteria; and
- Assessed the appropriateness of disclosures made in the financial statements related to revenue.

S.No.	Key audit matter	How the matter was addressed in our audit
(ii)	<p><b>Impairment assessment of Goodwill</b></p> <p>(Refer note 16.4 to the financial statements)</p> <p>Goodwill that was recognized on business acquisition undertaken by the Company amounts to Rs. 7,062,111 thousand as at 30 June 2020. The Company annually tests the carrying value of goodwill for impairment.</p> <p>The testing is subject to estimates and judgements made by the management of the Company with respect to future sales growth and profitability, cash flow projections and selection of appropriate discount rate.</p> <p>We considered this as a key audit matter due to significant judgements and assumptions made by management in determining the recoverable value.</p>	<p>Our audit procedures in relation to the matter, amongst others, included:</p> <ul style="list-style-type: none"> <li>• Obtained understanding of management's process for testing impairment of intangibles including goodwill;</li> <li>• Assessed the appropriateness of the Company's identification of Cash Generating Unit;</li> <li>• Checked the mathematical accuracy of management's valuation model and agreed relevant data to the underlying Company's records;</li> <li>• Assessed the reasonableness of key assumptions used in the valuation model such as future sales volumes and prices, operating costs, inflation, discount rate and long-term growth rate;</li> <li>• Performed sensitivity analysis with respect to changes in key assumptions used in the valuation model; and</li> <li>• Assessed the appropriateness of disclosures made in the financial statements related to goodwill.</li> </ul>

### Information Other than the Financial Statements and Auditor's Report thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibility of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements:**

Based on our audit, we further report that in our opinion:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Asim Masood Iqbal.



A. F. Ferguson & Co.  
Chartered Accountants  
Islamabad

Date: 11 September 2020

# FINANCIAL STATEMENTS





## BESTWAY CEMENT LIMITED

# STATEMENT OF FINANCIAL POSITION

## AS AT 30 JUNE 2020

	Note	2020 (Rupees '000)	2019 (Rupees '000)
<b>EQUITY</b>			
<b>Share capital and reserves</b>			
Share capital	5	5,962,528	5,962,528
Capital reserves	6	8,217,695	7,504,621
Revenue reserves	7	40,472,977	44,138,769
		<b>54,653,200</b>	<b>57,605,918</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term financing	8	11,542,250	-
Deferred tax liability - net	10	9,907,879	10,617,491
Employee benefit obligations	11	27,915	24,890
		<b>21,478,044</b>	<b>10,642,381</b>
<b>Current liabilities</b>			
Trade and other payables	12	7,654,365	8,059,754
Short-term borrowings	13	10,710,748	10,835,368
Current portion of long term financing	8	272,171	3,375,360
Current portion of long term musharaka	9	-	2,249,733
Unclaimed dividend		37,967	213,797
		<b>18,675,251</b>	<b>24,734,012</b>
<b>Total liabilities</b>		<b>40,153,295</b>	<b>35,376,393</b>
<b>Total equity and liabilities</b>		<b>94,806,495</b>	<b>92,982,311</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	14		

The annexed notes 1 to 46 form an integral part of these financial statements.



CHIEF EXECUTIVE

## BESTWAY CEMENT LIMITED

# STATEMENT OF FINANCIAL POSITION

## AS AT 30 JUNE 2020

	Note	2020 (Rupees '000)	2019 (Rupees '000)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	15	55,789,469	57,242,086
Intangible assets and goodwill	16	7,710,293	7,794,154
Investment property	17	266,075	262,349
Long term investments	18	13,687,830	12,512,039
Long term deposits		118,418	118,038
		<b>77,572,085</b>	<b>77,928,666</b>
<b>Current assets</b>			
Stores, spare parts and loose tools	19	7,010,155	5,511,210
Stock in trade	20	2,291,473	2,689,443
Trade debts	21	1,727,790	2,101,856
Advances	22	175,924	407,771
Deposits and prepayments	23	24,457	26,862
Other receivables	24	841,700	641,090
Advance tax - net		4,815,220	3,212,501
Cash and bank balances	25	347,691	462,912
		<b>17,234,410</b>	<b>15,053,645</b>
<b>Total assets</b>		<b>94,806,495</b>	<b>92,982,311</b>



DIRECTOR &amp; CHIEF FINANCIAL OFFICER



## BESTWAY CEMENT LIMITED

# STATEMENT OF PROFIT OR LOSS

## FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 (Rupees '000)	2019 (Rupees '000)
Gross turnover	26	63,687,754	79,000,314
Less: rebates and discounts		(2,243,317)	(2,354,731)
Less: sales tax and excise duty		(24,315,711)	(23,044,071)
Net turnover		37,128,726	53,601,512
Cost of sales	27	(36,011,992)	(37,556,552)
<b>Gross profit</b>		<b>1,116,734</b>	<b>16,044,960</b>
Other income	28	247,618	122,211
Selling and distribution expenses	29	(794,213)	(1,339,086)
Administrative expenses	30	(579,308)	(711,411)
Other expenses	31	(16,743)	(826,752)
<b>Operating (loss) / profit</b>		<b>(25,912)</b>	<b>13,289,922</b>
Finance cost	32	(2,151,701)	(1,498,473)
Share of profit of equity-accounted investees - net of tax	33	1,671,133	1,454,101
<b>(Loss) / profit before tax</b>		<b>(506,480)</b>	<b>13,245,550</b>
Income tax credit / (charge)	34	555,732	(3,148,265)
<b>Profit for the year</b>		<b>49,252</b>	<b>10,097,285</b>
<b>Earnings per share - basic and diluted (Rupees)</b>	35	<b>0.08</b>	<b>16.93</b>

The annexed notes 1 to 46 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR & CHIEF FINANCIAL OFFICER

## BESTWAY CEMENT LIMITED

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 (Rupees '000)	2019 (Rupees '000)
<b>Profit for the year</b>		<b>49,252</b>	10,097,285
<b>Other comprehensive income (OCI):</b>			
<b>Items that will not be subsequently reclassified in profit or loss</b>			
Re-measurement of defined benefit liability	12.4.5	40,788	24,604
Related tax		(10,882)	(6,564)
		29,906	18,040
<i>Company's share of equity-accounted investees' OCI</i>			
Re-measurement of defined benefit liability		(196,981)	23,324
Related tax		29,547	(3,499)
		(167,434)	19,825
		(137,528)	37,865
<b>Items that may be reclassified subsequently in profit or loss</b>			
<i>Company's share of equity-accounted investees' OCI</i>			
Effect of translation of net investment in foreign branches and subsidiaries		33,689	1,119,622
Income from Window Takaful Operation		-	-
Available-for-sale financial assets - net change in fair value		799,276	(470,525)
Related tax		(119,891)	70,579
		713,074	719,676
Other comprehensive income - net of tax		575,546	757,541
<b>Total comprehensive income for the year</b>		<b>624,798</b>	10,854,826

The annexed notes 1 to 46 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR &amp; CHIEF FINANCIAL OFFICER



The annexed notes 1 to 46 form an integral part of these financial statements.

**DIRECTOR & CHIEF FINANCIAL OFFICER**

# BESTWAY CEMENT LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 (Rupees '000)	2019 (Rupees '000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss) / profit before tax		(506,481)	13,245,550
Adjustments for:			
Gain on disposal of property, plant and equipment	28	(67,218)	(18,605)
Depreciation	15.1.5	3,017,573	2,938,682
Amortisation	16.5	123,023	121,389
Provision for obsolete stores	27	70,530	(6,482)
Reversal of provision for slow moving stock	27	(7,716)	(400)
Rental income	28	(34,073)	(30,110)
Profit on deposit accounts	28	(1,293)	(538)
Provision for doubtful debt	29	5,200	-
Share of profit of equity-accounted investees, net of tax	33	(1,671,133)	(1,454,101)
Change in fair value of investment property	28	(3,726)	(4,693)
Interest expense on land compensation	31	16,743	16,697
Finance cost	32	2,151,701	1,498,473
Provision for employee retirement benefits		75,585	90,968
		<b>3,675,196</b>	<b>3,151,280</b>
Changes in:		<b>3,168,715</b>	<b>16,396,830</b>
Stores, spare parts and loose tools		(1,497,666)	2,251,345
Stock in trade		405,686	1,669,038
Trade debts		368,866	(316,128)
Advances		231,848	263,595
Deposits and prepayments		2,405	15,308
Other receivables		(213,350)	1,135,000
Trade and other payables		(521,151)	(1,562,452)
		<b>(1,223,362)</b>	<b>3,455,706</b>
Cash generated from operating activities		<b>1,945,353</b>	<b>19,852,536</b>
Long term deposits		(380)	14,438
Finance cost paid		(2,038,445)	(1,452,476)
Employee retirement benefits paid		(9,617)	(551,555)
Income tax paid		(1,857,825)	(2,056,373)
<b>Net cash (used in) / generated from operating activities</b>		<b>(1,960,914)</b>	<b>15,806,570</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment		(1,859,712)	(4,222,154)
Acquisition of intangible assets		(39,162)	(98,641)
Proceeds from sale of property, plant and equipment		309,367	49,058
Rent received from investment property		34,712	30,692
Profit received on deposit accounts		1,293	538
Dividends received		1,131,326	989,670
<b>Net cash used in investing activities</b>		<b>(422,176)</b>	<b>(3,250,837)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayments of long term financing		(3,300,000)	(2,700,000)
Repayments of long term musharaka		(2,200,000)	(1,800,000)
Proceeds from long term financing		11,656,333	-
Dividends paid		(3,763,844)	(6,458,274)
<b>Net cash generated from / (used in) financing activities</b>		<b>2,392,489</b>	<b>(10,958,274)</b>
<b>Net increase in cash and cash equivalents</b>		<b>9,399</b>	<b>1,597,459</b>
Cash and cash equivalents at beginning of the year		(10,372,456)	(11,969,915)
<b>Cash and cash equivalents at end of the year</b>	36	<b>(10,363,057)</b>	<b>(10,372,456)</b>

The annexed notes 1 to 46 form an integral part of these financial statements.

  
CHIEF EXECUTIVE

  
DIRECTOR & CHIEF FINANCIAL OFFICER



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

### 1. CORPORATE AND GENERAL INFORMATION

Bestway Cement Limited ("the Company") is a public limited company incorporated in Pakistan on 22 December 1993 under the Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017 on 30 May 2017) and its shares are quoted on the Pakistan Stock Exchange Limited since 09 April 2001. The Company is principally engaged in production and sale of cement.

The Company is a subsidiary of Bestway (Holdings) Limited, U.K. (the holding company), which holds 56.43% shares in the Company. Bestway (Holdings) Limited is a wholly owned subsidiary of Bestway Group Limited, U.K. ("the ultimate parent company").

Registered office of the Company is situated at Bestway Building, 19-A, College Road, F-7 Markaz, Islamabad, Pakistan. The Company's cement manufacturing plants are located at Hattar, Farooqia, Chakwal and Kallar Kahar (refer to note 15.1.3 for complete addresses). The Company's sales office is located at House 276, Near Riphah University, Peshawar Road, Rawalpindi, Pakistan. The Company's procurement office is located at UBL Building, Jinnah Avenue, Islamabad, Pakistan. The Company has other regional offices located in Lahore, Peshawar and Multan.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The applicable financial reporting framework for equity-accounted investees also include Banking Companies Ordinance, 1962, Insurance Ordinance, 2001 and underlying Rules and Directives.

#### 2.2 Basis of measurement

The financial statements have been prepared on the historical cost convention except for the following items, which are measured on the following basis annually on each reporting date.

Item	Measurement basis
Investment property	Fair value
Net defined benefit liability	Present value of the defined benefit obligation determined through actuarial valuation

#### 2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees (PKR or Rupee) which is the Company's functional and presentation currency. All amounts have been rounded off to the nearest thousand, unless otherwise stated.

#### 2.4 Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

Notes 4.3, 10 and 34	Recognition of deferred tax and estimation of income tax provisions
Notes 4.2 and 12.4	Measurement of defined benefit obligation – key actuarial assumptions
Notes 4.4, 4.5 and 14	Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

Notes 4.6 and 15	Useful lives, residual values and depreciation method of property, plant and equipment
Notes 4.7 and 16	Useful lives, residual values and amortization method of intangible assets
Note 16.4	Impairment test of goodwill: key assumptions underlying recoverable amounts
Note 17	Fair value of investment property
Note 4.15	Impairment of financial assets and non-financial assets other than inventories
Note 4.10, 4.11, 19 and 20	Provision for stores and spares and stock in trade
Note 4.16	Right of use asset and related lease liability

### **Measurement of fair values**

A number of the Company's accounting policies and disclosures require the measurement of fair value, both for financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. Management has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the approved accounting standards as applicable in Pakistan, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### **3. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO THE APPROVED ACCOUNTING STANDARDS**

- 3.1** The Company has adopted IFRS 16 'Leases' with effect from 01 July 2019. IFRS 16 "Leases" has replaced IAS 17 "Leases", the former lease accounting standard, and has become effective from annual accounting periods beginning on or after January 1, 2019. Under the new standard, almost all leases which meet the criteria described in the standard will be recognized on the statement of financial position with only exceptions of short term and low value leases. Under IFRS 16, an asset (the right to use the leased item) is recognized along with corresponding financial liability to pay rentals at the present value of future lease payments over the lease term, discounted with the specific incremental borrowing rate.

The Company's lease portfolio includes lease contracts which are extendable through mutual agreement between counter parties or cancellable by both parties immediately or on a short notice. Accordingly, the Company has concluded that where the lease term of contracts is short-term in nature i.e. with a lease term of twelve months or less at the commencement date, right of use assets is not recognized and payments made in respect of these leases are expensed in the statement of profit or loss.

The Company has adopted IFRS 16 using the modified retrospective approach and the Company has assessed that the adoption of IFRS 16 does not have any material financial impact on these financial statements.

- 3.2** Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

		Effective date (annual reporting periods beginning on or after)
IAS 1	Presentation of financial statements (Amendments)	January 1, 2020
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 1, 2020
IAS 16	Property, Plant and Equipment (Amendments)	January 1, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 1, 2022
IAS 39	Financial Instruments: Recognition and Measurement (Amendments)	January 1, 2020
IAS 41	Agriculture (Amendments)	January 1, 2020
IFRS 3	Business combinations (Amendments)	January 1, 2020
IFRS 4	Insurance contracts (Amendments)	January 1, 2023
IFRS 7	Financial instruments: disclosures (Amendments)	January 1, 2020
IFRS 9	Financial instruments (Amendments)	January 1, 2020

The management anticipates that adoption of above amendments in future periods, will have no material impact on the financial statements other than in presentation / disclosures.

- 3.3** Further, the following new standards have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan;

IFRS 1 First-time Adoption of International Financial Reporting Standards  
IFRS 17 Insurance contracts

- 3.4** The following interpretation issued by the IASB has been waived off by SECP:  
IFRIC 12 Service concession arrangement

#### 4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as disclosed in note 3.1.

##### 4.1 Business combinations

The Company accounts for business combination using the acquisition method when control is transferred to the Company. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Any contingent gain is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

**Subsidiaries:** Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

**Non-controlling interests (NCI):** NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Company's interest in a subsidiary, except those part of the initial acquisition transaction, that do not result in a loss of control are accounted for as equity transactions.

**Loss of control:** When the Company loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

**Interests in equity-accounted investees:** The Company's interests in equity-accounted investees comprise of interests in associates. Associates are those entities in which the Company has significant influence, but not control over the financial and operating policies.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Company's share of the profit or loss and other comprehensive income of equity-accounted investee, until the date on which significant influence ceases.

**Intra-company transactions:** Intra-company balances and transactions, and any unrealised income and expenses arising from intra-company transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee. Unrealised losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

### 4.2 Employee benefits

**Short-term employee benefits:** Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**Defined contribution plan:** The Company operates an approved contributory provident fund for all its employees whose services were transferred to the Company upon amalgamation of the Pakcem Limited (herein after referred as "Pakcem"). Equal monthly contributions are made to the fund by the Company and the employees, at the rate of 10% of the employee's basic salary. The Company's contribution to the provident fund is expensed as the related service is provided. Prepaid contributions are recognised as asset to the extent that a cash refund or a reduction in future payment is available.

**Defined benefit plans:** The Company operates the following defined benefit plans:

- (a) **Gratuity:** A separate Employees' Gratuity Fund, established through a registered trust deed. The employees transferred to the Company on the amalgamation of Pakcem into the Company are not covered under this scheme. The calculation of defined benefit obligations in respect of gratuity is performed annually by a qualified actuary using the Projected Unit Credit (PUC) method. The Company's net liability in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of plan assets.

Re-measurement of the net defined benefit liability, which comprises actuarial gains and losses, are recognised immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefits payment. Net interest expense and other expenses related to defined benefit plan is recognised in profit or loss.

- (b) **Un-availed leaves:** The Company recognises provision for un-availed leaves on an undiscounted basis and are expensed as the related services are provided. A liability is recognised for the amount expected to be paid under un-availed leaves if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. The un-availed leaves are payable to employees at the time of retirement/termination of service. The provision is determined on the basis of last drawn salary and accumulated leaves balance at the reporting date.

### 4.3 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

**Current tax:** Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantially enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset if certain criteria are met.

**Deferred tax:** Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for the Company and the reversal of temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this assumption. Deferred tax assets and liabilities are offset if certain criteria are met.

#### 4.4 Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessment of time value of money and risk specific to the liability. The unwinding of discount is recognised as finance cost.

#### 4.5 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

#### 4.6 Property, Plant and Equipment

**Recognition and measurement:** Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses. Freehold land and capital work in progress are stated at cost less any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

**Subsequent expenditure:** Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

**Depreciation:** Depreciation is calculated to write off the cost of items of property, plant and equipment less their residual values using the reducing balance method, except leasehold land, buildings and plant and machinery which are depreciated on a straight-line basis. Depreciation is recognised in profit or loss. Leased assets are depreciated over the shorter of the leased term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated. Rates of depreciation/estimated useful lives are mentioned in note 15.1.1. Depreciation is charged on prorata basis from the month in which an asset is acquired or capitalised, while no depreciation is charged for the month in which the asset is disposed off. Days in excess of fifteen days are considered as full month for the purpose of calculation of depreciation. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

### 4.7 Intangible assets and goodwill

#### **Recognition and measurement**

**Goodwill:** Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

**Other intangible assets:** Other intangible assets include brands that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

**Subsequent expenditure:** Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

**Amortisation:** Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in profit or loss. Goodwill is not amortised. The estimated useful lives of intangible assets are given in note 16.1. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

### 4.8 Investment property

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

### 4.9 Foreign currency

Transactions in foreign currency are translated into Pak Rupee at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupee at the exchange rate at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are recognised in profit or loss.

### 4.10 Stores, spare parts and loose tools

Stores, spare parts and loose tools are valued at lower of weighted average cost and net realizable value. For items which are slow moving and/or identified as surplus to the Company's requirements, adequate provision is made for any excess book value over estimated net realizable value. The Company reviews the carrying amount of stores, spare parts and loose tools on a regular basis and provision is made for obsolescence.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

### 4.11 Stock in trade

Stocks of raw materials, work in process and finished goods are valued at the lower of cost and net realizable value. Cost is calculated using the weighted average method and comprises of direct materials, labor and appropriate manufacturing overheads. Net realizable value signifies estimated selling price less estimated cost of completion and estimated cost to sell. The Company reviews the carrying amount of stock in trade on a regular basis and provision is made for obsolescence.

### 4.12 Revenue

**Sale of goods:** Revenue is recognised when or as performance obligations are satisfied by transferring control of a promised goods or service to a customer, and control either transfers over time or at a point in time. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates and government levies.

**Income on investments:** Income on investments at amortised costs and bank deposits is recognized on time proportion basis using the effective yield method.

**Rental income from investment property:** Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as integral part of the total rental income, over the term of the lease.

### 4.13 Finance income and finance costs

The Company's finance income and finance costs include interest income, interest expense, foreign currency gain or loss on financial assets and financial liabilities. Interest income or expense is recognised using the effective interest method. Mark-up, interest and other charges on borrowings used for the acquisition and construction of qualifying assets are capitalised up to the date when the qualifying assets are substantially ready for their intended use. Borrowing cost is included in the related property, plant and equipment acquired/constructed out of the proceeds of such borrowings.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

### 4.14 Financial instruments

#### Financial assets

**Classification:** The Company classifies its financial assets in the following measurement categories:

- Amortised cost where the effective interest rate method will apply;
- Fair value through profit or loss (FVTPL); and
- Fair value through other comprehensive income (FVTOCI)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income (OCI). For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVTOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

**Recognition and derecognition:** Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Further, financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

**Measurement:** At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in statement of profit or loss.

**Debt instruments:** Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company can classify its debt instruments:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where the contractual terms of the financial assets give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the profit or loss.
- **Fair value through other comprehensive income (FVTOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the contractual terms of the financial asset give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue, and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and recognised in other income. Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income and impairment expenses are presented as separate line item in the statement of profit or loss.
- **Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income in the period in which it arises.

**Equity instruments:** The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

### Financial liabilities

Financial liabilities are classified in the following categories:

- fair value through profit or loss; and
- other financial liabilities.

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in case of other financial liabilities also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

**Fair value through profit or loss:** Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

**Other financial liabilities:** After initial recognition, other financial liabilities which are interest bearing subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in profit or loss for the year, when the liabilities are derecognized as well as through effective interest rate amortisation process.

The Company derecognises financial liabilities when and only when the Company's obligations are discharged, cancelled or they expire.

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

### 4.15 Impairment

**Financial assets:** The Company assesses on a historical as well as on a forward looking basis the expected credit losses (ECL) as associated with its trade debts, deposits, advances, other receivables and cash and bank balances carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade debts, the Company applies IFRS 9 simplified approach to measure the expected credit losses (loss allowance) which uses a life time expected loss allowance to be recognised from initial recognition of the receivables while general 3-stage approach for deposits, advances and other receivables and cash and bank balances i.e. to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses.

Expected credit losses are a probability weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. In the absence of a change in credit rating, allowances are recognised when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognised without a change in the expected cash flows, although typically expected cash flows do also change; and expected credit losses are rebased from 12 month to lifetime expectations.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the instrument as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are considered while assessing credit risk:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

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- actual or expected significant changes in the operating results of the debtor;
- significant increase in credit risk on other financial instruments of the same debtor; and
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees, if applicable.

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

Irrespective of the above analysis, in case of trade debts, the Company considers that default has occurred when a debt is more than 365 days past due, unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

The Company recognises life time ECL on trade debts, using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Trade debts with individually significant balance are separately assessed for ECL measurement. All other receivables are grouped and assessed collectively based on shared credit risk characteristics and the days past due. The expected credit losses on these financial assets are estimated using a provision matrix approach based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- external credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Company recognizes an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

**Non-financial asset:** Assets that have an indefinite useful life are not subject to depreciation/amortization and are tested annually for impairment. Assets that are subject to depreciation/amortization are reviewed for impairment at each statement of financial position date, or wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which the asset's carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each statement of financial position date. Reversals of the impairment loss are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no new impairment loss had been recognized. An impairment loss or reversal of impairment loss is recognized in income for the year.

### 4.16 Leases

#### Policy applicable after 01 July 2019:

**Right of use asset:** The Company assesses whether a contract is or contains a lease at the inception of the contract. The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Where the Company determines that the lease term of identified lease contracts is short term in nature i.e. with a lease term of twelve months or less at the commencement date, right of use assets is not recognized and payments made in respect of these leases are expensed in the statement of profit or loss.

**Lease liability:** The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments in the measurement of the lease liability comprise the following:

- a. fixed payments, including in-substance fixed payments;
- b. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- c. amounts expected to be payable under a residual value guarantee; and
- d. the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

Variable lease payments are recognised in the profit or loss in the period in which the condition that triggers those payments occurs.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

### Policy applicable before 01 July 2019:

**Determining whether an arrangement contains a lease:** At inception of an arrangement, the Company determines whether the arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

**Lease assets:** Leases of property, plant and equipment that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Company's statement of financial position.

**Lease payments:** Payments made over operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

### 4.17 Share capital and dividend

Ordinary shares are classified as equity and recognised at their face value. Dividend distribution to the shareholders is recognised as liability in the period in which it is declared.

### 4.18 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Short term finance facilities availed by the Company, which are payable on demand and form an integral part of the Company's cash management are included as part of cash and cash equivalents for the purpose of statement of cash flows.

### 4.19 Operating profit

Operating profit is the result generated from continuing principal revenue producing activities of the Company as well as other income and expenses related to operating activities. Operating profit excludes finance costs, share of profit of equity accounted investees and income taxes.

### 4.20 Earnings per share

The Company presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

### 4.21 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

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If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.



# BESTWAY CEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 5. SHARE CAPITAL

<b>Authorised share capital</b>			<b>2020 (Rupees '000)</b>	<b>2019 (Rupees '000)</b>
700,000,000 (2019: 700,000,000) ordinary shares of Rs. 10 each			<b>7,000,000</b>	7,000,000
<b>Issued, subscribed and paid up share capital</b>				
<b>2020</b>	<b>2019</b>			
<b>Number of shares</b>				
<b>514,163,552</b>	514,163,552	Ordinary shares of Rs. 10 each issued for cash	<b>5,141,636</b>	5,141,636
<b>64,038,422</b>	64,038,422	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	<b>640,384</b>	640,384
<b>1,182,944</b>	1,182,944	Ordinary shares of Rs. 10 each issued pursuant to amalgamation of Mustehkam Cement Ltd.	<b>11,829</b>	11,829
<b>16,867,865</b>	16,867,865	Ordinary shares of Rs. 10 each issued pursuant to amalgamation of Pakcem Limited	<b>168,679</b>	168,679
<b>596,252,783</b>	596,252,783		<b>5,962,528</b>	5,962,528

**5.1** All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

**5.2** Bestway (Holdings) Limited, U.K. holds 336,445,868 i.e. 56.43% shares in the Company as at 30 June 2020 (2019: controls 336,445,868 i.e. 56.43%). Bestway (Holdings) Limited is a wholly owned subsidiary of Bestway Group Limited. Directors and associated companies hold 102,104,098 (2019: 102,104,098) and 23,324,913 (2019: 23,324,913) ordinary shares respectively at year end.

#### **5.3 Capital management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and sustain future development of the business. The Board of Directors of the Company monitor the return on capital, which the Company defines as net profit after taxation divided by total shareholders' equity. The Board of Directors also determine the level of dividend to ordinary shareholders. There were no changes to the Company's approach to capital management during the year.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 (Rupees '000)	2019 (Rupees '000)
<b>6. CAPITAL RESERVES</b>			
Share premium on ordinary shares		5,381,821	5,381,821
OCI accumulated in reserves:			
- Exchange translation reserve		2,704,962	2,671,273
- Revaluation reserves		130,912	(548,473)
	6.1	2,835,874	2,122,800
		8,217,695	7,504,621

**6.1** This amount represents the Company's share in reserves of equity-accounted investees. This amount is not available for distribution.

	Note	2020 (Rupees '000)	2019 (Rupees '000)
<b>7. REVENUE RESERVE</b>			
Statutory reserve	7.1	2,435,210	2,273,286
Unappropriated profit	7.2	38,037,767	41,865,483
		40,472,977	44,138,769

**7.1** This represents statutory reserves carried by United Bank Limited ("UBL"), an equity-accounted investee, under section 21 of the Banking Companies Ordinance, 1962.

**7.2** This represents unappropriated profit and is available for distribution.

	Note	2020 (Rupees '000)	2019 (Rupees '000)
<b>8. LONG TERM FINANCING</b>			
Term finance facility - secured	8.1	11,814,421	3,375,360
Less: Current portion shown under current liabilities		(272,171)	(3,375,360)
		11,542,250	-

**8.1** The entire amount of Rs. 3.37 billion which was classified as current portion of previous syndicate term finance facility as at June 30, 2019 has been repaid during the year.

The current year amount includes new term finance facilities amounting to Rs.11.20 billion obtained from Allied Bank Limited, Habib Bank Limited, and Industrial and Commercial Bank of China. It also includes an amount of Rs. 0.16 billion of markup accrued on it. Habib Bank Limited and Allied Bank Limited facilities are repayable in 06 semi-annual instalments which will start from October 2022 and November 2022, respectively. Industrial and Commercial Bank of China facility is repayable in 04 semi-annual instalments which will start from December 2021. Mark-up is payable on semi annual basis and the rate ranges from 6-month KIBOR plus 0.15% per annum to 6-month KIBOR plus 0.20% per annum.

Further, the Company has also availed salary refinance facility from MCB Bank Limited amounting to Rs. 0.45 billion. It also includes an amount of Rs. 0.14 million of markup accrued on it. This facility is repayable in 08 quarterly instalments which will start from January 2021. Markup is payable on quarterly basis at the rate of 0.4% per annum.

These facilities are secured under hypothecation charge against all present and future current and fixed assets of the Company excluding (land and building) for an amount of Rs. 16.27 billion.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

The entire amount of Rs. 2.25 billion which was classified as current portion of long term musharaka as at June 30, 2019 has been repaid during the year.

**10.1** Breakup and movement of deferred tax balances is as follows:

	Net balance at 01 July 2018	Recognised in profit or loss	Recognised in OCI	Balance at 30 June 2019		
				Net	Deferred tax assets	Deferred tax liabilities
<b>2019</b>						
<b>----- (Rupees ‘000) -----</b>						
Property, plant and equipment	7,788,745	1,475,890	-	9,264,635	-	9,264,635
Intangible assets	172,160	(168,934)	-	3,226	-	3,226
Goodwill	-	188,417	-	188,417	-	188,417
Available for sale investments	(26,211)	-	(70,579)	(96,790)	(96,790)	-
Share of profit of equity accounted investees	1,196,145	69,665	-	1,265,810	-	1,265,810
Other differences related to equity accounted investees	8,235 (27,712)	- 1,607	3,499 6,564	11,734 (19,541)	- (19,541)	11,734 -
Other temporary differences	9,111,362	1,566,645	(60,516)	10,617,491	(116,331)	10,733,822
Deferred tax (assets) / liabilities				-	116,331	(116,331)
Set-off of tax						
Net tax liabilities				10,617,491	-	10,617,491

55 | Annual Report 2020



## BESTWAY CEMENT LIMITED

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

- 10.1.2** Minimum tax credit will expire by the year ended 30 June 2025. While, unused tax loss credits represents unclaimed depreciation and is available for set off against future profits indefinitely.

	Note	2020 (Rupees '000)	2019 (Rupees '000)
<b>11. EMPLOYEE BENEFIT OBLIGATIONS</b>			
Provision for un-availed leaves		<b>27,915</b>	<b>24,890</b>

Actuarial valuation of un-availed leaves has not been carried out since management believes that the effect of actuarial valuation would not be material.

		2020 (Rupees '000)	2019 (Rupees '000)
<b>12. TRADE AND OTHER PAYABLES</b>			
Payable to contractors and suppliers		<b>1,871,342</b>	2,513,565
Accrued liabilities		<b>2,120,201</b>	1,625,192
Advances from customers		<b>416,166</b>	267,482
Security deposits	12.1	<b>113,868</b>	94,205
Retention money		<b>50,636</b>	101,705
Workers' Profit Participation Fund payable	12.2	-	639,689
Workers' Welfare Fund payable	12.3	<b>183,201</b>	337,224
Sales tax payable		-	136,147
Excise duty payable		<b>1,376,048</b>	869,083
Advance rent of investment property		<b>7,033</b>	6,394
Donations payable to Bestway Foundation	30.2	<b>530,395</b>	530,514
Payable to employees' provident fund		<b>6,197</b>	1,881
Payable to employees' gratuity fund	12.4	<b>9,411</b>	-
Withholding taxes payable		<b>178,308</b>	168,197
Other payables	12.5	<b>791,559</b>	768,476
		<b>7,654,365</b>	8,059,754

- 12.1** These represent amounts received as security deposits from customers and suppliers of the Company, which are utilisable for the purpose of the business in accordance with their respective agreements.

- 12.2** Receivable from Workers' Profit Participation Fund amounting to Rs. 5.36 million has been classified as a current asset in other receivables as at 30 June 2020 (refer note 24.3).

	2020 (Rupees '000)	2019 (Rupees '000)
<b>12.3 Workers' Welfare Fund payable</b>		
Balance at the beginning of the year	<b>337,224</b>	325,587
Allocation for the year	-	186,091
Adjustments claimed against income tax	<b>(154,023)</b>	(174,454)
Balance at the end of the year	<b>183,201</b>	337,224

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 (Rupees '000)	2019 (Rupees '000)
<b>12.4 (Payable to) / receivable from employees' gratuity fund</b>			
Present value of defined benefit obligation	12.4.1	(471,771)	(480,444)
Fair value of plan assets	12.4.2	462,360	493,188
(Payable) / receivable		(9,411)	12,744
<b>12.4.1 Movement in defined benefit obligation</b>			
Obligation at the beginning of the year		480,444	468,333
Current service cost		74,431	75,258
Interest cost		59,587	38,241
Benefits paid		(106,106)	(67,505)
Re-measurement gain on obligation		(36,585)	(33,883)
Obligation at the end of the year		471,771	480,444
<b>12.4.2 Movement in fair value of plan assets</b>			
Fair value at the beginning of the year		493,188	-
Expected return on plan assets		63,275	21,637
Employer contributions		7,800	527,800
Benefits paid on the behalf of the fund		-	20,535
Benefits paid		(106,106)	(67,505)
Re-measurement gain / (loss) on plan assets		4,203	(9,279)
Fair value at the end of the year		462,360	493,188
<b>12.4.3 Movement in (payable) / receivable from employee's gratuity fund</b>			
Opening asset / (liability)		12,744	(468,333)
Employer contributions		7,800	527,800
Expense	12.4.4	(70,743)	(91,862)
Benefits paid on the behalf of the fund		-	20,535
Re-measurement gain recognised in OCI	12.4.5	40,788	24,604
Closing (liability) / asset		(9,411)	12,744
<b>12.4.4 Expense recognised in profit or loss during the year</b>			
Current service cost		74,431	75,258
Net interest on defined benefit asset / (liability)		(3,688)	16,604
		70,743	91,862
<b>12.4.5 Re-measurement gain / (loss) recognised in OCI during the year</b>			
Re-measurement gain on obligation		36,585	33,883
Re-measurement gain / (loss) on fair value of plan assets		4,203	(9,279)
		40,788	24,604
<b>12.4.6 Components of plan assets - unquoted</b>			
Cash and bank		1,456	5,422
Term deposit receipts		-	10,012
Pakistan Investment Bonds		289,283	165,059
Market Treasury Bills		171,621	312,695
		462,360	493,188

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

### 12.4.7 Actuarial assumptions

Following significant actuarial assumptions were used at the reporting date:

	2020	2019
Discount rate per annum	<b>8.50%</b>	14.25%
Salary increase rate (short term)	<b>4% (Three years)</b>	10% (five years)
Salary increase rate (long term)	<b>6.50%</b>	12.25%
Withdrawal rates	<b>Moderate</b>	Moderate

The mortality rates are based on State Life Insurance Corporation (SLIC) 2001-05 ultimate mortality rate (2019: SLIC 2001-05 ultimate mortality rate), rated down by one year.

The effective duration of the future cash flows calculated based on yields available on government bonds works out to 7.45 years (2019: 6.91 years).

### 12.4.8 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	2020 Increase (Rupees '000)	2020 Decrease (Rupees '000)	2019 Increase (Rupees '000)	2019 Decrease (Rupees '000)
Discount rate (1% movement)	<b>(32,206)</b>	<b>37,149</b>	(30,345)	34,871
Future salary growth (1% movement)	<b>40,157</b>	<b>(35,328)</b>	37,794	(33,358)
Future mortality (1 year change)	<b>289</b>	<b>(291)</b>	(275)	274
Withdrawal rate (10% movement)	<b>1,520</b>	<b>(1,587)</b>	1,512	(1,577)

Although the analysis does not take into account full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

### 12.4.9 Expected gratuity expense

Expected gratuity expense for the next financial year is Rs. 56.7 million (2019: Rs. 63.91 million).

### 12.4.10 Risks associated with defined benefit plan

#### Investment risks

The risk arises when the actual performance of the investments is lower than expectation and thus creating a shortfall in the funding objectives.

#### Longevity risks

The risk arises when the actual lifetime of retiree is longer than the estimate of future employee lifetime expectation. This risk is measured at the plan level over the entire retiree population.

#### Salary growth risk

The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.

#### Withdrawal risk

The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

- 12.5** This includes an amount of Rs. 716.05 million (2019: Rs. 699.31 million) including interest cost on account of estimated provision recorded up to 30 June 2020 pursuant to the decision of the Honourable Supreme Court of Pakistan against compensation to the land owners for land acquired at Hattar plant.

2020 (Rupees '000)	2019 (Rupees '000)
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### 13. SHORT-TERM BORROWINGS

Running finance facilities from banking companies - secured

10,710,748	10,835,368
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- 13.1** This includes an amount of Rs. 323.16 million (2019: Rs. 223.69 million) of markup accrued and represents short term finance facilities obtained from various commercial banks with an aggregate limit of Rs. 20.10 billion (2019: Rs. 19.54 billion) including export refinance facilities with an aggregate amount of Rs. 1.98 billion (2019: Rs. 2.18 billion). The short term finance facilities carry mark-up at 1-month and 3-months KIBOR plus 0.02% to 1% and vary from bank to bank and export refinance facilities carry mark-up at 2.05% to 3.0% per annum (2019: 3-month KIBOR plus 0.05% to 1% and export refinance facilities at 2.05% to 2.5% per annum). These facilities are secured by first pari passu hypothecation charge on all present and future movable assets, current assets and fixed assets excluding land and building for an amount of Rs. 31.77 billion (2019: Rs. 24 billion) and ranking hypothecation charge on all present and future movable assets, current assets and fixed assets excluding land and building for an amount of Rs. 1.96 billion (2019: Rs. 6.86 billion).

- 13.2** The Company has running finance and other short term borrowing facilities aggregating to Rs. 9.71 billion (2019: Rs. 8.70 billion) which remained un-availed at the year end.

Note	2020 (Rupees '000)	2019 (Rupees '000)
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### 14. CONTINGENCIES AND COMMITMENTS

#### 14.1 Contingencies

##### 14.1.1 Guarantees and claims

Letters of guarantee issued by banks on behalf of the Company	14.1.1.1	2,482,627	2,148,248
Company's share of guarantees and claims of equity-accounted investees:			
- Guarantees		12,971,861	14,183,753
- Other contingent liabilities		2,088,047	2,077,784

- 14.1.1.1** These include bank guarantees issued in the normal course of business to Sui Northern Gas Pipeline Limited for commercial and industrial use of gas for an amount of Rs. 2.07 billion (2019: Rs. 1.73 billion).

- 14.1.1.2** As at 30 June 2020, facilities of letters of guarantee amounting to Rs. 2.82 billion (2019: Rs. 2.66 billion) were available to the Company out of which Rs. 0.34 billion (2019: Rs. 0.51 billion) remained unavailed. Facilities of letters of guarantee are secured by first pari passu charge on present and future assets of the Company (excluding land and building).

##### 14.1.2 Litigations

- 14.1.2.1** Writ Petition No.1540/1999 was filed by the Company (along with several other cement companies) in the Peshawar High Court, for declaration that Pakistan Standards and Quality Control Act, 1996 and the Pakistan Standards Institution (Certification Mark) Ordinance, 1961 are ultra vires of the Constitution of Islamic Republic of Pakistan and that the demand for the payment of marking fee at the rate of 0.15% is without lawful authority and of no legal effect and that Pakistan Standards & Quality Control Authority / Pakistan Standards Institution cannot use coercive measures to recover this fee. Furthermore, it was submitted that both Acts provide for levying of 'fee' and not a tax. Fee cannot be exorbitant and the rate of 0.15% is unfair, exceeds the value of the service and has no nexus to the service provided by the respondents. This Writ Petition was dismissed by the Peshawar High Court vide judgment dated 24 December 2009. The Company filed an appeal in the Honourable Supreme Court of Pakistan on 12 January 2010. No arguments have been presented as yet, however the Company will be vigorously contesting the case.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

**14.1.2.2** The Competition Commission of Pakistan (CCP) issued a show cause notice dated 28 October 2008 under section 30 of the Competition Ordinance, 2007. On 27 August 2009, the CCP imposed a penalty aggregating Rs. 1.04 billion on the Company. The Company has challenged the CCP order in the Honourable High Court and the Honourable High Court has passed an interim order restraining the CCP from taking any adverse action against the parties.

Appeals against the CCP's orders were also filed as an abundant precaution in the Honourable Supreme Court of Pakistan under Section 42 of the Competition Ordinance, 2007.

However, after the enactment of the Competition Act, 2010 in which the Competition Appellate Tribunal ("CAT") had been constituted, the Honourable Supreme Court of Pakistan vide its Order dated 1 June 2017 sent the above appeals to CAT to decide the same in accordance with law. The final arguments of the case were concluded on 16 July 2020. The order is now reserved, however, the Company and its legal advisor are confident of a favourable outcome of the matter, accordingly no provision has been made in respect of same in the financial statements.

**14.1.2.3** In 2002, State Life Insurance Corporation of Pakistan (an initial shareholder of Pakcem) filed two suits before the Honourable Sindh High Court against Mr. Khawaja Mohammad Jaweed (the then Chairman of the Chakwal Group, the previous parent of Pakcem) for recovery of an aggregate amount of Rs. 461 million plus markup (at rates ranging from 16% to 20%) on account of agreements of sale and repurchase of shares, executed at various times in August 1995, between State Life Insurance Corporation of Pakistan and the then Chairman of the Chakwal Group. Pakcem received a letter dated 03 September 2014 from Chakwal Group stating that Pakcem is also a party to the case and can be held liable to pay the damages by the Honourable Sindh High Court. The legal advisor of the Company is of the opinion that the Company can be extricated from the case, provided that it can be shown to the Court that the then Chairman of the Chakwal Group was not authorised to act in this regard on behalf of Pakcem. No provision has been made against the aforementioned case in these financial statements, as the management and its legal counsel are confident that the matter will ultimately be decided in favour of the Company.

**14.1.2.4** Contingencies relating to sales tax and federal excise duty of the Company are as follows. Sales tax and excise duty contingencies of Pakcem, acquired by and subsequently amalgamated into the Company, are disclosed in note 14.1.2.5.

i) The Commissioner Inland Revenue (Appeals-I) [CIR (A)] while deciding the appeal filed against the Order-in-Original No. 20 of 2013 dated 07 May 2013 [the OIO] for the years 2010, 2011 and 2012 passed by the tax authority raising alleged aggregate demand of Rs.19.09 billion (including Rs. 3.33 billion relating to Mustehkam Cement Limited [MCL], which was amalgamated into the Company in 2013), remanded the case back to the tax authority by observing that the OIO is completely silent about the earlier judgment passed by the Customs, Excise and Sales Tax Appellate Tribunal dated 30 April 2003 on the similar issue that the cement produced/sold by the Company was less than the quantity of cement worked out in standard mix of 95:5 (5 being gypsum). The Company is in appeal against the order of the CIR(A) which is pending disposal to date. On similar issue in a parallel case, the Appellate Tribunal Inland Revenue [the ATIR] has set aside the demand raised by the tax authority by observing that working out production on the basis of working back gypsum percentage should not be followed as there are many other ingredients required to produce cement.

Further, taking up the reassessment proceedings, the tax authority passed the Order-in-Original No. 09/065 of 2014 dated 18 March 2013 [the Order] by following a completely different view that the production of cement should be worked out at the rate of 98% of installed capacity for all years under review. Resultantly, an aggregate demand of Rs. 8.54 billion (including Rs.1.56 billion related to MCL) against the Company was raised. Being aggrieved with this decision, the Company filed an appeal before the CIR(A) who upheld the treatment followed by the tax authority with modification that instead of 98%, the capacity should be worked out on average production in parallel cases for the years. However, the tax authority has worked out production by applying a rate of 86.66% instead of 98%. As a result demand of Rs. 5.28 billion (including Rs. 0.92 billion related to MCL) along with default surcharge and penalty was raised. On appeal filed by the Company, the ATIR vide its order dated 02 September 2014, has annulled the orders of tax authority. The tax authority has filed reference before the Honourable Islamabad High Court against the appellate orders of the ATIR which is currently pending adjudication.

ii) The tax authority conducted audit of sales tax affairs of the Company for the year 2013 and consequently framed order-in-original No. 01 of 2015 dated 31 August 2015 through which a tax demand of Rs. 230.91 million was raised. Against the said order, the Company filed an appeal before the CIR(A), who upheld the impugned order. Being dissatisfied with the order of the CIR(A) dated 13 April 2016, the Company filed an appeal before the ATIR who vacated the decision of CIR(A) and stated that the Company may prefer another appeal before the CIR(A) for the redressal of grievances against the assessment order, if any. Pursuant to the order of the ATIR dated 13 February 2018, the Company has filed a fresh appeal before the CIR(A) and reference before the Honourable Islamabad High Court (IHC). After initial hearing, the IHC, vide its order dated 30 May 2018 has admitted the reference and has directed that 'status quo' be maintained till the next date of hearing.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

iii) Based on an audit for the period from July 2009 to June 2010, the tax authority vide Order-in-Original No. 23 of 2013 dated 30 April 2013 [the Order] raised aggregate sales tax demand of Rs. 639.17 million against the Company mainly alleging suppression of production. On appeal by the Company, the CIR(A) vide order dated 25 July 2013, set aside the order in original and directed the tax authority for denovo consideration. The Company has filed an appeal on 10 October 2013 before the ATIR against the order of the CIR(A) which is pending adjudication.

**14.1.2.5** Contingencies relating to sales tax and federal excise duty of Pakcem, acquired by and subsequently amalgamated into the Company, are as follows:

i) For the tax period January 2007 to December 2007, the tax authority raised sales tax/federal excise duty demand of Rs. 690 million vide order-in-original No.19 of 2011 dated 25 October 2011. Pakcem filed an appeal against the said order before the CIR(A). The CIR(A) endorsed the view of the tax authority, but reduced the demand to Rs. 489 million. Pakcem filed an appeal before the Appellate Tribunal Inland Revenue [ATIR] against the order of the CIR(A) and ATIR, vide its order dated 30 March 2012, set aside the orders of the CIR(A) and directed the tax authority for denovo consideration. Pakcem then filed an appeal before the Honourable Islamabad High Court against the order of the ATIR. Meanwhile, as directed by the ATIR, the tax authority vide its re-assessment order dated 31 October 2012 again raised a demand of Rs. 489 million. Pakcem filed an appeal before the CIR(A) against the aforementioned order of the tax authority. The CIR(A) vide its order dated 20 December 2012 remanded back the order of the tax authority for re-assessment. Pakcem has also filed an appeal before the ATIR against the order of the CIR (A), which is pending adjudication. Further, as directed by the CIR(A), the matter is also pending for adjudication with the tax authority. To date no order has been passed.

**14.1.2.6** Certain matters other than those disclosed in these financial statements, are pending in different Courts of law. The management is of the view that the outcome of those is expected to be favourable and a liability, if any, arising at the conclusion of those cases is not likely to be material.

Pending the outcome of the matters as discussed in notes from 14.1.2.4 to 14.1.2.6, no provision has been made in these financial statements as management is confident that the matters will ultimately be decided in favour of the Company.

### 14.2 Commitments

Outstanding letters of credit including capital expenditure  
Capital expenditure  
Implementation of ERP  
Rentals for use of land

Company's share of commitments of equity-accounted investees:

- Letters of credit  
- Forward foreign exchange contracts  
- Forward government securities transactions  
- Derivatives  
- Forward lending  
- Capital expenditure  
- Operating leases

2020 (Rupees '000)	2019 (Rupees '000)
-----------------------	-----------------------

1,129,651	2,298,855
188,585	121,697
-	30,240
123,437	124,792

8,892,109	15,233,261
48,655,105	59,157,308
73,249	6,073,361
48,568	152,520
8,158,723	11,415,461
36,024	73,810
14,257	-

**14.2.1** As at 30 June 2020, facilities of letters of credit amounting to Rs. 10.1 billion (2019: Rs. 8.31 billion) are available to the Company, out of which Rs. 8.97 billion (2019: Rs. 6.01 billion) remained unavailed.

### 15. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets  
Capital work in progress

Note	2020 (Rupees '000)	2019 (Rupees '000)
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54,245,747	56,886,395
1,543,722	355,691
55,789,469	57,242,086



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

### 15.1 Operating fixed assets

#### 15.1.1 Reconciliation of carrying amounts

	Freehold land	Leasehold land	Buildings on freehold land	Plant and machinery	Quarry equipment	Laboratory and other equipment	Furniture and fixture	Vehicles	Office equipment	Total
Cost										
Balance at 1 July 2018	2,099,193	39,903	14,551,060	46,198,482	3,766,402	1,018,036	168,460	665,728	221,348	68,728,612
Additions	169,724	-	11,551	536,194	266,267	114,991	27,537	82,811	29,932	1,239,007
Transfers from CWIP	-	-	1,270,309	2,783,280	-	69,411	2,295	-	17,281	4,142,576
Adjustments	(42,481)	-	35,031	(145,786)	77,494	12,473	-	-	20,788	(42,481)
Disposals	(650)	-	-	-	(27,618)	-	-	(56,085)	(37)	(84,390)
Transfers / Write offs	-	-	-	(206,539)	-	-	-	-	-	(206,539)
Balance at 30 June 2019	2,225,786	39,903	15,867,951	49,165,631	4,082,545	1,214,911	198,292	692,454	289,312	73,776,785
Balance at 1 July 2019	2,225,786	39,903	15,867,951	49,165,631	4,082,545	1,214,911	198,292	692,454	289,312	73,776,785
Additions	78,411	-	2,047	23,653	66,233	33,431	6,141	67,988	8,466	286,370
Transfers from CWIP	-	-	14,799	346,595	-	-	-	-	43,124	404,518
Reclassification	-	-	(6,812)	(57,483)	1	77,118	(45,765)	(2)	32,943	-
Disposals	-	-	-	(175,007)	(22,354)	-	-	(168,643)	(383)	(366,387)
Write offs	-	-	(10,743)	(80,777)	-	-	(8,556)	-	(19,369)	(119,445)
Balance at 30 June 2020	2,304,197	39,903	15,867,242	49,222,612	4,126,425	1,325,460	150,112	591,797	354,093	73,981,841
Accumulated depreciation										
Balance at 1 July 2018	-	25,680	2,855,638	9,279,333	1,153,777	323,617	76,954	272,775	109,576	14,097,350
Depreciation	-	1,230	520,159	1,785,986	425,163	88,473	11,332	83,226	23,113	2,938,682
Adjustments	-	-	-	(19,264)	17,152	-	-	-	7,263	5,151
Disposals	-	-	-	-	(26,640)	-	-	(33,583)	(21)	(60,244)
Transfers / Write offs	-	-	-	(90,549)	-	-	-	-	-	(90,549)
Balance at 30 June 2019	-	26,910	3,375,797	10,955,506	1,569,452	412,090	88,286	322,418	139,931	16,890,390
Balance at 1 July 2019	-	26,910	3,375,797	10,955,506	1,569,452	412,090	88,286	322,418	139,931	16,890,390
Depreciation	-	1,217	557,523	1,853,256	385,655	102,268	8,277	73,823	35,554	3,017,573
Reclassification	-	(1)	5,424	(11,530)	-	22,462	(16,823)	-	3,527	3,059
Disposals	-	-	-	(9,486)	(15,615)	-	-	(99,084)	(53)	(124,238)
Write offs	-	-	(1,356)	(29,072)	-	-	(5,519)	-	(14,743)	(50,690)
Balance at 30 June 2020	-	28,126	3,937,388	12,758,674	1,939,492	536,820	74,221	297,157	164,216	19,736,094
Carrying amounts										
At 30 June 2019	2,225,786	12,993	12,492,154	38,210,125	2,513,093	802,821	110,006	370,036	149,381	56,886,395
At 30 June 2020	2,304,197	11,777	11,929,854	36,463,938	2,186,933	788,640	75,891	294,640	189,877	54,245,747

Useful life (years)/rates of depreciation per annum

2020	30 years / 3%	30 years / 3%	30 years / 10%	15%	10-15%	10%	20%	15%
2019	30 years / 3%	30 years / 3%	30 years / 10%	15%	10-15%	10%	20%	15%

# BESTWAY CEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

**15.1.2** The details of fixed assets sold during the year, having net book value in excess of Rs. 500,000 each are as follows:

Description	Cost	Carrying amount	Sale proceeds	Gain/(loss)	Mode of disposal	Purchaser
----- (Rupees '000) -----						
Pre-heater cyclone	175,007	165,522	162,035	(3,487)	Insurance claim	Syndicate Insurance claim
Vehicle (DY-325)	30,256	11,381	12,600	1,219	Auction	Naveed Ahmed Khan
Vehicle (AHE-358)	13,351	8,117	8,321	204	Auction	Mehboob Alam
Excavator	3,328	3,328	3,328	-	Negotiation	Jaffer Brothers
Vehicle (AAC-107)	5,324	2,502	2,502	-	Negotiation	S.Asif Shah - Employee
Vehicle (AMD-165)	3,079	2,400	2,400	-	Negotiation	Ghulam Sarwar Malik - Employee
Vehicle (AKY-960)	2,966	2,185	2,185	-	Negotiation	Ghulam Sarwar Malik - Employee
Vehicle (AED-338)	3,987	2,000	2,895	895	Auction	Niaz Ahmed Khan
Vehicle (ALY-410)	2,394	1,902	2,182	280	Auction	Shahid Jamil
Vehicle (ADJ-934)	3,513	1,739	3,409	1,670	Auction	Al-Afzal Associates
Vehicle (ADJ-938)	3,513	1,739	3,409	1,670	Auction	Afzal Transport
Vehicle (AFC-370)	2,387	1,653	2,430	777	Auction	Kaleem Ashraf - Employee
Vehicle (AEH-706)	2,347	1,652	1,866	214	Auction	Muhammad Basharat
Vehicle (ADV-328)	2,452	1,543	1,543	-	Negotiation	S.Asif Shah - Employee
Vehicle (FK-958)	3,602	1,439	2,866	1,427	Auction	Mr. Abrar Hussain
Vehicle (AFH-547)	2,342	1,424	2,310	886	Auction	Arslan Ahmed Khan
Vehicle (AFX-242)	2,317	1,309	2,010	701	Auction	Zafar Abbas
Vehicle (AFX-241)	1,586	1,202	1,875	673	Auction	Augmentech Business Solution
Vehicle (AGB-642)	1,583	1,201	1,925	724	Auction	Augmentech Business Solution
Vehicle (AGC-561)	1,574	1,018	1,874	856	Auction	Syed Hassan Raza
Vehicle (AEA-627)	1,555	993	2,012	1,019	Auction	Augmentech Business Solution
Vehicle (TW-138)	1,859	983	1,058	75	Auction	Anjum Shikoh Qazi
Vehicle (KJ-701)	1,050	981	373	(608)	Negotiation	Col Tahir Shafi - Employee
Vehicle (TU-344)	2,415	979	1,583	604	Auction	Mr. Mekail
Vehicle (DW-721)	1,908	967	1,825	858	Auction	Augmentech Business Solution
Vehicle (FK-719)	2,347	938	1,656	718	Auction	Zafar Abbas
Vehicle (FK-852)	2,347	920	1,867	947	Auction	Muhammad Shah
Excavator	2,567	862	4,273	3,411	Negotiation	Qadar Dad Khan
Vehicle (CG-504)	1,648	850	976	126	Negotiation	Naeem ul Haq - Employee
Vehicle (CG-605)	1,646	848	848	-	Negotiation	Shaukat Naqvi - Employee
Vehicle (CG-584)	1,646	834	980	146	Auction	Ijaz Malik - Employee
Vehicle (CG-494)	1,646	819	819	-	Negotiation	Ahmed Aziz Baloach - Employee
Vehicle (AHT-309)	1,271	786	1,500	714	Auction	Muhammad Tariq Saleem
Vehicle (AAU-385)	1,714	762	1,800	1,038	Auction	Augmentech Business Solution
Vehicle (AEG-427)	1,247	747	1,206	459	Auction	Umair Qadeer
Vehicle (CG-487)	1,646	702	2,285	1,583	Auction	Augmentech Business Solution
Dump truck	2,073	696	1,909	1,213	Negotiation	Qadar Dad Khan
Dozer	1,996	670	4,455	3,785	Negotiation	Qadar Dad Khan
Vehicle (ABY-483)	1,148	627	915	288	Auction	Mohammad Imran Pervaiz
Vehicle (AFC-968)	1,074	607	1,200	593	Auction	Augmentech Business Solution
Vehicle (TS-598)	1,833	581	1,523	942	Negotiation	Mr. Arshad Qayyum
Vehicle (ADG-235)	1,147	568	1,155	587	Auction	Augmentech Business Solution
Vehicle (EG-387)	1,696	556	820	264	Negotiation	Mr. Shabbir Ahmed - Employee
Vehicle (FD-673)	1,565	545	912	367	Negotiation	Zaigham Abbass - Employee
Loader	1,569	527	1,350	823	Negotiation	Sartaj Khan
Vehicle (ABY-482)	1,153	522	916	394	Negotiation	Sohail Satti - Employee
Vehicle (ABY-477)	1,153	521	826	305	Negotiation	Rashid Mehmood - Employee
Vehicle (CB-680)	1,583	513	1,475	962	Auction	Augmentech Business Solution

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

**15.1.3** Particulars of immovable property (i.e. land and buildings) in the name of the Company are as follows:

Location	Usage of immovable property	Total area
Suraj Gali Road, Village Shadi, Hattar, District Haripur, KPK.	Production Plant	4,133.48 Kanals
12 km, Taxila-Haripur Road, Farooqia, District Haripur, KPK.	Production Plant	5,027.45 Kanals
Village Tatal, Near PSO Petrol Pump, 22 km Kallar Kahar, District Chakwal.	Production Plant	8,935.05 Kanals
Choie Mallot Road, Tehsil Kallar Kahar, District Chakwal.	Production Plant	8,027.10 Kanals
19-A, College Road, F-7 Markaz, Islamabad.	Head office Building	533.33 Sq. Yards

**15.1.4** Land measuring 206 kanals and 14 marlas located at Farooqia plant was purchased with the funds of the Company from Mr. Fazeer Muhammad in 2008 at the cost of Rs. 12.51 million but is not in the possession of the Company.

Note	2020 (Rupees '000)	2019 (Rupees '000)
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### 15.1.5 Allocation of depreciation charge

Cost of sales	2,968,005	2,892,757
Selling and distribution expenses	18,932	17,462
Administrative expenses	30,636	28,463
	<b>3,017,573</b>	<b>2,938,682</b>

### 15.2 Capital work in progress

Opening balance		355,691	1,454,471
Additions during the year	15.2.1	1,592,549	3,043,796
		<b>1,948,240</b>	<b>4,498,267</b>
Transferred to operating fixed assets:			
Buildings on freehold land		(14,799)	(1,270,309)
Plant and machinery		(346,595)	(2,783,280)
Furniture and fixtures		-	(2,295)
Office equipment		(43,124)	(17,281)
Laboratory and other equipment		-	(69,411)
		<b>(404,518)</b>	<b>(4,142,576)</b>
Balance at the end of the year	15.2.2	<b>1,543,722</b>	<b>355,691</b>

**15.2.1** This includes borrowing cost capitalised amounting to Rs. 19.20 million (2019: Rs. 60.65 million) calculated at an average rate of 12.95% (2019: 7.03%) per annum.



## BESTWAY CEMENT LIMITED

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

## 15.2.2 Break up of capital work in progress at the year end is as follows:

	Note	2020 (Rupees '000)	2019 (Rupees '000)
Plant and machinery and other equipment		1,423,928	179,141
Civil development works including borrowing cost		119,794	100,364
Laboratory and other equipment		-	73,755
Vehicles		-	2,431
		<b>1,543,722</b>	<b>355,691</b>

## 16. INTANGIBLE ASSETS AND GOODWILL

Computer software	16.2	123,262	97,952
Brands	16.3	524,920	634,091
Goodwill	16.4	7,062,111	7,062,111
		<b>7,710,293</b>	<b>7,794,154</b>

## 16.1 Reconciliation of carrying amounts

	Computer software (note 16.2)	Brands (note 16.3)	Goodwill (note 16.4)	Total
	(Rupees '000)			
<b>Cost</b>				
Balance at 01 July 2018	73,347	1,091,712	7,062,111	8,227,170
Additions	98,641	-	-	98,641
Balance at 30 June 2019	171,988	1,091,712	7,062,111	8,325,811
<b>Balance at 01 July 2019</b>	<b>171,988</b>	<b>1,091,712</b>	<b>7,062,111</b>	<b>8,325,811</b>
<b>Additions</b>	<b>39,162</b>	<b>-</b>	<b>-</b>	<b>39,162</b>
<b>Balance at 30 June 2020</b>	<b>211,150</b>	<b>1,091,712</b>	<b>7,062,111</b>	<b>8,364,973</b>
<b>Accumulated amortisation</b>				
Balance at 01 July 2018	61,818	348,450	-	410,268
Amortisation	12,218	109,171	-	121,389
Balance at 30 June 2019	74,036	457,621	-	531,657
<b>Balance at 01 July 2019</b>	<b>74,036</b>	<b>457,621</b>	<b>-</b>	<b>531,657</b>
<b>Amortisation</b>	<b>13,852</b>	<b>109,171</b>	<b>-</b>	<b>123,023</b>
<b>Balance at 30 June 2020</b>	<b>87,888</b>	<b>566,792</b>	<b>-</b>	<b>654,680</b>
<b>Carrying amounts</b>				
At 30 June 2019	97,952	634,091	-	7,794,154
<b>At 30 June 2020</b>	<b>123,262</b>	<b>524,920</b>	<b>-</b>	<b>7,710,293</b>
<b>Useful life (years)</b>				
2019	6.66 years	10 years	-	
<b>2020</b>	<b>6.66 years</b>	<b>10 years</b>	<b>-</b>	

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

### 16.2 Computer software

Additions during the year of Rs. 39.16 million (2019: Rs. 78.8 million) relate to purchase of an ERP system, implementation of which was completed in November 2019.

### 16.3 Brands

This represents intangible assets in the form of Brands on acquisition of Pakcem and reflects the expected economic benefits to the Company from the retention differential of those Brands. The value of Brands has been determined on the basis of incremental cash flows to be generated from retention of those brands which the Company intends to use. Management has estimated useful life of the Brands to be ten years starting from the date of acquisition.

### 16.4 Goodwill

This represents excess of the amount paid over fair value of net assets of Pakcem Limited on its acquisition on 22 April 2015. The carrying amount of goodwill is tested for impairment annually based on its value in use, determined by discounting the future cash flows to be generated by cement plant (CGU) acquired from Pakcem.

	2020	2019
Discount rate (Pre-tax)	14.5%	19%
Terminal value growth rate	4%	4.5%

The discount rate is based on the weighted average cost of capital.

The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate is determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

Budgeted growth is based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth. Revenue growth is projected taking into account the average growth levels experienced in the recent years and the estimated sales volume and price growth for the next five years.

The estimated recoverable amount of the CGU exceeds its carrying amount. The Company estimates that reasonably possible changes in these assumptions would not cause the recoverable amount of the CGU to decline below the carrying amount.

### 16.5 Allocation of amortisation

	2020 (Rupees '000)	2019 (Rupees '000)
Cost of sales	13,852	8,251
Selling and distribution expenses	109,171	109,171
Administrative expenses	-	3,967
	<b>123,023</b>	<b>121,389</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 (Rupees '000)	2019 (Rupees '000)
<b>17. INVESTMENT PROPERTY</b>			
Balance at the beginning of the year		262,349	257,656
Change in fair value		3,726	4,693
Balance at the end of the year	17.1	266,075	262,349

- 17.1** The investment property is a portion of the Company's head office building in Islamabad held for letting. An independent exercise was carried out to determine the fair value of investment property. To assess the land and building prices, market survey was carried out in the vicinity of the investment property. Fair value of the investment property is based on independent valuer's judgment about average prices and has been prepared on openly available/provided information after making relevant inquiries from the market. Valuation was carried out by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. Forced sale value of the investment property amounts to Rs. 239.46 million (2019: Rs. 236.11 million).

The investment property is placed in level 3 of the fair value hierarchy. Since the value has been determined by a third party and inputs are not observable, sensitivity analysis has not been presented.

	Note	2020 (Rupees '000)	2019 (Rupees '000)
<b>18. LONG TERM INVESTMENTS</b>			
Investment in associated companies			
- United Bank Limited	18.1	13,479,425	12,329,518
- UBL Insurers Limited	18.2	208,405	182,521
		13,687,830	12,512,039

**18.1 Investment in United Bank Limited - equity-accounted investee**

As at 30 June 2020, the Company holds 93,649,744 (30 June 2019: 93,649,744) ordinary shares in United Bank Limited 'UBL', a leading commercial bank in Pakistan with its registered office situated in Islamabad, Pakistan. The Company's shareholding in UBL constitutes 7.65% (2019: 7.65%) of total ordinary shares of UBL. UBL's ordinary shares are listed on Pakistan Stock Exchange Limited. UBL is treated as an 'associate' due to the Company's significant influence over it by virtue of common directorship and being a group company.



## BESTWAY CEMENT LIMITED

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

### 18.1.1 Reconciliation of carrying amount

	2020 (Rupees '000)	2019 (Rupees '000)
Balance at the beginning of the year	12,329,518	11,222,845
Company's share of associate's profit for the year	1,638,579	1,416,975
Company's share of associate's:		
- re-measurement of defined benefit liability	(197,004)	23,390
- change in exchange translation reserve	33,689	1,119,622
- re-measurement of available-for-sale investments	798,440	(469,992)
	635,125	673,020
Less: Dividends received	(1,123,797)	(983,322)
Balance at the end of the year	13,479,425	12,329,518

**18.1.2** The following table summarises the financial information of UBL as included in its un-audited consolidated condensed interim financial statements for the six months ended 30 June 2020. The information relating to revenue, profit and other comprehensive income also include amounts for the six months ended 31 December 2019. The financial year-end of UBL is 31 December.

	2020 (Rupees '000)	2019 (Rupees '000)
<b>Percentage of ownership (%)</b>	<b>7.65%</b>	<b>7.65%</b>
Total assets	2,126,456,669	2,043,131,886
Total liabilities	(1,955,901,299)	(1,887,697,886)
Net assets	170,555,370	155,434,000
Non-controlling interests	(6,950,781)	(6,860,875)
Net assets attributable to ordinary shareholders (100%)	163,604,589	148,573,125
Company's share of net assets (7.65%)	12,515,751	11,365,844
Goodwill	963,674	963,674
Carrying amount of interest in associate	13,479,425	12,329,518
Mark-up / return / interest earned for the year	177,375,733	129,446,667
Profit after tax (100%)	21,419,327	18,522,551
Company's share of net profit for the year (7.65%)	1,638,579	1,416,975
Other Comprehensive Income (OCI):		
- Re-measurement (loss) / gain of defined benefit liability	(2,575,216)	305,752
- Change in exchange reserve	440,379	14,635,582
- Change in surplus on revaluation of available-for-sale investments	10,437,124	(6,143,686)
Total OCI (100%)	8,302,287	8,797,648
Company's share of OCI (7.65%)	635,125	673,020

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

**18.1.3** Cost of investment in UBL amounted to Rs. 1.86 billion (2019: Rs. 1.86 billion). Market value of investment in UBL as at 30 June 2020 was Rs. 9.68 billion (2019: Rs. 13.8 billion). Management believes that only decline in market value of UBL, is not of itself evidence of impairment. There is no other objective evidence / observable data which may indicate impairment of investment in UBL. The investment in UBL is placed in level 1 of the fair value hierarchy.

### 18.2 Investment in UBL Insurers Limited - equity-accounted investee

As at 30 June 2020, the Company holds 14,088,199 (30 June 2019: 14,088,199) ordinary shares in UBL Insurers Limited 'UIL', an unlisted public company engaged in insurance business with its registered office situated in Karachi, Pakistan. The Company's shareholding in UIL constitutes 12.23% (2019: 12.23%) of total ordinary shares of UIL. UIL is treated as an 'associate' due to the Company's significant influence over it by virtue of common directorship and being a group company.

	2020 (Rupees '000)	2019 (Rupees '000)
<b>18.2.1 Reconciliation of carrying amount</b>		
Balance at the beginning of the year	182,521	152,341
Company's share of associate's profit for the year	32,554	37,126
Company's share of associate's:		
- re-measurement of defined benefit liability	23	(66)
- re-measurement of available-for-sale investments	836	(532)
	859	(598)
Less: Dividends received	(7,529)	(6,348)
Balance at the end of the year	208,405	182,521

**18.2.2** The following table summarises the financial information of UIL as included in its un-audited condensed interim financial information for the six months ended 30 June 2020. The information relating to revenue, profit and other comprehensive income also include amounts for the six months ended 31 December 2019. The financial year-end of UIL is 31 December.

	2020 (Rupees '000)	2019 (Rupees '000)
<b>Percentage of ownership (%)</b>	<b>12.23%</b>	12.23%
Total assets	5,810,921	4,861,316
Total liabilities	(4,106,528)	(3,368,610)
Net assets	1,704,393	1,492,706
Company's share of net assets (12.23%)	208,405	182,521
Carrying amount of interest in associate	208,405	182,521
Net insurance premium for the year	3,440,641	2,912,169
Profit after tax for the year	266,233	303,625
Company's share of net profit for year (12.23%)	32,554	37,126
Other Comprehensive Income (OCI):		
- Re-measurement gain / (loss) of defined benefit liability	188	(540)
- Change in surplus on revaluation of available-for-sale investments	6,836	(4,350)
Total OCI (100%)	7,024	(4,890)
Company's share of OCI (12.23%)	859	(598)

**18.2.3** Cost of investment in UIL amounted to Rs. 106.27 million (2019: Rs. 106.27 million).

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 (Rupees '000)	2019 (Rupees '000)
<b>19. STORES, SPARE PARTS AND LOOSE TOOLS</b>			
Stores, spare parts and loose tools		5,824,427	4,937,228
Stores and spare parts in transit		1,256,258	573,982
		<b>7,080,685</b>	5,511,210
Less: Provision for obsolete spare parts	19.1	(70,530)	-
		<b>7,010,155</b>	5,511,210
<b>19.1 Movement in provision for obsolete stores</b>			
Balance at the beginning of the year		-	6,482
Provision / (reversal) for the year		70,530	(6,482)
Balance at the end of the year		<b>70,530</b>	-
<b>20. STOCK IN TRADE</b>			
Raw and packing material		324,131	504,315
Work in process		1,422,506	1,638,538
Finished goods		579,893	589,363
	20.1	<b>2,326,530</b>	2,732,216
Less: Provision for slow moving stock	20.2	(35,057)	(42,773)
		<b>2,291,473</b>	2,689,443
<b>20.1</b>	This includes stock in transit amounting to Rs. 6.25 million (2019: Rs. 2.89 million).		
		2020 (Rupees '000)	2019 (Rupees '000)
<b>20.2 Movement in provision for slow moving stock</b>			
Balance at the beginning of the year		42,773	43,173
Reversal of provision		(7,716)	(400)
Balance at the end of the year		<b>35,057</b>	42,773



BESTWAY CEMENT LIMITED

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 (Rupees '000)	2019 (Rupees '000)
<b>21. TRADE DEBTS</b>			
Trade debts - unsecured			
- Considered good		1,727,790	2,101,856
- Considered doubtful		8,135	2,935
	21.1	1,735,925	2,104,791
Less: Provision against doubtful trade debts	21.2	(8,135)	(2,935)
		1,727,790	2,101,856

**21.1** This includes Rs. 58.99 million (2019: Rs: 93.46 million) receivable from customers against export sales.

	Note	2020 (Rupees '000)	2019 (Rupees '000)
<b>21.2 Movement in provision against doubtful trade debts</b>			
Balance at the beginning of the year		2,935	2,935
Provision for the year		5,200	-
Balance at the end of the year		8,135	2,935

### 22. ADVANCES

Advances to employees and executives - secured	19,413	13,395
Advances to suppliers and contractors - secured	156,511	394,736
	175,924	407,771

### 23. DEPOSITS AND PREPAYMENTS

Security deposits	9,550	18,126
Short-term prepayments	14,907	8,736
	24,457	26,862

### 24. OTHER RECEIVABLES

Excise duty	24.1	615,146	615,146
Receivable from Lafarge S.A.		8,847	8,847
Sales tax		1,823	-
Receivable from employees' gratuity fund	24.2	-	12,744
Receivable from Workers' Profit Participation Fund	24.3	5,365	-
Others	24.4	210,519	4,353
		841,700	641,090

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

- 24.1** This represents claim filed by the Company for Rs. 615.15 million relating to excise duty paid on sales during the period from June 1998 to April 1999 which, pursuant to the decisions of the Honourable Supreme Court of Pakistan, detailed below, was otherwise not leviable and payable under the law. The Commissioner Appeals rejected the claim of Rs. 211.15 million pertaining to the Company (excluding Mustehkam Cement Limited) and the Company filed an appeal with Appellate Tribunal against unlawful rejection of refund claims. ATIR vide the order dated 17 March 2020 has set aside the impugned orders and has directed the Department to refund the claim filed by the Company. Subsequent to the year end, Commissioner Inland Revenue (CIR) filed a reference against the order before the Honourable Islamabad High Court u/s 34A of the Federal Excise Act, 2005. Further, on refund claim of Mustehkam Cement Limited (amalgamated with the Company) of Rs. 404 million, tax authorities held the proceedings in abeyance awaiting result of litigation pertaining to the Company's refund claim. Management and the Company's legal advisor believe that the Company's claim is valid and the amount is fully recoverable, accordingly no provision has been made in the financial statements.

The matter in dispute is whether excise duty be levied on retail price inclusive of excise duty or retail price exclusive of excise duty. The Federal Board of Revenue's (FBR) point of view was that excise duty be calculated on declared retail price inclusive of excise duty whereas the concerned respondents disagreed with that interpretation. The Honourable Supreme Court of Pakistan in its judgment dated 14 April 2007 in a comparable case for levy of excise duty, dismissed the appeal filed by the FBR and upheld the decisions made by the honourable High Courts of Peshawar, Sindh and Punjab. The FBR moved a review petition before the Honourable Supreme Court of Pakistan which to date is pending.

- 24.2** Payable to employees' gratuity fund amounting to Rs. 9.41 million has been classified as a current liability in Trade and other payables as at 30 June 2020 (refer note 12.4).

	2020 (Rupees '000)	2019 (Rupees '000)
<b>24.3 Receivable from / (payable to) Workers' Profit Participation Fund</b>		
Balance at the beginning of the year	(639,689)	(752,931)
Allocation for the year	-	(623,964)
Payments to the Fund during the year	645,054	737,206
Receivable / (payable) balance at the end of the year	5,365	(639,689)

- 24.4** This includes an amount of Rs. 55 million (2019: Rs. Nil) receivable from MAP Rice Mills (Pvt.) Limited, a related party, on account of management fee charged. This also includes Rs. 62 million (2019: Rs. Nil) insurance claim receivable and Rs. 81 million (2019: Rs. Nil) as compensation from supplier.

	2020 (Rupees '000)	2019 (Rupees '000)
Note		

### 25. CASH AND BANK BALANCES

Cash at banks:			
in current accounts	25.1	347,578	458,355
in deposit accounts	25.2	113	4,557
		347,691	462,912
		347,691	462,912

- 25.1** This includes Rs. 338.68 million (2019: Rs. 363.89 million) held in current accounts maintained with UBL, a related party. Maximum aggregate amount outstanding at any time during the year amounted to Rs. 338.68 million (2019: Rs. 379.78 million).

# BESTWAY CEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

- 25.1.1** Current accounts include balances amounting to Rs. 3.19 million (2019: Rs. 41.25 million) held in US Dollar accounts.
- 25.2** Deposit accounts carried profit rates ranging from 6.5% to 11.25% (2019: 4.5% to 10.25%) per annum during the year.
- 25.3** Following completion of acquisition process of Pakcem by the Company, the balances of Pakcem with Lafarge S.A. (previous parent entity of Pakcem) and its affiliates as of 21 April 2015 were agreed between the Company and Lafarge S.A and transferred to an escrow account maintained with Citi Bank N.A, pursuant to the Escrow Agreement dated 21 April 2015 between the Company, Lafarge S.A. and CitiBank N.A. According to the agreement, the transferred funds will be utilised exclusively for payments to Lafarge S.A. from time to time and the Company will be entitled only to the balance left in the escrow account after completion of payments to Lafarge S.A. Accordingly, the amount in escrow account and payable balances aggregating to Rs.140.89 million (2019: Rs.140.89 million) relating to Lafarge S.A. and its affiliates have been netted off in these financial statements till final settlement of the escrow account.

	Note	2020 (Rupees '000)	2019 (Rupees '000)
<b>26. GROSS TURNOVER</b>			
Gross turnover:			
- Local		61,795,395	74,957,992
- Export		1,892,359	4,042,322
		<b>63,687,754</b>	<b>79,000,314</b>
<b>27. COST OF SALES</b>			
Raw and packing materials consumed	27.1	6,482,774	6,493,590
Fuel and power		22,339,075	21,548,454
Stores, spares and loose tools consumed		996,707	1,350,772
Repairs and maintenance		162,037	298,354
Salaries, wages and benefits	27.2	1,613,948	1,964,424
Support services		732,593	753,547
Rent, rates and taxes		12,981	11,811
Insurance		48,179	45,806
Equipment rental		82,616	145,473
Utilities		41,519	267,741
Travelling, conveyance and subsistence		121,417	136,720
Communication		10,844	13,649
Printing and stationery		9,717	10,945
Entertainment		13,163	19,487
Depreciation	15.1.5	2,968,005	2,892,757
Amortisation	16.5	13,851	8,251
Reversal of provision for slow moving stock		(7,716)	(400)
Provision / (reversal of provision) for obsolete stores		70,530	(6,482)
Legal and professional charges		5,290	26,439
Fees and subscriptions		52,175	16,225
Other manufacturing expenses		16,785	17,197
		<b>35,786,490</b>	<b>36,014,760</b>
Opening work in process		1,638,538	3,090,185
Closing work in process		(1,422,506)	(1,638,538)
Cost of goods manufactured		<b>36,002,522</b>	<b>37,466,407</b>
Opening finished goods stock		589,363	679,508
Closing finished goods stock		(579,893)	(589,363)
		<b>36,011,992</b>	<b>37,556,552</b>



## BESTWAY CEMENT LIMITED

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

	2020 (Rupees '000)	2019 (Rupees '000)
<b>27.1 Raw and packing materials consumed</b>		
Opening stock	504,315	631,560
Purchases / expenditures during the year	6,302,590	6,366,345
Closing stock	(324,131)	(504,315)
	<b>6,482,774</b>	<b>6,493,590</b>

**27.2** Salaries, wages and benefits include provision for employee retirement benefits amounting to Rs. 58.6 million (2019: Rs. 67.4 million).

	Note	2020 (Rupees '000)	2019 (Rupees '000)
<b>28. OTHER INCOME</b>			
<b>Income from financial assets</b>			
Profit on deposit accounts		1,293	538
Exchange (loss) / gain		(1,658)	60,881
		<b>(365)</b>	<b>61,419</b>
<b>Income from non-financial assets</b>			
Gain on disposal of property, plant and equipment		67,218	18,605
Compensation from Supplier		81,175	-
Rental income		34,073	31,189
Disposal of waste materials		1,246	4,954
Change in fair value of investment property	17	3,726	4,693
		<b>187,438</b>	<b>59,441</b>
<b>Others</b>			
Others		60,545	1,351
	28.1	<b>60,545</b>	<b>1,351</b>
		<b>247,618</b>	<b>122,211</b>

**28.1** This includes an amount of Rs. 55 million (2019: Rs. Nil) on account of management fee charged to MAP Rice Mills (Pvt.) Limited, a related party.

## BESTWAY CEMENT LIMITED

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 (Rupees '000)	2019 (Rupees '000)
<b>29. SELLING AND DISTRIBUTION EXPENSES</b>			
Salaries, wages and benefits	29.1	145,704	186,198
Support services		3,231	4,114
Freight and handling - local		301,608	389,782
Freight and handling - export		110,388	467,290
Rent, rates and taxes		17,997	16,328
Repairs and maintenance		2,404	6,574
Utilities		4,405	4,300
Travelling, conveyance and subsistence		20,438	27,491
Communication		4,047	6,877
Printing and stationery		1,196	3,132
Entertainment		3,160	11,404
Advertising and promotion		15,419	29,390
Depreciation	15.1.5	18,932	17,462
Amortisation	16.5	109,171	109,171
Provision for doubtful debts		5,200	-
Fees and subscriptions		28,344	56,012
Others		2,569	3,561
		<b>794,213</b>	<b>1,339,086</b>

**29.1** Salaries, wages and benefits include provision for employee retirement benefits amounting to Rs. 3.9 million (2019: Rs. 8.2 million).

	Note	2020 (Rupees '000)	2019 (Rupees '000)
<b>30. ADMINISTRATIVE EXPENSES</b>			
Salaries, wages and benefits	30.1	337,579	337,722
Rent, rates and taxes		9,362	9,238
Repairs and maintenance		17,797	21,343
Insurance		1,730	1,733
Utilities		16,236	11,989
Travelling, conveyance and subsistence		36,291	45,584
Communication		11,226	10,052
Printing and stationery		3,399	7,037
Entertainment		4,112	10,077
Advertisements		1,603	457
Welfare activities		1,517	1,888
Donations	30.2	3,313	104,143
Legal and professional charges		16,345	52,467
Fees and subscriptions		64,773	37,509
Auditors' remuneration	30.3	4,280	3,900
Depreciation	15.1.5	30,636	28,463
Amortisation	16.5	-	3,967
Others		19,109	23,842
		<b>579,308</b>	<b>711,411</b>

# BESTWAY CEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

**30.1** Salaries, wages and benefits include provision for employee retirement benefits amounting to Rs. 13.10 million (2019: Rs. 15.33 million).

**30.2** These include a donation of Rs. 1 million (2019: Rs. 1 million) made to Pakistan Hindu Council and a provision of Rs. 0.49 million (2019: Rs. 100.97 million) made for donation to Bestway Foundation. The Chief Executive Officer and the following directors are among the trustees of the Foundation:

- Sir Mohammed Anwar Pervez
- Zameer Mohammed Choudrey
- M. Younus Sheikh
- M. Irfan A. Sheikh

None of the directors of the Company or their spouses have a beneficial interest in Bestway Foundation.

	Note	2020 (Rupees '000)	2019 (Rupees '000)
<b>30.3 Auditors' remuneration</b>			
Statutory audit fee (including reporting to group auditors)		3,000	2,685
Half year review		550	515
Certification for regulatory purposes		430	430
Out of pocket expenses		300	270
		<b>4,280</b>	<b>3,900</b>
<b>31. OTHER EXPENSES</b>			
Workers' Welfare Fund		-	186,091
Workers' Profit Participation Fund		-	623,964
Interest expense on land compensation	12.5	16,743	16,697
		<b>16,743</b>	<b>826,752</b>
<b>32. FINANCE COST</b>			
Mark-up on long term financing		158,088	-
Mark-up on syndicate long term financing		226,878	442,246
Mark-up on syndicate musharaka		151,758	294,324
Mark-up on short term borrowings		1,585,175	728,623
Bank charges and commissions		29,802	33,280
		<b>2,151,701</b>	<b>1,498,473</b>
<b>33. SHARE OF PROFIT OF EQUITY-ACCOUNTED INVESTEES-NET OF TAX</b>			
United Bank Limited	18.1.1	1,638,579	1,416,975
UBL Insurers Limited	18.2.1	32,554	37,126
		<b>1,671,133</b>	<b>1,454,101</b>



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

	2020 (Rupees '000)	2019 (Rupees '000)
<b>34. INCOME TAX (CREDIT) / CHARGE</b>		
<b>34.1 Amounts recognised in profit or loss</b>		
<b>Current tax (credit) / charge</b>		
- for the year	722,298	2,918,327
- for prior year	(467,192)	(1,336,707)
	255,106	1,581,620
Deferred tax (credit) / charge	(810,838)	1,566,645
<b>Tax (credit) / charge for the year</b>	<b>(555,732)</b>	<b>3,148,265</b>
<b>Reconciliation of tax (credit) / charge for the year</b>		
Accounting profit before tax	(506,480)	13,245,550
Tax using the Company's domestic tax rate	(146,879)	3,841,210
Super tax	-	208,672
Revision in deferred tax rate	-	1,275,841
Tax effects of:		
Share of profits of equity-accounted investees	(233,959)	(203,574)
Income taxable under final tax regime (exports)	141,675	(132,254)
Effect of prior year credits	(467,192)	(1,336,707)
Recognition of tax credits	-	(177,535)
Others	150,623	(327,388)
	<b>(555,732)</b>	<b>3,148,265</b>

**34.2** Income tax assessments of the Company for certain tax years are pending at various levels. The management is confident of a favourable outcome.

**34.2.1** Status of the Company's tax assessments is as follows. Income tax matters of Mustehkam Cement Limited 'MCL' and Pakcem, acquired by and subsequently amalgamated into the Company, are disclosed in notes 34.2.2 and 34.2.3 respectively.

- i) The tax authority amended the assessment of the Company for the Tax Year 2009 vide order dated 14 June 2010 thereby disallowing donation, salaries and wages, rent and rebate & discounts amounting to Rs. 686.33 million, which was however, set off against brought forward business losses. On appeal by the Company, the CIR(A) decided the issues in favour of the Company except disallowance of deductions claimed on account of donations. The Company as well as the tax authority have filed cross appeals with the ATIR on the issues not decided in their favour by the CIR(A). The ATIR has partially maintained and partially remanded back the case to the tax authority, and being dissatisfied with the order of the ATIR, the Company has filed reference before the Honourable Islamabad High Court, which is pending adjudication.
- ii) Income tax assessments of the Company for the Tax Years 2010 to 2012 were amended on 9 July 2013 on alleged concealment of sales by working back production taking gypsum consumed as five per cent of cement produced and raising tax demand of Rs. 16.97 billion (including Rs. 2.10 billion relating to MCL). On appeal by the Company, the CIR(A) cancelled the assessments for the Tax Years 2010 and 2011 and set aside the assessment for the Tax Year 2012 for denovo consideration. Being dissatisfied with the order of the CIR(A), the Company has filed second appeal before the ATIR for Tax Year 2012.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

The tax authority again took up the same issues through notice dated 12 November 2013 for all the years under consideration. On detailed reply by the Company, the tax authority changed the dimension of the case to under utilisation of installed capacity and confronted the Company to assess the sales by assuming 98% capacity utilisation. Assessments for Tax Years 2010 and 2011 have been amended raising a demand of Rs. 2.48 billion against which the Company filed appeals before the CIR(A) who deleted the addition made on the ground of suppression of sales and set-aside the order on the remaining issues assailed in the appeal. Both, the Company and the tax authority, have filed cross appeals before the ATIR, which are pending adjudication.

- iii) The tax authority framed ex-parte amended assessment on 31 December 2015 for the Tax Year 2013, by charging tax on dividend income at corporate rate of tax of 35% and disallowing the adjustment of tax loss by Rs. 664 million. On Appeal the CIR(A) set-aside the amended assessment order. Being not satisfied with the order of the CIR(A), the Company has filed an appeal before the ATIR which is subjudice till date.

In re-assessment, the Additional Commissioner Inland Revenue 'ADCIR' framed the order on 17 February 2017 by disallowing rebates and discounts; adjustment of losses in consequence of merger and charged tax on dividend income at corporate tax rate and created a demand of Rs. 867.65 million. The Company agitated the assessments in appeal as well as through rectification application. The CIR(A) disallowed the deduction of price match and set-aside the order on the issues of disallowance of losses and charging of corporate rate of tax of 35%. The Company has filed an appeal before ATIR against the order of CIR(A) which is pending adjudication.

- iv) Tax authorities have amended the assessment for tax year 2014 u/s 122(5) & 122(5A) of the Ordinance by disallowing deductions on account of price match (local and export), freight on exports and also rejected exemption claimed on profit on US dollar account. The issue of freight on exports and price match on exports was settled in the Company's favour while price match local and profit on US dollar account are pending for adjudication in appeal before ATIR. Further on June 25, 2020 the tax authority has again rectified the assessment thereby disallowing adjustment claimed by the Company for tax refunds and credits of excess of minimum tax over normal tax liability for the prior years, thereby, raising tax demand of Rs. 453.32 million. Being dissatisfied with the assessment order the Company has filed an appeal before CIR(A) which is pending adjudication.
- v) The tax authority amended the assessment of the Company for the Tax Year 2015 under section 122(5A) of the Ordinance thereby raising tax demand of Rs. 585.87 million on the issues of price match adjustments, advertisement expenses and computation of taxable income under Normal Tax Regime (NTR) and Presumptive Tax Regime (PTR) on arbitrary basis. The CIR(A) decided in favour of the Company over price match on exports and computation of taxable income under NTR and PTR and remanded back the issue of price match on local sales, while confirmed the disallowance of advertisement expenses. Being aggrieved with the order of the CIR(A), the Company has preferred an appeal before the ATIR which is pending adjudication.
- vi) The tax authority amended the assessment for the Tax Year 2016 under section 122(5A) of the Ordinance by disallowing purchase of tax losses of Pakcem, unabsorbed depreciation, price match adjustment against local sales, provision for gratuity, advertisement expenses and subsistence expenses, claimed during the year. In terms of the assessment order, demand of Rs. 2.35 billion (including super tax) was created. Being aggrieved with the order of the tax authority the Company has filed an appeal before the CIR(A) which is pending adjudication.
- vii) The tax authority amended the assessment for the Tax Year 2017 under section 122(5A) of the Ordinance by disallowing the price match adjustment against local sales. In terms of the amended assessment order, tax demand of Rs. 234.6 million was raised which has been paid under protest by the Company. Being aggrieved with the order of the tax authority the Company has filed an appeal before the CIR(A) which is pending adjudication.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

- viii) The tax authority amended the assessment for Tax Year 2018 under section 122(5A) of the Ordinance, by disallowing the price match adjustment against local sales, provision for employee retirement plan, advertisement and promotion, tax credit under section 65B of the Ordinance and adjustment of WWF against refund. In terms of the assessment order, refund claimed by the Company was reduced by Rs. 1.38 billion. Being aggrieved with the order so passed by the tax authority, the Company has filed an appeal before the CIR (A), which is pending adjudication.
- ix) The tax authority amended the assessment for Tax Year 2019 under section 122(5A) of the Ordinance, by disallowing the price match adjustment against local sales, provision for gratuity and advertisement & promotion expenses. Further, the tax authority also curtailed tax credit under section 65B of the Ordinance, wrongly calculated super tax liability and charged WWF @ 2% of total income and disallowed adjustment of WWF against refund. In terms of the amended assessment order, tax demand of Rs. 429.90 million was raised. Being aggrieved with the order so passed by the tax authority, the Company has filed an appeal before the CIR (A), which is pending adjudication.
- 34.2.2** The following income tax matters stand transferred to the Company from Mustehkam Cement Limited (MCL) under the scheme of amalgamation:
- i) The tax authority has framed the assessment u/s 122(5A) for Tax Year 2013 on 30 November 2016 in case of MCL (pre-merger return) by disallowing adjustment of brought forward losses and charging WWF and re-calculating allocation of expenses to exports thereby creating tax demand of Rs. 124.82 million. The Company filed an appeal before CIR(A) who partially set aside and partially confirmed the order. Being unsatisfied with the order of the CIR(A), the Company has filed an appeal before the ATIR which is pending adjudication.
- 34.2.3** The following income tax matters stand transferred to the Company pursuant to the of amalgamation of Pakcem with the Company:
- i) The tax authority vide an order dated 14 March 2011, raised a demand of Rs. 268.56 million by charging tax on reversal of interest and penal charges on foreign currency loans, for the Tax Year 2005. Pakcem filed an appeal with the CIR(A) which was decided against Pakcem. Pakcem then filed an appeal before the ATIR against the aforementioned order of CIR(A). The ATIR decided the appeal in favour of Pakcem. However, the tax authority being aggrieved by the order of the ATIR, has filed a reference application with the Honourable Islamabad High Court which is pending adjudication.
- ii) The tax authority vide an order dated 28 June 2013, reduced the tax refund of Pakcem from Rs. 122.66 million to Rs. 71.48 million for the Tax year 2010 owing to alleged suppression of sales amounting to Rs. 331.90 million, charging of minimum tax, and apportionment of expenses between local and export sales. Pakcem filed a rectification application with the tax authority and also filed an appeal with the CIR(A). The CIR(A) vide its order dated 30 January 2014 remanded back the case for denovo consideration. Re-assessment proceedings have not been initiated till date.
- iii) The tax authority amended the assessment for the Tax Year 2008 and reduced tax losses by Rs. 2.58 billion on account of a waiver of customs duties amounting to Rs. 815.18 million, alleged suppression of sales amounting to Rs. 1.19 billion and computation of profits attributable to exports. However, no tax demand was raised by the tax authority. Pakcem filed an appeal before the CIR(A) against the amended order, who set aside the matter of additions to income on account of waiver of customs duties and suppression of sales, while the matter of computation of profits attributable to exports was, however, decided against Pakcem. Pakcem has filed an appeal against the decision of the CIR(A) before the ATIR, which is pending adjudication.



# BESTWAY CEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

- iv) The tax authorities framed order under section 4B of the Ordinance on 16 May 2017 to recover Rs. 28.75 million from Pakcem Limited on account of super tax allegedly short paid by the Company for the Tax Year 2015. Being aggrieved the Company filed an appeal before CIR(A) who, vide an ex-parte decision, disallowed the Company's contention. The Company agitated the order of CIR(A) before the ATIR who remanded the assessment back to tax authority for denovo consideration. After reassessment proceedings the DCIR passed the same order on 29 May 2019. Being aggrieved, the Company filed an appeal before the CIR(A) who, vide order dated February 20, 2020, has annulled the levy of super tax. Being dissatisfied with the order of the CIR(A), the department has filed an appeal before the ATIR which is pending adjudication.

The management of the Company is confident of favourable outcomes of the appeals filed by it and accordingly no provisions have been made in these financial statements in respect of the matters discussed in notes 34.2.1 to 34.2.3 above.

	2020	2019
<b>35. EARNINGS PER SHARE - Basic and diluted</b>		
Profit for the year attributable to owners of the Company (Rupees in '000)	49,252	10,097,285
Weighted average number of ordinary shares in issue	596,252,783	596,252,783
Earnings per share - basic (Rupees)	0.08	16.93

- 35.1** There is no dilution effect on earnings per share of the Company.

	Note	2020 (Rupees '000)	2019 (Rupees '000)
<b>36. CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	25	347,691	462,912
Short-term borrowings, secured	13	(10,710,748)	(10,835,368)
Cash and cash equivalents for the purpose of statement of cash flows		(10,363,057)	(10,372,456)

### 36.1 Reconciliation of movements of liabilities to cash flows arising from financing activities

	Long term financing	Long term musharaka	Unclaimed dividend	Total
	(- Rupees '000 -)			
<b>Balance at 01 July 2019</b>	3,375,360	2,249,733	213,797	5,838,890
<b>Changes from financing activities</b>				
Proceeds from long term financing	11,656,333	-	-	11,656,333
Repayment of long term financing and musharaka	(3,300,000)	(2,200,000)	-	(5,500,000)
Dividend paid	-	-	(3,763,844)	(3,763,844)
<b>Total changes from financing cash flows</b>	8,356,333	(2,200,000)	(3,763,844)	2,392,489
<b>Other changes</b>				
Dividend announced	-	-	3,577,516	3,577,516
Withholding tax on dividend	-	-	10,498	10,498
Finance cost	384,966	151,759	-	536,725
Finance cost paid	(302,238)	(201,492)	-	(503,730)
<b>Total liability related changes</b>	82,728	(49,733)	3,588,014	3,621,009
<b>Balance at 30 June 2020</b>	11,814,421	-	37,967	11,852,388

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

### 37. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements in respect of remuneration including benefits and perquisites of the chief executive, directors and executives of the Company are given below:

	2020			2019		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	(----- Rupees '000 -----)			(----- Rupees '000 -----)		
Managerial remuneration	30,000	23,121	562,870	30,000	22,020	554,855
Bonus	-	2,447	54,437	-	4,427	109,857
Provision for gratuity	-	2,691	5,910	-	4,124	30,935
Unavailed leaves	-	(44)	(1,079)	-	(185)	(1,838)
Others	-	-	195	-	-	81
	<u>30,000</u>	<u>28,215</u>	<u>622,333</u>	<u>30,000</u>	<u>30,386</u>	<u>693,890</u>
<b>Number of persons</b>	<b>1</b>	<b>1</b>	<b>137</b>	<b>1</b>	<b>1</b>	<b>137</b>

**37.1** The Chairman, Chief Executive, Executive Director, and eligible executives are also provided with vehicle facility while medical facility is provided to Executive Director and eligible executives as per their entitled limits.

**37.2** Executive means an employee whose basic salary exceeds Rs. 1.2 million (2019: Rs. 1.2 million) during the year.

**37.3** In addition to the above, meeting fees amounting to Rs. 0.69 million (2019: Rs. 0.78 million) were paid to 7 directors (2019: 8) who attended the Board of Directors meetings during the year.

### 38. RELATED PARTIES

#### 38.1 Parent and ultimate controlling party and related party relationships

The Company is a subsidiary of Bestway (Holdings) Limited, U.K. ("the holding company"). Bestway (Holdings) Limited, U.K. is a wholly owned subsidiary of Bestway Group Limited, U.K. ("the ultimate parent company") therefore, all subsidiaries and associated undertakings of the ultimate parent company are related parties of the Company. Other related parties comprise of directors, key management personnel, entities with common directorships, entities over which the directors are able to exercise influence and employee retirement funds. Balances with related parties are shown in notes 5.2, 12, 18, 24 and 25 and transactions with related parties are disclosed in notes 28, 30.2 and 37. Transactions and balances with related parties other than those disclosed elsewhere in these financial statements are as follows:

## BESTWAY CEMENT LIMITED

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

	2020 (Rupees '000)	2019 (Rupees '000)
<b>Transactions and balances with holding company</b>		
Dividend paid during the year	1,927,526	3,533,162
<b>Transactions with associated undertakings under common directorship</b>		
Dividend received	1,131,326	989,670
Sale of cement	757	214
Insurance claims received	74,485	41,922
Sale proceeds from sale of vehicle	-	2,113
Dividend paid	231,089	423,664
Service/bank charges paid	12,562	15,183
Interest earned	365	-
Rent paid	16,643	15,130
Maintenance fee paid	1,786	-
Insurance premium paid	29,576	30,479
Purchase of vehicles	-	2,430
<b>Transactions and balances with key management personnel</b>		
Remuneration, allowances and benefits	58,905	61,166
Dividend paid	613,737	1,022,361
Sale proceeds from sale of vehicle	-	1,242
<b>Other related party transactions</b>		
Expense / employer's contribution to provident fund	15,432	15,428
Payments made to the gratuity fund	7,800	527,800
<b>Balances with related parties</b>		
Trade debt	68	-
Unclaimed dividend	-	102,824
Insurance claim receivable	31,018	-



# BESTWAY CEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

**38.2** Following are the associated companies and related parties with whom the Company had entered into transactions during the year:

Associated company	Basis of relationship	Number of shares held in the Company	Aggregate %age shareholding in the Company
Bestway (Holdings) Limited, U.K.	Holding Company	336,445,868	56.43%
Bestway Northern Limited	Common control	-	-
Bestway Foundation	Common directorship	23,313,532	3.91%
United Bank Limited	Common directorship	1,481	0.0002%
UBL Insurers Limited	Common directorship	-	-
MAP Rice Mills (Pvt) Limited	Common directorship	-	-

Related party	Basis of relationship	Number of shares held in the Company	Aggregate %age shareholding in the Company
Sir Mohammed Anwar Pervez	Chairman	21,640,779	3.63%
Mr. Zameer Mohammed Choudrey	Chief Executive	12,358,184	2.07%
Mr. Mohammed Younus Sheikh	Director	11,711,513	1.96%
Mr. Dawood Pervez	Director	37,536,226	6.30%
Mr. Haider Zameer Choudrey	Director	18,695,317	3.14%
Ms. Rakhshanda Choudrey	Close family member of CEO	185,425	0.03%
Mr. Muhammad Irfan A. Sheikh	Director	161,983	0.03%
Ms. Najma Naheed Pirzada	Director	67	-
Ms. Nazia Nazir	Director	29	-
Employees' Provident Fund	Employees' Provident Fund	-	-
Employees' Gratuity Fund	Employees' Gratuity Fund	-	-

**38.3** Following particulars relate to associated companies incorporated outside Pakistan with whom the Company had entered into transactions during the year:

Particulars	Bestway (Holdings) Limited, U.K.	Bestway Northern Limited
Registered address	2 Abbey Road, London NW10 7BW	2 Abbey Road, London NW10 7BW
Country of incorporation	United Kingdom	United Kingdom
Basis of association	Holding Company	Group Company by virtue of sharing same parent
Aggregate Percentage of shareholding	56.43%	

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

### 39. FINANCIAL INSTRUMENTS - Fair values and risk management

#### 39.1 Accounting classification

The following table shows the carrying amounts of financial assets and financial liabilities by categories:

30 June 2020				30 June 2019		
Note	Financial assets at amortised cost	Other financial liabilities at amortised cost	Total	Financial assets at amortised cost	Other financial liabilities at amortised cost	Total
	(-----Rupees - '000-----)			(-----Rupees - '000-----)		
<b>Financial assets</b>						
Deposits	127,968	-	127,968	136,164	-	136,164
Trade debts	21 1,727,790	-	1,727,790	2,101,856	-	2,101,856
Advances	22 19,413	-	19,413	13,395	-	13,395
Other receivables	24 224,731	-	224,731	13,200	-	13,200
Cash and bank balances	25 347,691	-	347,691	462,912	-	462,912
	2,447,593	-	2,447,593	2,727,527	-	2,727,527
<b>Financial liabilities</b>						
Current portion of long term financing	8 -	272,171	272,171	-	3,375,360	3,375,360
Long term financing	8 -	11,542,250	11,542,250	-	-	-
Current portion of long term musharaka	9 -	-	-	-	2,249,733	2,249,733
Trade and other payables	12 -	5,478,001	5,478,001	-	5,633,657	5,633,657
Unclaimed dividend	-	37,967	37,967	-	213,797	213,797
Short-term borrowings	13 -	10,710,748	10,710,748	-	10,835,368	10,835,368
	-	28,041,137	28,041,137	-	22,307,915	22,307,915

#### 39.2 Fair values of financial assets and financial liabilities

The carrying values of all financial assets and financial liabilities reflected in the financial statements approximate their fair values.

#### 39.3 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

##### 39.3.1 Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for development and monitoring of the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

### 39.3.2 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and balances with banks. The carrying amount of financial assets represents the maximum credit exposure.

#### Balances with banks

The Company held balances of Rs. 347.69 million with banks at 30 June 2020 (2019: Rs. 462.91 million). Management assesses the credit quality of the counter parties as satisfactory. Geographic analysis and credit rating information is given below:

Bank / financial institution	Credit rating agency	Long term Credit rating	Short term Credit rating	2020 (Rupees '000)	2019 (Rupees '000)
<b>Pakistan:</b>					
Allied Bank Limited	PACRA	AAA	A1+	2	43,496
Dubai Islamic Bank Pakistan Limited	JCR-VIS	AA	A-1+	78	81
Faysal Bank Limited	PACRA	AA	A1+	18	6
Habib Bank Limited	JCR-VIS	AAA	A-1+	233	41,775
MCB Bank Limited	PACRA	AAA	A1+	8,014	8,198
Meezan Bank Limited	JCR-VIS	AA+	A-1+	-	513
National Bank of Pakistan	PACRA	AAA	A1+	6	4,459
Soneri Bank Limited	PACRA	AA-	A1+	3	27
Standard Chartered Bank	PACRA	AAA	A1+	569	470
United Bank Limited	JCR-VIS	AAA	A-1+	338,685	363,887
BankIslami Pakistan Limited	PACRA	A+	A1	83	-

#### Trade debts

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the credit risk of its customer base. The Company has established a credit policy under which each new customer is assessed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Sales limits are established for each customer and are reviewed on monthly basis. Trade debts amounting to Rs. 108.12 million (2019: Rs 185.85 million) are secured against post dated cheques, letters of credit and bank guarantees. The Company maintains provision for doubtful debts that represents its estimate of probable losses in respect of trade debts.



## BESTWAY CEMENT LIMITED

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

	2020 (Rupees '000)	2019 (Rupees '000)
At reporting date, the maximum credit exposure in trade debts by geographic region was as follows:		
Domestic	1,668,795	2,008,395
African region	55,228	30,718
Asia	3,767	62,743
	<b>1,727,790</b>	<b>2,101,856</b>

At reporting date, the maximum credit exposure in trade debts by type of customer was as follows:

Dealers	1,138,297	1,472,190
End-user customers	589,493	629,666
	<b>1,727,790</b>	<b>2,101,856</b>

At reporting date, the ageing of trade debts and provision for doubtful debts were as follows:

	Gross amount		Provision for doubtful debts	
	2020 (Rupees '000)	2019 (Rupees '000)	2020 (Rupees '000)	2019 (Rupees '000)
1-30 days	1,034,787	1,372,604	-	-
31-60 days	72,197	288,778	-	-
61-90 days	42,007	234,301	-	-
Over 90 days	586,934	209,108	(8,135)	(2,935)
	<b>1,735,925</b>	<b>2,104,791</b>	<b>(8,135)</b>	<b>(2,935)</b>

The management believes that all unimpaired amounts are collectable in full, based on historical payment behavior and extensive analysis of customer credit risk. The movement in provision for doubtful debts during the year is disclosed in note 21.2.

### 39.3.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements and optimizing its cash return on investments. The Company aims to maintain the level of its cash and cash equivalents and other highly liquid assets at an amount in excess of expected cash outflows on financial liabilities. In addition, the Company maintains lines of credit as mentioned in note 13.

# BESTWAY CEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

	Carrying amount	Contractual cash flows					
		Total	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
30 June 2020	(Rupees '000)	(Rupees '000)					
<b>Financial liabilities</b>							
Current portion of long term financing	272,171	272,171	158,051	114,120	-	-	-
Long term financing	11,542,250	11,542,250	-	-	828,167	10,714,083	-
Trade and other payables	5,478,001	5,478,001	5,478,001	-	-	-	-
Unclaimed dividend	37,967	37,967	37,967	-	-	-	-
Short-term borrowings	10,710,748	10,710,748	10,710,748	-	-	-	-
	28,041,137	28,041,137	16,384,767	114,120	828,167	10,714,083	-

30 June 2019

<b>Financial liabilities</b>							
Current portion of long term financing	3,375,360	3,582,340	1,837,536	1,744,804	-	-	-
Long term financing	-	-	-	-	-	-	-
Current portion of long term musharaka	2,249,733	2,388,918	1,225,715	1,163,203	-	-	-
Trade and other payables	5,633,657	5,633,657	5,633,657	-	-	-	-
Unclaimed dividend	213,797	213,797	213,797	-	-	-	-
Short-term borrowings	10,835,368	10,835,368	10,835,368	-	-	-	-
	<b>22,307,915</b>	<b>22,654,080</b>	<b>19,746,073</b>	<b>2,908,007</b>	<b>-</b>	<b>-</b>	<b>-</b>

As disclosed in Notes 8 the term loan facilities contain loan covenants. A future breach of covenants may require the Company to repay the loan earlier than indicated in the table above. The Company monitors the compliance with covenants on regular basis. The Company has obtained a waiver of current ratio and interest coverage ratio from Allied Bank Limited and accordingly, this loan was not payable on demand as at 30 June 2020. Further, financial covenants compliance for Habib Bank Limited term loan will be applicable on the company's audited financials of 30 June 2021.

The contractual cash flows relating to mark-up on loans and borrowings have been determined on the basis of expected market mark-up rates and these amounts may change as market interest rates change. Except for these financial liabilities, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

### 39.3.4 Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing returns. The Company is exposed to currency risk and interest rate risk.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

### (a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly due to changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions of receivables and payables that exist due to transactions in foreign currencies.

#### Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk is as follows:

	USD	
	30 June 2020	30 June 2019
	(Rupees '000)	
Trade debts	58,995	93,461
Cash and bank balances	3,191	41,252
<b>Net exposure</b>	<b>62,186</b>	<b>134,713</b>

The following significant exchange rates have been applied:

	Average rate		Year-end spot rate	
	2020 (Rupees)	2019 (Rupees)	2020 (Rupees)	2019 (Rupees)
USD 1	168.19	136.11	168.05	162.87

#### Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD against Pak Rupee at 30 June would have affected the measurement of financial instruments denominated in a foreign currency and affected the profit or loss and equity by the amounts shown below. This analysis assumes that all other variables remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		Equity, net of tax	
	Strengthening (Rupees '000)	Weakening (Rupees '000)	Strengthening (Rupees '000)	Weakening (Rupees '000)
<b>30 June 2020</b>				
USD (10% movement)	6,219	(6,219)	6,219	(6,219)
<b>30 June 2019</b>				
USD (10% movement)	13,471	(13,471)	13,471	(13,471)



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

### (b) Interest rate risk

The interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short and long term borrowings and short term deposits with banks.

#### Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

	Nominal amount	
	2020 (Rupees '000)	2019 (Rupees '000)
<b>Fixed-rate instruments</b>		
Financial assets	113	4,557
<b>Variable-rate instruments</b>		
Financial liabilities	22,525,169	16,460,461

#### Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

#### Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss and equity by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss		Equity, net of tax	
	100 bp increase (Rupees '000)	100 bp decrease (Rupees '000)	100 bp increase (Rupees '000)	100 bp decrease (Rupees '000)
<b>30 June 2020</b>				
Variable-rate instruments	(225,252)	225,252	(225,252)	225,252
Cash flow sensitivity (net)	(225,252)	225,252	(225,252)	225,252
<b>30 June 2019</b>				
Variable-rate instruments	(164,605)	164,605	(164,605)	164,605
Cash flow sensitivity (net)	(164,605)	164,605	(164,605)	164,605

# BESTWAY CEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 40. PROVIDENT FUND

The following information is based on un-audited financial statements of the Provident Fund Trust as at 30 June 2020:

	2020	2019
Size of the trust (Rupees '000)	255,952	240,520
Cost of investments (Rupees '000)	216,968	165,000
Percentage of investments made (%)	85%	69%
Fair value of investments made (Rupees '000)	247,650	219,536

	2020 %	2019 %	2020 (Rupees '000)	2019 (Rupees '000)
<b>40.1</b> The break-up of fair value of investments is as follows:				
<b>Quoted investments:</b>				
National Investment Trust	21%	23%	50,867	49,524
UBL's Separately Managed Account	10%	8%	25,240	16,633
	31%	31%	76,107	66,157
<b>Others:</b>				
Defence Saving Certificates	12%	13%	28,900	28,900
Treasury Bills	19%	3%	48,110	6,992
Pakistan Investment Bonds	38%	7%	94,533	15,900
Term Deposit Receipts - MCB Islamic Bank	-	46%	-	101,587
	69%	69%	171,543	153,379
	100%	100%	247,650	219,536

**40.2** In addition to the above, funds amounting to Rs. 2.94 million (2019: Rs. 12.48 million) have been placed in saving accounts.

**40.3** All the investments of the Provident Fund Trust have been made in accordance with the provisions of section 218 of the Companies Act, 2017 (previously the Companies Ordinance, 1984) and the rules formulated for this purpose.

### 41. PLANTS' CAPACITIES AND PRODUCTION - Clinker

	Available Capacity		Actual Production	
	2020	2019	2020	2019
	(Metric Tonnes)		(Metric Tonnes)	
Hattar	1,230,177	1,230,177	962,197	991,912
Chakwal	3,428,700	3,428,700	2,085,618	2,327,647
Farooqia	3,004,994	3,004,994	1,963,274	1,795,791
Kallar Kahar	2,494,200	2,494,200	1,407,534	1,511,974
	10,158,071	10,158,071	6,418,623	6,627,324

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

**41.1** The actual production is generally adjusted in view of existing and expected market conditions.

### 42. NUMBER OF EMPLOYEES

	2020	2019
Number of employees	1,501	2,051
Average number of employees	1,662	2,125

### 43. DISCLOSURE REQUIREMENT FOR SHARIAH COMPLIANT COMPANIES

As per the requirements of the fourth schedule to the Companies Act, 2017, shariah compliant companies and companies listed on the Islamic Index shall disclose the following:

	2020 (Rupees '000)	2019 (Rupees '000)
Long term loans obtained as per Islamic mode	-	2,249,733
Short term running finance facilities as per Islamic mode	1,046,125	-
Shariah compliant bank balances	179	594
Finance cost on Islamic mode of financing	234,430	358,514

For profits earned and finance cost on conventional loans, refer to note 28 and 32.

The Company maintains bank accounts with Meezan Bank Limited, Faysal Bank Limited, Dubai Islamic Bank Pakistan Limited and BankIslami Pakistan Limited. The Company has obtained facilities of short term running finance (Running Musharka) facilities from Meezan Bank Limited, Faysal Bank Limited and BankIslami Pakistan Limited. (refer note 13).

### 44. IMPACT OF COVID-19

During the year, the World Health Organization declared the Novel strain of Corona virus (Covid-19) a global pandemic and recommended containment and mitigation measures worldwide. The Federal and Provincial governments of Pakistan also took various measures, including imposition of lockdown, from the end of March 2020 to contain the spread of Covid-19. This caused an overall economic slowdown and varying degree of disruption to various businesses including cement, resulting in temporary decline in sale of cement. However, the Government's initiative to allow the construction sector to re-open during the last quarter of the financial year along with various other incentives for businesses helped in reviving the demand for cement from June 2020 onwards.

Company's management has assessed the possible accounting implications arising from Covid-19 for these financial statements, including but not limited to impairment of financial and non-financial assets, and concluded that there has been no material accounting impact of Covid-19 on these financial statements. From the very outset of Covid-19, the management has adopted various policies and practices to minimise adverse impact of Covid-19 on the business and is continuously monitoring the situation in order to proactively address any challenges which may arise from Covid-19.

### 45. DIVIDEND

The Board of Directors in their meeting held on 28 August 2020 has not proposed a final dividend.

### 46. DATE OF AUTHORISATION

These financial statements were authorised for issue on 28 August 2020 by the Board of Directors.

  
CHIEF EXECUTIVE

  
DIRECTOR & CHIEF FINANCIAL OFFICER

# KEY OPERATIONAL AND FINANCIAL DATA FOR SIX YEARS

AS AT 30 JUNE 2020

	2020	2019	2018	2017	2016	Restated 2015
<b>OPERATING RESULTS</b>	<b>RUPEES IN MILLIONS</b>					
Net turnover	37,129	53,602	52,884	51,624	45,721	32,693
Cost of sales	36,012	37,557	33,928	29,091	24,573	19,900
Gross profit	1,117	16,045	18,956	22,533	21,148	12,793
Operating profit	(26)	13,290	14,217	17,439	16,789	10,577
Finance cost	2,152	1,498	600	831	1,823	457
Profit before tax	(506)	13,246	14,964	18,664	17,078	12,068
Profit for the year	49	10,097	13,158	13,293	11,880	9,621
<b>STATEMENT OF FINANCIAL POSITION</b>	<b>RUPEES IN MILLIONS</b>					
Share capital and reserves	54,653	57,606	53,310	47,769	41,983	36,443
Property, plant and equipment	55,789	57,242	56,086	44,732	42,955	43,448
Long term financing and musharka	11,542	-	5,500	10,000	16,500	23,299
Net current (liabilities) / assets	(1,441)	(9,680)	(7,250)	2,008	2,031	(523)
<b>SIGNIFICANT FINANCIAL RATIOS</b>	<b>PERCENTAGES</b>					
Gross profit ratio	3.01	29.93	35.84	43.65	46.25	39.13
Net profit ratio	0.13	18.84	24.88	25.75	25.98	29.43
Interest coverage ratio	0.76	9.84	25.94	23.46	10.37	27.41
Return on equity	0.09	17.53	24.68	27.83	28.30	26.40
Earnings per share	0.08	16.93	22.07	22.29	20.16	16.56
Dividend	30	110	120	120	100	100
	<b>IN THOUSAND METRIC TONNES</b>					
Despatches of cement and Xtreme bond	7,311	8,126	8,590	7,478	6,904	4,809



BESTWAY CEMENT LIMITED

# PATTERN OF SHAREHOLDING

AS AT 30 JUNE 2020

NUMBER OF SHAREHOLDERS	SHAREHOLDING		NUMBER OF SHARES HELD
	FROM	TO	
5543	1	100	183650
1952	101	500	558930
695	501	1000	573034
872	1001	5000	2148894
162	5001	10000	1253615
67	10001	15000	868284
35	15001	20000	619676
19	20001	25000	437629
18	25001	30000	509196
8	30001	35000	267932
8	35001	40000	302232
14	40001	45000	598610
8	45001	50000	390182
5	50001	55000	263805
2	55001	60000	114800
1	60001	65000	62370
7	65001	70000	471150
7	75001	80000	540426
2	80001	85000	161983
4	85001	90000	350838
2	90001	95000	185900
2	95001	100000	200000
2	105001	110000	211100
2	115001	120000	235633
1	125001	130000	129904
3	135001	140000	417000
4	150001	155000	618291
2	155001	160000	316541
1	175001	180000	176190
1	185001	190000	185425
1	190001	195000	195000
1	195001	200000	200000
4	215001	220000	878460
3	230001	235000	696758
4	240001	245000	969449
1	255001	260000	255250
2	275001	280000	556358
2	285001	290000	574259
2	290001	295000	590000
1	295001	300000	300000
2	300001	305000	607794
1	380001	385000	381100
1	505001	510000	507310
1	620001	625000	623664
5	675001	680000	3394400

BESTWAY CEMENT LIMITED

# PATTERN OF SHAREHOLDING

AS AT 30 JUNE 2020

NUMBER OF SHAREHOLDERS	SHAREHOLDING FROM	TO	NUMBER OF SHARES HELD
1	730001	735000	733316
1	800001	805000	803037
1	940001	945000	944715
1	955001	960000	958778
1	1060001	1065000	1064812
2	1085001	1090000	2178724
1	1180001	1185000	1180650
1	1240001	1245000	1244116
1	1355001	1360000	1357760
1	1570001	1575000	1573445
1	1710001	1715000	1711500
2	1910001	1915000	3822942
1	2695001	2700000	2698994
1	4320001	4325000	4323753
1	7875001	7880000	7878441
1	11710001	11715000	11711513
1	12355001	12360000	12358184
1	18695001	18700000	18695317
1	21640001	21645000	21640779
1	23320001	23325000	23323432
2	18745001	18750000	37496432
1	37535001	37540000	37536226
1	40485001	40490000	40487027
1	336445001	336450000	336445868
9,507			596,252,783

CATEGORIES OF SHAREHOLDERS	SHARES HELD	%
<b>Directors, Chief Executive, their Spouse and Minor Children</b>	102,289,523	17.16
<b>Associated Companies Undertakings &amp; Related Parties</b>	359,769,300	60.34
<b>NIT/ICP</b>	564	0.00
<b>Banks, Development Finance Institutions and Non Banking Financial Institution</b>	2,036,860	0.34
<b>Insurance Companies</b>	1,176,423	0.20
<b>Modarabas and Mutual Funds</b>	1,747,652	0.29
<b>Shareholders holding 10% *</b>	-	0.00
<b>General Public</b>		
<b>a. Local</b>	127,843,617	21.44
<b>b. Foreign</b>	-	0.00
<b>Others</b>		0.00
i. Foreign Companies	32,200	0.01
ii. Joint Stock Companies and Trusts	1,356,644	0.23
<b>TOTAL</b>	<b>596,252,783</b>	<b>100.00</b>

\* Bestway (Holdings) Limited is holding 56.43% shares of the Company.



## انتظامی ڈائریکٹرز:

- 1- جناب ضمیر محمد چوہدری
- 2- جناب محمد عرفان انور شیخ

## بورڈ کی کمیٹی:

### آڈٹ کمیٹی

- 1- محترمہ نجمہ ناہید بیروزادہ (چیر پرسن)
- 2- جناب داؤد پرویز
- 3- جناب حیدر ضمیر چوہدری

### ایچ آر اور معاضہ کمیٹی

- 1- محترمہ نازینہ زید (چیر پرسن)
- 2- جناب محمد عرفان انور شیخ
- 3- جناب محمد یونس شیخ

## آڈیٹرز

موجودہ آڈیٹرز ایف فرگسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس جو اس اجلاس کے خاتمے پر ریٹائرڈ ہو جائیں گے اور انہوں نے اہلیت کے حامل ہونے کی وجہ سے اپنے آپ کو دوبارہ تقرر کے لیے پیش کیا ہے۔ کمیٹی آڈٹ کمیٹی نے اس معاملے پر غور کیا ہے اور ریٹائر ہونے والے آڈیٹرز کے از سر نو تقرر کی سفارش کی ہے۔

## اظہار تشکر

ڈائریکٹر پورے سال کے دوران کمپنی سے مسلسل تعاون، شراکت اور اعتماد کے لیے کمپنی کے حصص داران، اسٹاف ممبران، صارفین، فراہم کنندگان، خاص طور پر ہمارے بینکرز، لائیو بینک لمیٹڈ، حبیب بینک لمیٹڈ، فیصل بینک لمیٹڈ، میزان بینک لمیٹڈ، ایم سی بی بینک لمیٹڈ، یو بی ایل بینک لمیٹڈ، عسکری بینک لمیٹڈ، سہری بینک لمیٹڈ، بینک الفلاح لمیٹڈ، دوہی اسلامک بینک پاکستان لمیٹڈ، اسٹیٹ بینک چارٹرڈ بینک (پاکستان) لمیٹڈ، نیشنل بینک آف پاکستان، ٹی بینک اور دیگر کئی حکومتی ایجنسیوں کے مشکور ہیں۔

برائے و مخائب بورڈ



محمد عرفان انور شیخ

ڈائریکٹر



لارڈ ضمیر چوہدری

چیف ایگزیکٹو

اسلام آباد

28 اگست، 2020



## ہولڈنگ کمپنی

کمپنی مکمل طور پر سیٹ وے (ہولڈنگز) لمیٹڈ، برطانوی قوانین کے تحت تشکیل شدہ ایک کمپنی، کی ذیلی کمپنی ہے۔ سیٹ وے (ہولڈنگز) لمیٹڈ، یو کے مکمل طور پر سیٹ وے گروپ لمیٹڈ کی ذیلی کمپنی ہے، چنانچہ حتمی پیرنٹ کمپنی کے تمام ماتحت منسلک ادارے کمپنی کی متعلقہ پارٹیز ہیں۔

## مستقبل کی توقعات:

اگرچہ ایسا لگتا ہے کہ پاکستان نے Covid-19 کی صورتحال کو بہتر طور پر قابو پایا ہے، لیکن اس کے دوبارہ پھیلنے کا خطرہ اس وقت تک معاشی ترقی کو کم کرتا رہے گا جب تک کہ ایک ویکسین تیار نہ جائے جو کہ ملک میں آزادانہ طور پر دستیاب ہو۔

ایسا لگتا ہے کہ Covid-19 کے اثرات کو کم کرنے کے لئے حکومت نے جو معاشی امدادی اقدامات اٹھائے ہیں جن میں تعمیراتی صنعت کے لئے مختلف مراعات بھی شامل ہیں کامیاب ہوتے دکھائی دے رہے ہیں۔ انفراسٹرکچر کی ترقی اور رہائشی گھروں کی تعمیر پر حکومت کی خصوصی توجہ کے نتیجے میں ملکی سیمنٹ کی ترسیلات میں زیادہ اضافہ ہوگا۔ سیمنٹ کی زیادہ مانگ کے نتیجے میں سیمنٹ کی قیمتوں میں بہت ضروری استحکام پیدا ہونا چاہئے اور اس وجہ سے زیادہ آمدنی ہوگی۔

Covid-19 کے نتیجے میں عالمی معیشت سست روی کا شکار ہے اور کونسلے کی بین الاقوامی قیمتیں بھی کم ہو رہی ہیں۔ چونکہ ایندھن اور توانائی پیداواری لاگت کا نصف سے زیادہ حصہ لیتے ہیں، اس لئے ایندھن اور توانائی کی کم قیمت انڈسٹری کے لئے نیک شگون ہے، تاہم دوسری طرف مستقل اور اوپر بڑھتی ہوئی توانائی کی قیمتیں، اعلیٰ افراط زر، روپے کی قدر میں کمی، بلا جواز اعلیٰ ٹیکس سیمنٹ کی صنعت کو باؤ میں رکھے گا۔ چونکہ روپے کی قدر میں کمی سے برآمدات کو فائدہ ہوتا ہے، تاہم افغانستان میں سیمنٹ کی کم ہوتی فروخت اور بھارت کو کی جانے والی برآمدات میں کمی موجودہ جاری عالمی Covid-19 سے برآمدات کے مواقع مزید خراب ہونے کا امکان ہے۔

آپ کی کمپنی ملک کے اندر صرف سب سے کم لاگت سے سیمنٹ بنانے والی کمپنی ہی نہیں ہے بلکہ کم بیعانہ والی کمپنی بھی ہے جس کا مطلب ہے کہ یہ اپنے حریفوں کے مقابلے میں زیادہ اطمینان بخش مقام پر فائز ہے۔ آپ کی انتظامیہ کچیلنجر کا ادراک ہے کہ جو آگے آسکتے ہیں اور اس لیے آپ کی کمپنی کی جانب سے زیادہ سے زیادہ بہتر کارکردگی کو یقینی بنانے کی غرض سے مسلسل بڑی مستعدی اور سرگرمی سے حالات کے ساتھ موافقت پیدا کرتی چلی جا رہی ہے اور اپنے شیئر ہولڈرز کو بڑے بڑے منافع جات کو یقینی بنارہی ہے۔

## شیئر ہولڈنگ کا نمونہ:

30 جون، 2020 کو ختم ہونے والے سال کے لئے کمپنی کے شیئر ہولڈنگ کا نمونہ آگے آنے والے صفحات میں دیا گیا ہے۔

## بورڈ کی تشکیل:

بورڈ 8 ڈائریکٹرز پر مشتمل ہے جن کی ترتیب نیچے دی گئی ہے

مرد: 6

خواتین: 2

## بورڈ کی تشکیل نیچے بیان کی گئی ہے:

انڈیپنڈنٹ ڈائریکٹرز

1- محترمہ نجمہناہید بیگزادہ

2- محترمہ ناز بیگزادہ

## دیگر غیر انتظامی ڈائریکٹرز:

1- سر محمد انور پرویز (چیرمین)

2- جناب محمد پولس شیخ

3- جناب داؤد پرویز

4- جناب حیدر ضمیر چوہدری

بیسٹ وے برطانیہ کی آکسفورڈ یونیورسٹی، یونیورسٹی آف بریڈ فورڈ اور کینٹ یونیورسٹی میں تعلیم کے لیے باصلاحیت پاکستانی طلبہ کو ہر سال 12 مکمل فنڈ ڈا۔ اس کا لڑپس فراہم کرتا ہے۔

## انسان دوستی کا فروغ

بیسٹ وے باقاعدگی سے ان اداروں اور تنظیموں کو مالی امداد فراہم کرتا ہے جو تعلیم اور صحت کے شعبوں میں حقیقی معنوں میں اپنی خدمات سرانجام دینے کی کوشش کر رہے ہیں۔

اس طرح گزشتہ چند سالوں میں مستفید ہونے والوں میں انسٹی ٹیوٹ آف بزنس ایڈمنسٹریشن کراچی، غلام اتحق خان انسٹی ٹیوٹ صوابی، نمل کالج، نیشنل یونیورسٹی آف سائنس اینڈ ٹیکنالوجی اسلام آباد، لاہور یونیورسٹی آف مینجمنٹ سائنسز، سہارا فور لائف ٹرسٹ میاٹوالی، زندگی ٹرسٹ، سندھ انسٹی ٹیوٹ آف یورولوجی اینڈ ٹرانسپلینٹیشن، پاکستان ہندوفاؤنڈیشن، عبدالستار ایدی فاؤنڈیشن، شوکت خانم میموریل ٹرسٹ، مسکان انسٹی ٹیوٹ سوات، شرفا طمر گرا اسکول، شالیمار ہسپتال، اکھ پال کورفاؤنڈیشن، محمد گلستان خان فاؤنڈیشن، لیٹن رحمت اللہ بنو ویلٹ ٹرسٹ، نیشنل سوسائٹی برائے میٹھلی اینڈ ایڈوکیٹیشن، کینڈی کیپڈ چلڈرن، فورمین کرچن کالج یونیورسٹی، فیملی ایجوکیشنل سروسز فاؤنڈیشن، ناردرن یونیورسٹی پشاور، دی سٹیزنز فاؤنڈیشن، زمینگ کور، KPSS سیکنڈری اسکول سہگل آباد چکوال، سلطانہ فاؤنڈیشن، کیئر فاؤنڈیشن، کاغان میموریل ٹرسٹ، المصطفیٰ ٹرسٹ، تھاقی ویلفیئر فاؤنڈیشن، ضیاء العلوم، کنڈی سینٹر کراچی، پاکستان فاؤنڈیشن فائننگ بلاسٹنٹس اور مختلف دیگر ادارے شامل ہیں۔

## صحت

بنیادی صحت کے شعبوں میں، بیسٹ وے کی چاروں فیکٹریوں کی حدود میں قائم میڈیکل سینٹرز کے ذریعے مقامی آبادی کے ہزاروں افراد کو مفت طبی سہولیات فراہم کی جاتی ہیں۔ زیر جائزہ سال کے دوران تقریباً 36,000 سے زائد مریضوں نے ان میڈیکل سینٹرز سے فائدہ حاصل کیا۔

## مالی امداد

تعلیم کو بہتر بنانے اور صحت کی بنیادی سہولتیں فراہم کرنے سے متعلق اپنے بنیادی مقصد کے حصول کی کوششوں کے ساتھ ساتھ آپ کی کمپنی اپنے مختصر مدت بازو سے مل کر ماہانہ بنیاد پر مقامی آبادی کی 369 بیواؤں اور مستحق افراد کو ماہانہ وظیفے کی صورت میں ان کی مالی معاونت بھی کرتی ہے۔

## مقامی آبادی کے لیے ملازمتوں کی فراہمی

آپ کی کمپنی نے اپنی فیکٹری کی حدود میں ہنرمند اور غیر ہنرمند مقامی لوگوں کے لیے سیکلزوں ملازمتیں متعارف کروائی ہیں۔ مختلف سرگرمیوں کے ذریعے مزید ملازمتوں کے بہت سے مواقع پیدا کیے گئے ہیں۔ ملازمتوں کی تخلیق نہ صرف مقامی آبادی کی قوت خرید بڑھاتی ہے بلکہ ان کے معیار زندگی کو بھی بہتر بنانے کا موقع فراہم کرتی ہے۔

## اوپرینس شپ اور ٹریننگ

اس مدت کے دوران بیسٹ وے نے اپنے شعبوں میں بہترین تربیت حاصل کرنے والے ٹرینی انجینئرز، مینجمنٹ ٹرینیز اور اپریٹنرز کو ملازمت فراہم کی۔ جبکہ ان میں سے کچھ ٹرینیز اور اپریٹنرز کو کمپنی میں برقرار رکھا گیا ہے جبکہ باقی ٹرینی دوسری صنعتوں اور کاروباری اداروں میں بیسٹ وے سے حاصل کی گئی تربیت کی بدولت ایک شاندار مستقبل کا آغاز کرتے ہیں اور ملکی ترقی میں اپنا حصہ ڈالتے ہیں۔

## ناگہانی آفات کا انتظام اور بحالی

آپ کی کمپنی ناگہانی آفات کے انتظام اور زلزلوں اور سیلابوں کی تباہ کاریوں کے بعد امداد بحالی اور از سر نو تعمیر کی سرگرمیوں اور علاقائی ترقی کے منصوبوں میں دل کھول کر حصہ ڈالتی ہے۔

## مقامی آبادی کی فلاح

بیسٹ وے اپنے پلانٹس کے گرد و نواح کے علاقوں کی ترقی اور بحالی میں باقاعدگی سے مدد فراہم کر رہا ہے۔ آپ کی کمپنی سالانہ مختلف ترقیاتی منصوبوں پینے کے صاف پانی کی فراہمی اور مختلف دیہات کو پانی کی فراہمی کی بحالی سمیت ہماری مقامی آبادیوں میں ضرورت مند مقامی لوگوں میں گندم اور دواویات کی تقسیم، مساجد اور سکولوں کی تعمیر وغیرہ سمیت مقامی علاقوں میں متعدد تعمیراتی منصوبوں کے لئے سیمنٹ کے بیک کا عطیہ وغیرہ۔ مقامی تہواروں، ثقافتی تقریبات اور دیگر کئی معاشرتی منصوبوں میں معاونت کے لئے ایک کثیر رقم مقامی انتظامیہ کو چندے کے طور پر دی جاتی ہے۔

کناس راج تالاب کی آبی سطح کو باقاعدگی سے دیکھنے اور سال بھر تالاب کی دیکھ بھال کی سہولت کے علاوہ بیسٹ وے نے ایک علیحدہ گارڈ روم بھی تعمیر کیا ہے، فرش کی تزئین و آرائش کی ہے اور قومی ورثہ کے مین گیٹ کو بھی کثیر رقم خرچ کر کے محفوظ بنایا ہے۔

آپ کی کمپنی رمضان المبارک کے مقدس مہینے میں اپنے ہیڈ آفس اور تمام پلانٹس پر باقاعدگی سے مفت دسترخوان کا اہتمام کرتی ہے جہاں ہزاروں مقامی باشندے اور راگیر پور امینہ افطار کرتے ہیں۔ اس کے علاوہ رمضان المبارک کے آغاز میں ہی مقامی علاقوں میں موجود سیکلزوں، مستحق لوگوں میں خوراک کے تحفے تقسیم کئے جاتے ہیں۔

پیداواری لاگت کو کم کرنے، آپریشنل کارکردگی میں بہتری اور ماحول کے تحفظ میں معاون ہوں گے۔ زیر جائزہ سال کے دوران آپ کی کمپنی کو بذریعہ WHPRP اور بوائسز کے ذریعے مطلوب توانائی کا 40% حاصل ہوا ہے۔

آپ کی کمپنی نے ماحولیاتی بہتری اور آگہی کے لئے کئی پروگرام شروع کر رکھے ہیں جس میں بحالی شجرکاری اور بارانی کاشتکاری شامل ہیں لیکن یہ پروگرام صرف ہمیں تک محدود نہیں ہیں۔ بیسٹ وے W W F پاکستان کو بھرپور انداز سے اعانت کر رہی ہے اور یہ ایک سند یافتہ گرین آفس ہے اور کاربن فٹ پرنٹ (کاربن نقش پا) کی کمی میں اس کی کوششوں کی تعریف کی جاتی رہی ہے۔

### کارپوریٹ سماجی ذمہ داری یعنی سی ایس آر:

بیسٹ وے اپنے آپریشنز (سرگرمیوں) میں طویل مدت کیلئے سرمایہ کاری کرتی ہے اور اس بات کو سراہتی ہے کہ مقامی معاشروں کی جانب اس کی خصوصی ذمہ داریاں بھی ہیں۔ کمپنی سرگرمیوں جیسے خدمات صحت تک رسائی کو بہتر بنانا، تعلیم، پیشہ ورانہ تربیت، بقاء ماحولیات پروگرامز، وظیفوں اور روزگاری تشکیل میں مدد کرنا اور مقامی روزگار کے ذریعے پس ماندہ لوگوں کی بہبود و بھلائی اور ان کی فعال و مستعد نشوونما میں بجا طور پر فخر کرتی ہے۔

بیسٹ وے اپنی کارپوریٹ سماجی ذمہ داری کی سرگرمیوں و افعال کو زیادہ تر اس کے فلاحی ٹرسٹ، بیسٹ وے فاؤنڈیشن کے ذریعے انجام دیتی ہے۔ زیر جائزہ سال کے دوران آپ کی کمپنی نے 230 ارب روپے مختلف سی ایس آر اقدامات کی مد میں خرچ کئے۔ آپ کی کمپنی سی ایس آر اخراجات کے لحاظ سے پاکستان کی سب سے بڑی کمپنی ہے۔

### Covid-19:

جیسا کہ پاکستان بھی Covid-19 جیسے وبائی مرض کا شکار ہوا اور یہ بات واضح ہو گئی کہ حکومت اکیلی کے پاس اس ہنگامی صورتحال سے نمٹنے کے لئے وسائل نہیں ہیں۔ ہمیشہ کی طرح آپ کی کمپنی بھی اس مشکل وقت میں آگے بڑھی اور وزیراعظم کے عالمی وبا Covid-19 امدادی فنڈ میں 100 ملین روپے کا خاطر خواہ چندہ دیا۔ یہ رقم آپ کی کمپنی کی جانب سے کی جانے والی دیگر سرگرمیوں کے علاوہ تھی جیسے مقامی کمیونٹی میں ہزاروں فوڈ پیکیجز کی تقسیم، طبی عملے کے لئے ایمرجنسی طبی سامان کی فراہمی اور مقامی انتظامیہ کو قرنطین مراکز کے قیام کے لئے فراہم کردہ وسائل وغیرہ صرف یہی نہیں بلکہ بنیادی آگاہی مہمات کا انعقاد بھی۔

### تعلیم

غیر مراعات یافتہ علاقوں میں معیاری تعلیم کی فراہمی کے عزم کے ساتھ بیسٹ وے سال 2018 سے ہری پور روڈ ضلع ٹیکسلا میں فاروقیہ کے نزدیک ایک پرائمری اسکول چلا رہا ہے۔ اسی طرح کا ایک اقدام ضلع چکوال کے گاؤں تڑال میں کیا گیا جہاں وسیع النطاق اور ضروری سہولیات کا حامل پرائمری اسکول تک کے لئے اسکول تعمیر کیا گیا ہے۔ بیسٹ فاؤنڈیشن اسکول 67 ملین کی لاگت سے 2016 میں مکمل ہوا۔

آج تک مجموعی طور پر 546 سے زیادہ طلباء ہیں جنہیں دونوں مقامات پر تجربہ کار اساتذہ کی جانب سے ایک علامتی فیس میں اعلیٰ تعلیم فراہم کی جارہی ہے۔ بیسٹ وے گورنمنٹ میں قائم فرج پرویز ڈگری کالج کے ذریعے خاص طور پر خواتین کو کالج تک مفت تعلیم فراہم کر رہی ہے۔ اس منصوبے کے تحت متعدد کلاس رومز، لیبارٹریز، غیر نصابی سرگرمیوں کی سہولتیں اور فیکلٹی ممبران کے لیے رہائشی سہولیات شامل ہیں، جو مکمل طور پر آپ کی کمپنی کی جانب سے فنڈ کی گئی ہیں اور 30 ملین کی لاگت کے ساتھ 2011 سے سرگرم عمل ہیں۔ اپنے قائم کردہ تعلیمی اداروں کے علاوہ بیسٹ وے لوکل آبادی اور دیہی علاقوں میں مختلف سرکاری اسکولوں کی معاونت کر رہا ہے۔

اس سال کے دوران، ضلع چکوال میں منگوال، سرکالہ اور جتال کے چار سرکاری سکولوں کی بحالی اور تزئین و آرائش کا کام شروع کیا گیا ہے جس کی لاگت ایک اندازے کے مطابق 10 ملین روپے ہے سال کے آخر میں ان سکولوں پر کام شروع کیا گیا تھا۔

### نیشنل انٹرنیشنل اسکالرشپس

ایک مضبوط اور متحرک معاشرے کی تعمیر کے لئے اعلیٰ تعلیم انتہائی ضروری ہے جبکہ بہت سارے ہنرمند اور قابل مستحق نوجوان مالی وسائل کی کمی کے باعث اپنی تعلیم جاری رکھنے سے قاصر ہیں۔ آپ کی کمپنی نے مستحق طلباء کی حمایت کے عزم کو مد نظر رکھتے ہوئے 12.5 ملین روپے کا اسکالرشپ اینڈ ومنت فنڈ تشکیل دیا ہے جس کے تحت بیسٹ وے فاؤنڈیشن نیشنل یونیورسٹی آف سائنس اینڈ ٹیکنالوجی (NUST) کے انڈر گریجویٹ پروگراموں میں داخلہ لینے والے مالی طور پر مستحق طالب علموں کی مدد کرتی ہے۔

یہ اسکالرشپس 5 مستحق طلباء کو دی جاتی ہے جو بنیادی طور پر ہر سال انوائزمنٹل انجینئرنگ، میٹالرجی اینڈ میٹیریلز انجینئرنگ، مکینیکل انجینئرنگ، کمپیوٹر انجینئرنگ، اور میکافرونکس انجینئرنگ، کے کسی بھی شعبے میں داخلہ لینے کے خواہش مند ہوں۔

مذکورہ بالا اسکالرشپس کے علاوہ آپ کی کمپنی نے آج تک باصلاحیت طالب علموں کی بڑی تعداد کو سالانہ 450 نیشنل اور انٹرنیشنل اسکالرشپس فراہم کی جاتی ہیں۔ ان اسکالرشپس کا مقصد ان طلباء کی معاونت ہے جنہیں تعلیم جاری رکھنے کے لیے مالی تعاون کی ضرورت ہے۔

## ماحول:

بیٹ وے سینٹ ایک ذمے دار کارپوریٹ شہری کی حیثیت سے شہرت رکھتا ہے اور جہاں کمپنی نے اپنے چاروں پلانٹس لگائے وہاں صحت مند ماحول کی حفاظت نہ صرف اپنے ملازمین کے لئے بلکہ نزدیکی علاقہ مکینوں کو اولین ترجیح دیتا ہے۔ بیٹ وے سماجی ماحول کی بہتری کو اپنی کامیابی کا لازمی حصہ سمجھتا ہے۔ ہمارے پلانٹ ISO 14001:2004 انوائسٹمنٹ سسٹم (EMS) سرٹیفائیڈ ہیں۔ کمپنی اس بات کو یقینی بناتی ہے کہ اس کے پلانٹس پر مقررہ ماحولیاتی معیارات کے مطابق عملدرآمد ہمیشہ جاری رکھیں۔ ہمارے پلانٹس نہ صرف پاکستان کی متعلقہ ماحولیاتی تحفظ کے ادارے (EPA) کے معیارات پر پورا اترتی ہے بلکہ رضا کارانہ طور پر بین الاقوامی معیارات کی بھی پاسداری کرتے ہیں۔ یہ ہمارے پلانٹس اور ذیلی صنعتوں کے ڈیزائن کی بنیاد پر ماحولیاتی تحفظات کو شامل کرنے کے ذریعے حاصل کیا گیا ہے۔ نصب کئے جانے والے الیکٹریٹک پریسیپیٹور اور بیگ ہاؤس فلٹر بہترین معیار کے حامل ہیں جبکہ مستقل دیکھ بھال اور اپ گریڈیشن کمپنی کے بہترین اخراج میں معاون ثابت ہوتے ہیں۔

شفاف ماحول کو یقینی بنانے کے لئے مضبوط ماحولیاتی کنٹرول میکنیزم کے علاوہ بیٹ وے آزاد ماہرین کے ذریعے اپنی پیداواری جگہوں پر باقاعدہ نظر ثانی کرتی ہے اور اس بات کو یقینی بنانے کے لئے کہ ہم ریگولیٹری ضروریات اور اندرونی اہداف کے مطابق کام کر رہے ہیں، تھرڈ پارٹی کنسلٹنٹ کی جانب سے ماہانہ اخراجات (emissions) کی مانیٹرنگ کی جاتی ہے۔ اس کے علاوہ EPAs کے ساتھ فعال تعاون کے ذریعے تمام پلانٹس پر EPA کے نمائندوں کی موجودگی میں عالمی ماحولیات کے حوالے سے پروگرام کا انعقاد کیا جاتا ہے۔

بیٹ وے شجرکاری اور کواریری (quarry) کی بحالی سمیت ماحولیات سے متعلق مختلف پروگرامات میں باقاعدگی سے حصہ لیتا ہے۔ Quarry Rehabilitation کے استعمال شدہ حصوں کو آہستہ آہستہ بحال کرنے کے لئے کمپنی بھر میں Quarry Rehabilitation کے جامع منصوبے پر عمل کیا جا رہا ہے۔ یہ آپ کی کمپنی کا بڑے پیمانے پر ایک منفرد قدم ہے۔

چکوال پلانٹ میں زیتون کے درختوں کی تعداد 11,000 سے زیادہ ہو گئی ہے۔ اس علاقے کو حکومت پنجاب نے زیتون کیلئے توجہ مرکوز قرار دیا ہے۔ لوکاٹ چکوال کے علاقے کا ایک ایسی پھل دار درخت ہے۔ کلر کھار میں تین باغ لگ چکے ہیں جن میں 2500 لوکاٹ کے درخت لگائے گئے ہیں جس میں Rehabilitation کے طور پر Quarry میں لایا گیا ایک باغ بھی شامل ہے۔ بیٹ وے کے کلین اینڈ گرین اقدامات کے ایک حصے کے طور پر صرف گذشتہ سال کے دوران ہم نے اپنے تمام پلانٹس پر 36,500 سے زیادہ پودے لگائے ہیں۔ اس کے ساتھ ساتھ اپنے چاروں پلانٹس پر پھلوں کے باغات بھی لگائے ہیں آپ کی کمپنی پائیدار ترقی کے حصول میں یونہی اپنا تعاون جاری رکھے گی۔

کلر کھار کے Quarry میں بھی ایک خوبصورت نظارہ قائم کیا گیا ہے جس میں سو سے زیادہ پائونڈ اور دیواری دیگر اقسام بھی شامل ہیں۔ حطار کے Quarry میں بھی ایک دلکش نظارہ قائم کیا گیا ہے جس میں 300 پائونڈ کے درخت اور بہت سے پھلوں والے سجاوٹی پودے شامل ہیں۔ یہ حطار انڈسٹریل اسٹیٹ اور اس کے گرد و نواح میں رہنے والے لوگوں کے لئے قائم کیا گیا ہے اکثر خاندانی تقریبات بھی یہاں منعقد ہوتی ہیں۔

بیٹ وے سینٹ جوش و خروش سے WWF پاکستان کی حمایت کرتا ہے۔ رواں سال کے آغاز پر آپ کی کمپنی کی جانب سے ماحول کے تحفظ کے لیے کام کرتے ہوئے کاربن کے اثرات کو کم کرنے کے لیے کئے جانے والے اقدامات کی تعریف کی گئی ہے۔ یہ پاکستان کی چند کمپنیوں میں سے ایک ہے جو WWF پاکستان کی جانب سے بطور گرین آفیس سرٹیفائیڈ ہے۔

## پانی کا تحفظ:

پانی کے تحفظ کے حوالے سے آپ کی کمپنی رہنما کاردار اور کر رہی ہے جیسا کہ بیٹ وے ملک کی پہلی کمپنی ہوگی جہاں روایتی واٹر کولڈ سسٹم کی بجائے ایئر کنڈیٹر سسٹم کا استعمال کیا جا رہا ہے۔ جس سے صنعتی پانی کی ضروریات میں تقریباً 80% کمی آئی ہے۔

بارش کے پانی کو ذخیرہ کرنا سب کی توجہ کا اہم مرکز رہا ہے آپ کی کمپنی نے نہ صرف بارش کے پانی کو ذخیرہ کرنے والے موجودہ تالابوں کی حلت میں نمایاں بہتری لائی ہے بلکہ نئے تالاب بنانے پر بھی غور کیا ہے۔ آپ کو یہ جان کر خوشی ہوگی کہ ہمارے چکوال اور کلر کھار پلانٹس میں صنعتی پانی کی 100 فیصد ضروریات بارش کے پانی کو ذخیرہ کر کے پوری ہو رہی ہیں۔

آپ کی کمپنی نے خارج شدہ صنعتی پانی کو دوبارہ استعمال کے قابل بنانے کے لئے جدید ترین ٹیکنالوجی ریورس اوسموس پلانٹس بھی انسٹال کیا ہے مزید یہ کہ پلانٹ کے قریب رہائشی علاقوں کے پانی کو بھی ری سائیکل کیا جا رہا ہے اس طرح ری سائیکلنگ سے پانی کی ایک بڑی مقدار کا تحفظ ممکن ہوتا ہے۔

## متبادل توانائی کے اقدامات:

سینٹ کی تیار توانائی کے استعمال سے بھرپور عمل ہے۔ پیداوار کے دوران سب سے زیادہ لاگت توانائی پر آتی ہے، ملک میں موجود توانائی کے بحران کے پیش نظر روایتی جبری (fossil) ایندھن سے توانائی کے متبادل حل کی جانب منتقل ہونا لازم ہو گیا۔ قومی گرڈ پر انحصار کم کرنے کے لیے اپنی حکمت عملی کے ایک حصے کے طور پر آپ کی کمپنی نے اپنی چاروں سائنس چکوال، حطار، فاروقیہ اور کلر کھار پروڈیٹ بیٹ ریکوری پاور پلانٹ (WHRPP) لگایا ہے۔ چکوال میں بیٹ وے کا WHRP پلانٹ پاکستان کی سینٹ انڈسٹری کا پہلا پلانٹ تھا جو دوسروں کے لیے مشعل راہ ثابت ہوا۔

توانائی کے تحفظ کے حوالے سے یہ آپ کی کمپنی کا ایک اہم قدم ہے، جو اس کے تمام آپریشنز پر WHR ٹیکنالوجی اختیار کرنے میں پیش رو ثابت ہوگا۔ یہ منصوبہ جات بیرونی بجلی پر کمپنی کے انحصار کو کم کرنے کے علاوہ



## مارکیٹنگ

بیسٹ وے اپنے متواتر بہترین معیار، وسیع تر مصنوعات کی صف بندی، موثر خرید و فروخت کی حکمت عملی، صارف کی سہولت اور اپنی خرید و فروخت کی ٹیم کی سراسر گلن کی وجہ سے مارکیٹ لیڈر کی حیثیت سے لطف اندوز ہو رہا ہے۔ بیسٹ وے ملک کا دوسرا سب سے بڑا سیٹنٹ ساز ادارہ ہے جو کوالٹی مینجمنٹ سسٹم کے لیے ISO 9001 تصدیق شدہ ہے۔

بیسٹ کو اپنی اعلیٰ اور معیاری مصنوعات کی وجہ سے پہچانا جاتا ہے۔ آپ کی کمپنی نہ صرف ملکی منڈی میں بلکہ بین الاقوامی منڈی میں بھی بطور پریکٹس برانڈ کے مستحکم حیثیت قائم رکھے ہوئے ہے۔ آپ کی کمپنی ملک کی ان چند کمپنیوں میں شامل ہے جو انڈیا کو سیٹنٹ برآمد کرنے کے لیے سرٹیفائیڈ ہیں اور مطابقت کے لیے CE-Certification کی حامل ہیں۔ ان سرٹیفکیٹس برائے مطابقت کی بدولت آپ کی کمپنی انڈیا، یورپی کمیونٹی اور ان تمام ملکوں میں جہاں سی ای، سرٹیفکیٹن کی ضرورت پڑتی ہے، میں برآمدت کے مواقع تلاش کر سکتی ہے۔ آپ کی کمپنی نے ایک بار پھر افغانستان کو سیٹنٹ برآمد کرنے والی سب سے بڑی کمپنی کا اعزاز برقرار رکھا ہے۔

## تربیت اور ترقی

آپ کی کمپنی اپنے عملے کی تربیت، نکھار اور تعلیم کو بہت زیادہ اہمیت دیتی ہے۔ اپنے کارندوں کو بہترین عملیاتی مہارتوں اور مشقوں سے آراستہ رکھنے کے لیے مختلف شعبوں اور عملے کی مختلف اقسام کے لیے تکنیکی اور عمومی انتظامی تربیتی کورسز کا انعقاد کرتی رہتی ہے۔ عملے کے اراکین دوسرے اداروں کی جانب سے منعقد کئے گئے کورسز، ورکشاپس اور سیمیناروں وغیرہ میں شرکت کرنے کے لیے بھی بھیجے جاتے ہیں۔ کمپنی پیشہ ورانہ ترقی اور کیریئر کی بہتری کے لیے ہمیشہ اپنے ملازمین کی حوصلہ افزائی اور رہنمائی کرتی ہے۔

اہلیت کی ترقی اور افرادی قوت کی تیاری کے اپنے عزم کے حصے کے طور پر آپ کی کمپنی نئے کوالیفائیڈ گریجویٹس، پیشہ ورانہ افرادی قوت کو غیر ہنرمند افرادی قوت کو بھی مواقع فراہم کرتی ہے۔ ان افراد کو ضروری علم سے مستفید کرنے، انہیں درکار تجربہ فراہم کرنے اور بطور پراعتماد ہنرمند اور فائدہ مند افرادی قوت بنانے کے لیے نہایت احتیاط سے تربیتی پروگرام ترتیب دیئے جاتے ہیں۔

ٹربینی انجینئر، زوالیٹر، ایکٹر، مینجیکل اور کان کنی کے شعبوں میں بہترین تربیت فراہم کی جاتی ہے جبکہ مینجمنٹ ٹرینیز کو مارکیٹنگ، فنانس، پرسنل اور ایڈمنسٹریشن کے شعبوں میں رکھا جاتا ہے جہاں انہیں مستقبل میں موثر مینجرجنٹ کے لیے محاط طریقے سے تربیت فراہم کی جاتی ہے، اپریٹیز کو فیکٹریوں کے مختلف ٹیکنیکل شعبوں میں رکھا جاتا ہے۔ ان میں سے چند ٹرینیز اور اپریٹیز کو کمپنی میں مستقل جگہ دی جاتی ہے جبکہ باقی دوسری انڈسٹری میں منتقل ہو جاتے ہیں جہاں وہ بیسٹ وے سے حاصل کی گئی تربیت کی بدولت اپنے مستقبل اور ملکی ترقی کی بہتری میں اہم کردار ادا کرتے ہیں۔

## صحت و حفاظت

آپ کی کمپنی اپنے آپ کو ذمہ دار کارپوریٹ شہری کی حیثیت سے متعارف کراتی ہے اور نہ صرف اپنے ملازمین بلکہ ذیلی معاہدے میں آنے والے عملے کی صحت اور تحفظ کو بھی اہمیت دیتی ہے تاکہ کاروبار کو موثر طریقے سے سرانجام دیا جاسکے، لہذا آپ کی کمپنی مقام کار پر حادثات کی روک تھام کے لیے پرعزم ہونے کے ساتھ ساتھ اپنے ماحول، صحت اور تحفظ کے حوالے سے مینجمنٹ اور کارکردگی بہتر بنانے کے لیے بھی مسلسل کوشاں رہتی ہے۔

صحت اور حفاظت پر تربیت، سہافی مینٹلنگز، حادثات کی رپورٹنگ، سیفٹی آڈٹس، سہافی چیمپین، بہتر امور اور حفظان صحت کے حوالے سے کنٹرول پر مشتمل اقدامات مسلسل کیے جاتے ہیں تاکہ عملے میں محفوظ رویہ کو یقینی بنایا جاسکے۔ آپ کی کمپنی نے انڈسٹریل آپریٹیز کو محفوظ بنانے کی کوشش کی ہے اور سلسلے میں ملازمین اور ٹیکنیکل ایڈورس کو آگاہی فراہم کرنے کے لیے متعدد ہدایات اور معیار وضع کر رکھے ہیں، ادارے کے اندران ہدایت ناموں پر سختی سے عمل کیا جاتا ہے اور انہیں بیرونی اسٹیک ہولڈرز تک بھی پہنچانے کو یقینی بنایا جاتا ہے۔

## Covid-19:

حالیہ Covid-19 وبائی مرض کے دوران آپ کی کمپنی نے بے مثال چیلنجز کا سامنا کیا ہے اور اس نوعیت کی غیر متوقع ہنگامی صورتحال سے نمٹنے کے لیے مکمل تیاری کا تجربہ بھی کیا ہے۔ بیسٹ وے نے ایک کثیرالجہتی حکمت عملی کو فعال طور پر تیار اور نافذ کیا ہے بلکہ اس بات کو یقینی بنایا ہے کہ نہ صرف اس کا تمام عملہ، ان کے اہل خانہ، ہمارے صارفین، سپلائرز اور متعلقین محفوظ رہیں بلکہ کمپنی بھی بغیر کسی رکاوٹ کے اپنے کاروباریاں جاری رکھنے میں کامیاب رہی۔

آپ کو یہ جان کر خوشی ہوگی کہ کمپنی کے اختیار کردہ اقدامات کے نتیجے میں، ہمارے کسی بھی پلانٹ یا آفس میں کسی بھی قسم کا انفیکشن بریک آؤٹ نہیں ہوا تھا۔ درحقیقت، ہمارے فاروقیہ پلانٹ Covid-19 کی روک تھام کے لیے سرکاری ایس او پیز سے بڑھ کر مزید حفاظتی اقدامات پر عمل درآمد کرنے کی وجہ سے صوبائی انسپکشن ٹیم، حکومت خیبر پختونخوا نے تحفہ کیٹ سے نوازا تھا۔

آپ کی کمپنی کی انتظامیہ کو یہ اطلاع دینے ہوئے خوشی ہے کہ چاروں پلانٹس پورے طور پر آپریشنل رہے اور ہم نے اپنے کسٹمرز، سپلائرز اور دیگر اسٹیک ہولڈرز کی خدمت میں بغیر کسی رکاوٹ کے کام جاری رکھا، حالانکہ عملہ کی ایک بڑی تعداد نے گھر سے کام کرنے کو ترجیح دی۔

چونکہ حکومت کی طرف سے آہستہ آہستہ پابندیوں کو ختم کیا جا رہا ہے، آپ کی کمپنی تمام عملے کے ممبروں کے لیے حفاظت کے اعلیٰ ترین معیاروں پر قائم رہنے میں ثابت قدم رہے گی اور اس بات کو یقینی بنائے گی کہ بیسٹ وے کام کرنے اور کاروبار کرنے کے لیے محفوظ ہے۔

30 جون، 2020 کو اختتام پذیر ہونے والے سال کے لئے کمپنی کے فی حصص کی آمدن 0.08 روپے ریکارڈ کی گئی جبکہ گزشتہ سال کے اسی عرصے کے مقابلے میں اس کی قیمت 16.93 روپے تھی۔

### مالیاتی صورتحال:

کمپنی کی کل ایکویٹی 30 جون 2019 کو ختم ہونے والے گزشتہ سال کے 57.6 ارب روپے کے مقابلے میں 54.7 ارب روپے رہی۔

آپ کی کمپنی تمام قسم کے قرضہ جات کی بروقت ادائیگی کی ذمہ داری کو جاری رکھے ہوئے ہے۔

30 جون، 2020 تک کل موجودہ واجبات 1.4 ارب روپے رہے جو کہ 2019 میں 9.7 ارب روپے تھے۔ موجودہ واجبات میں یہ نمایاں کمی قلیل مدتی قرضوں کے بہت بڑے حصے کو درمیانی اور طویل مدتی قرضوں کے ساتھ دوبارہ تشکیل دینے سے ہوئی۔

### دیگر سرمایہ کاریاں

یونائیٹڈ بینک لمیٹڈ

یونائیٹڈ بینک لمیٹڈ میں آپ کی کمپنی کی سرمایہ کاری کمپنی کے لیے بدستور سودمند ثابت ہوئی ہے۔ 31 دسمبر، 2019 کو ختم ہونے والے سال کے دوران بینک کا قبل از ٹیکس منافع گزشتہ سال کے 25.6 ارب روپے کے مقابلے میں 35.7 ارب روپے رہا جو کہ 39% اضافے کو ظاہر کرتا ہے۔

ہمیں آپ کو یہ بتاتے ہوئے انتہائی خوشی ہوئی ہے کہ 31 دسمبر، 2019 کو ختم ہونے والے سال کے لیے بینک نے 120% نقد منافع ادا کیا ہے۔ اس طرح آپ کی سرمایہ کاری پر 1.1 ارب روپے کا منافع دیا گیا۔

### یو بی ایل انشوررز لمیٹڈ

یو بی ایل انشوررز لمیٹڈ نے 31 دسمبر، 2019 کو اختتام پانے والے سال کے لیے قبل از ٹیکس منافع گزشتہ سال کے 365 ارب روپے کے مقابلے میں 449 ارب روپے رپورٹ کیا ہے جو کہ 23% اضافہ کو ظاہر کرتا ہے۔ یو بی ایل انشوررز لمیٹڈ نے دسمبر، 2019 کو ختم ہونے والے سال کے لیے 5.34% نقد منافع ادا کیا ہے۔ اس طرح آپ کی سرمایہ کاری پر 7.5 ملین روپے کا منافع دیا گیا۔

### قومی خزانے میں اعانت

بیسٹ وے سینٹ ملک کے بڑے ٹیکس دہندگان میں سے ایک ہے۔ زیر غور سال کے دوران آپ کی کمپنی نے انکم ٹیکس، سیلز ٹیکس اور ایکسائز ڈیوٹی کی مد میں قومی خزانے میں 26.3 ارب روپے کی ادائیگی کی۔ مزید یہ کہ آپ کی کمپنی ایک خطیر رقم مختلف بالواسطہ محصولات کی صورت میں وفاقی، صوبائی اور مقامی حکومتوں کو ادا کرتی ہے۔

### پلائٹس کی کارکردگی:

آپ کی کمپنی آغاز سے ہی مرمت کی روک تھام کے جامع منصوبے پر کاربند ہے۔ یہ فعال نقطہ نظر کم سے کم رکاوٹ کے ساتھ مستعد اور مضحکم پیداوار کو یقینی بناتا ہے۔ ہمارے نیچرز، انجینئرز اور مینجمنٹ اور ایڈمنسٹریٹو اسٹاف کے دیگر اراکین پر مشتمل مضبوط ٹیم نے اس منصوبے کی کامیابی میں کلیدی کردار ادا کیا ہے۔

زیر جائزہ سال کے دوران تمام سینٹ پلائٹس اور ویسٹ ہیٹ ریکوری پلائٹس قابل اطمینان طور پر کام کرتے رہے۔ دوران سال آپ کی کمپنی 69% (2019: 76%) اوسط صلاحیت بروئے کار لائی۔ پچھلے سال کے مقابلے میں کم صلاحیتوں کا استعمال قدرے کم طلب اور گردش سرمایے کے استعمال میں کمی جیسی کمپنی انتظامیہ کی کوششوں کا نتیجہ ہے۔

### حصص داران کو منافع:

زیر جائزہ عرصے میں کافی مشکلات رہی ہیں جس کی وجہ کاروباری حجم میں کمی، کمتر قیمتیں اور بڑھتی لاگتیں تھیں۔ کیش فلو کے تحفظ کے لئے کمپنی نے یہ فیصلہ کیا ہے کہ اس سال حتمی منافع کا اعلان نہ کیا جائے۔ اور اسی طرح مجموعی طور پر اس سال کا کل منافع 30% رہا۔

### معیاری یقین دہانی:

بیسٹ وے سینٹ ایسی کمپنی ہے جو کارکردگی اور شعوری معیار پر کارفرما ہے۔ ہر جگہ سخت کوالٹی کنٹرول کے طریقے کار پر عمل کرتے ہوئے کمپنی نے اپنے تمام پلائٹس پر اعلیٰ معیار کی جانچ والے آلات نصب کر رکھے ہیں۔ بیسٹ وے لیبارٹریز اسٹیل آف دی آرٹ ایکس رے فلور ریسنٹ انالایزر ریفریکٹو میٹر سے راستہ ہیں اور پاکستان میں یہ ٹیکنالوجی سب سے پہلے بیسٹ وے نے متعارف کروائی، ان ہی آلات کی بدولت کمپنی ملک میں دستیاب سینٹ کی نسبت مسلسل بہتر معیار کا سینٹ تیار کر رہی ہے۔ فاروقیہ پلائٹ پر موجود ہماری لیبارٹریز نے ISO 17025 سرٹیفیکیشن حاصل کی اور اس طرح آپ کی کمپنی یہ اعزاز حاصل کرنے والی سینٹ ساز ملک کی دوسری کمپنی بن گئی ہے۔ دیگر تین پلائٹس پر موجود لیبارٹریز بھی اسی طرح کی سرٹیفیکیشن حاصل کرنے کے قریب ہیں۔

## ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز 30 جون، 2020ء کو ختم ہونے والے سال کے آڈٹ شدہ مالیاتی گوشواروں اور آڈیٹرز رپورٹ کے ہمراہ اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

### معیشیت کا جائزہ:

پاکستان کے اکنامک سروے کے مطابق ملک کی معیشیت طلب ورسد کے گرداب میں رہی اور مالی سال 2020 میں معاشی سرگرمیوں میں بھی کمی دیکھنے میں آئی۔ Covid-19 کی وبا، مہنگائی میں اضافہ اور روپے کی قدر میں کمی کے باعث معیشیت کو نمایاں چیلنجز کا سامنا رہا ہے، جس کی وجہ سے 30 جون، 2020ء کو ختم ہونے والے سال میں خام ملکی پیداوار میں 0.38% کمی (2019: اضافہ 1.9%) واقع ہوئی ہے۔ بڑے پیداواری شعبے میں 7.8% تک کمی ہوئی (2019: 2.6%) جبکہ معیشیت میں سست روی کی وجہ سے ملک میں تعمیراتی سرگرمیاں بھی دباؤ میں رہیں۔

### انڈسٹری کا جائزہ:

زیر جائزہ مدت کے دوران سیمینٹ کی ملکی ترسیلات جو کہ گذشتہ سال ملین ٹن تھیں 1% کمی کے ساتھ سے 40.0 ملین ٹن رہ گئیں۔ جس کی وجہ سے کھن معاشی حالات کی وجہ سے تعمیراتی سرگرمیوں میں سست روی بنی جس میں مزید اضافہ چوتھی سہ ماہی میں Covid-19 کی وجہ سے ہونے والے لاک ڈاؤن نے کر دیا۔

سیمینٹ کی برآمدات میں 20% تک کا اضافہ ریکارڈ کیا گیا، جو گذشتہ برس 6.5 ملین ٹن سے بڑھ کر 7.8 ملین ٹن ہو گیا۔ دوران سال سیمینٹ اور کلنکر کی برآمدات میں متضاد قسم کا رجحان دیکھنے کو ملا۔ سیمینٹ کی برآمدات 4.4 ملین ٹن سے کم ہو کر 3.6 ملین ٹن ہو گئیں جس کی بنیادی وجہ بھارت کے ساتھ تجارت کا رک جانا ہے۔ تاہم اس سال کلنکر کی برآمدات بڑھ کر 4.2 ملین ٹن ہو گئیں جو کہ گذشتہ سال 2.1 ملین ٹن تھیں۔ خاص طور پر جنوب میں نئی پیداواری لائنوں کے اجراء اور روپے کی قدر میں کمی سے بذریعہ سمندر کلنکر کی ان پائیدار برآمدات میں اضافہ ممکن بنایا۔

مجموعی طور پر سیمینٹ کی ترسیلات 2.5% کمی کے ساتھ زیر جائزہ مدت کے دوران 44.7 ملین ٹن سے کم ہو کر 43.6 ملین ٹن رہ گئی۔

قیمتوں کی سخت مسابقت اور بڑھتی ہوئی پیداواری لاگتوں کی وجہ سے انڈسٹری کے مجموعی مارجنز میں نمایاں کمی دیکھنے میں آئی ہے۔

### پیداوار اور فروخت کا جائزہ

فیصد	کمی/اضافہ	30 جون، 2019ء کو ختم شدہ سال	30 جون، 2020ء کو ختم شدہ سال	
%	ٹن	ٹن	ٹن	
(3%)	(208,701)	6,627,324	6,418,623	کلنکر کی پیداوار
(10%)	(841,268)	8,104,768	7,263,500	سیمینٹ کی پیداوار
(10%)	(814,482)	8,125,772	7,311,290	سیمینٹ اور ایکسٹریم پوٹنٹ فروخت

مقامی سیمینٹ کی ترسیلات اور برآمدات دونوں کے حجم میں کمی کے باعث آپ کی کمپنی کی کل سیمینٹ کی ترسیلات میں 10% کمی ہوئی جس کی بنیادی وجہ انڈسٹری میں حالیہ توسیع کے نتیجے میں گنجائش کا بڑھ جانا اور بھارت کو ہونے والی برآمدات کا خاتمہ ہے۔ چوتھی سہ ماہی کے دوران Covid-19 کی وجہ سے ہونے والے لاک ڈاؤن نے سیمینٹ کی فروخت میں کمی کو مزید بڑھا دیا۔

سخت مسابقت کے باوجود بیسٹ وے نے کامیابی سے ملک کے اندر سب سے بڑے سیمینٹ بنانے والوں میں سے ایک اور مارکیٹ لیڈر کے طور پر اپنی حیثیت کو برقرار رکھا۔

### پیداواری جھلکیاں:

کمپنی نے 30 جون، 2020ء کو اختتام پزیر ہونے والے سال کے دوران 63.7 ارب روپے کا مجموعی کاروبار ریکارڈ کیا، جو پچھلے سال کے اسی عرصے کے دوران 79.0 ارب روپے کے مقابلے میں 19% کم ہے۔ اس سال خالص کاروبار 31% کمی کے ساتھ 53.6 ارب روپے سے 37.1 ارب روپے رہا۔

اس عرصے میں کل منافع کم ہو کر 1.1 ارب روپے رہ گیا جو کہ گذشتہ سال 16.0 ارب روپے تھا۔

کاروبار اور مجموعی منافع میں کمی سیمینٹ کی قیمتوں میں نمایاں کمی، فیڈرل ایکسٹریڈیوٹی میں خاطر خواہ اضافے اور پیداواری لاگتوں میں اضافے کی وجہ سے ہے۔

مالیاتی چارجز زیر جائزہ عرصے کیلئے اضافے کے ساتھ 2.2 ارب روپے رہے جو کہ پچھلے سال کے مطابق عرصے میں 1.5 ارب روپے تھے۔ اس کی بنیادی وجہ کاروبار سے زرقند کی بہت کم نکاس اور شرح ہائے سود میں اضافہ تھا۔

30 جون، 2019ء کو اختتام پذیر ہونے والے سال میں قبل آنیکس منافع 13.2 ارب روپے تھا جو اس سال 0.5 ارب روپے نقصان میں بدل گیا۔ زیر جائزہ عرصے کے دوران بعد آنیکس منافع 10.1 ارب

روپے سے کم ہو کر 0.05 ارب روپے ہو گیا ہے۔

# PROXY FORM

The Company Secretary  
Bestway Cement Limited  
Bestway Building, 19-A, College Road,  
F-7 Markaz, Islamabad.

<b>Folio No. / CDC A/C No.</b>	
<b>Shares held</b>	

I/We \_\_\_\_\_ of \_\_\_\_\_  
being a member (s) of Bestway Cement Limited (the 'Company') hereby appoint Mr./Mrs./Miss \_\_\_\_\_ of \_\_\_\_\_ or failing him/her Mr./Mrs./Miss \_\_\_\_\_ of \_\_\_\_\_ (being member(s)) of the Company as my/our Proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Friday, October 2, 2020 at 3:00 p.m. at the Registered Office, Bestway Building, 19-A, College Road, F-7 Markaz, Islamabad and at every adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

1. Witness: \_\_\_\_\_  
Signature \_\_\_\_\_  
Name \_\_\_\_\_  
CNIC/Passport No. \_\_\_\_\_  
Address \_\_\_\_\_
2. Witness: \_\_\_\_\_  
Signature \_\_\_\_\_  
Name \_\_\_\_\_  
CNIC/Passport No. \_\_\_\_\_  
Address \_\_\_\_\_

**AFFIX  
REVENUE  
STAMP**

Signature \_\_\_\_\_  
(Signature appended above  
should agree with the specimen  
signatures registered with the  
Company.)

## Important:

1. This form of proxy, duly completed and signed, must be received at the Registered Office of the Company, Bestway Building, 19-A, College Road, F-7 Markaz, Islamabad not less than 48 hours before the time of holding meeting.
2. No person shall act as proxy unless he/she himself/herself is a member of the Company, except that a corporation may appoint a person who is not a member.
3. If a member appoints more than one proxy and more than one instrument of proxy is deposited by the member with the Company, all such instruments of proxy shall be rendered invalid.

## For CDC Account Holders the following requirements have to be met:

- (i) The form of proxy shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- (ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the form of proxy.
- (iii) The proxy shall produce his original CNIC or original passport at the time of meeting.
- (iv) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with the form of proxy to the Company.



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POSTAGE

The Company Secretary  
BESTWAY CEMENT LIMITED  
Bestway Building, 19-A, College Road,  
F-7 Markaz, Islamabad

# پراکسی فارم

کمپنی سیکرٹری

بیسٹ وے سینٹ لمیٹڈ

بیسٹ وے بلڈنگ، 19-A کالج روڈ

F-7 مرکز، اسلام آباد

فولیو نمبر /	CDC A/C No.
شیئر ہیلڈ	

میں / ہم \_\_\_\_\_ ساکن \_\_\_\_\_ بحیثیت رکن / اراکین بیسٹ وے سینٹ لمیٹڈ (کمپنی) اپنی جانب سے  
محترم / محترمہ \_\_\_\_\_ ساکن \_\_\_\_\_ یا ان محترم / محترمہ کی ناکامی کی صورت میں محترم / محترمہ  
\_\_\_\_\_ ساکن \_\_\_\_\_ (بحیثیت رکن / اراکین) کو بذریعہ ہذا اپنا / ہمارا پراکسی مقرر کرتا / کرتی ہوں تاکہ میری / ہماری عدم  
موجودگی میں کمپنی کے سالانہ اجلاس عام جو کہ 2 اکتوبر 2020 بروز جمعہ دن 3:00 بجے رجسٹرڈ آفس، بیسٹ وے سینٹ لمیٹڈ، بیسٹ وے بلڈنگ، 19-A کالج روڈ، اسلام میں منعقد ہو رہا ہے یا  
اس کے التوائی اجلاس میں میری / ہماری طرف سے شرکت اور ووٹ دے سکے۔

دستخط کئے گئے \_\_\_\_\_ دن \_\_\_\_\_ سال 2020

1- گواہ:

دستخط:

نام:

قومی شناختی کارڈ / پاسپورٹ نمبر:

پتہ:

2- گواہ:

دستخط:

نام:

قومی شناختی کارڈ / پاسپورٹ نمبر:

پتہ:

ریونیو  
سٹیپ  
یہاں لگائیں

دستخط:

مندرجہ بالا دستخط کو کمپنی میں رجسٹرڈ دستخطوں

کے نمونہ جات کے ساتھ مطابقت رکھنا

چاہیے۔

## ضروری نوٹ:

1- مکمل دستخط شدہ پراکسی فارم کمپنی کے رجسٹرڈ دفتر، بیسٹ وے سینٹ لمیٹڈ، بیسٹ وے بلڈنگ، 19-A کالج روڈ، اسلام آباد میں اجلاس کے وقت سے کم از کم 48 گھنٹے پہلے موصول  
ہو جانا چاہیے۔

2- کوئی بھی شخصیت اس وقت تک پراکسی کا کردار نہیں ادا کر سکتا / سکتی جب تک کہ وہ کمپنی کا / کی رکن نہ ہو، البتہ کارپوریٹیشن کسی بھی ایسے فرد کو نامزد کر سکتی ہیں جو کمپنی کا رکن نہ ہو۔

3- اگر کوئی رکن ایک سے زیادہ پراکسی کو نامزد کرتا ہے اور ایک سے زیادہ انسٹرومنٹ برائے پراکسی کمپنی کو جمع کراتا ہے تو ایسے تمام انسٹرومنٹ برائے پراکسی غلط تصور ہوں گے۔

سی ڈی سی کھاتہ داران کیلئے درج ذیل ضروریات کو پورا کرنا ضروری ہے:

1- پراکسی فارم کیلئے دو افراد گواہ ہوں گے جن کے نام، پتے اور شناختی کارڈ نمبر فارم پر درج ہونے چاہئیں۔

2- پراکسی کے ہمراہ مالکان اور پراکسی دونوں کے شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول پراکسی فارم کے ساتھ مہیا کرنا ہوں گی۔

3- اجلاس کے وقت پراکسی کو اپنا اصل شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا۔

4- کارپوریٹ ادارہ ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی رضامندی / اختیار نامہ بمعہ نمونہ دستخط پراکسی فارم کے ساتھ (اگر پہلے نہ مہیا کی گئی ہو تو) کمپنی کے پاس جمع کرانی ہوں گی۔

AFFIX  
CORRECT  
POSTAGE

The Company Secretary  
BESTWAY CEMENT LIMITED  
Bestway Building, 19-A, College Road,  
F-7 Markaz, Islamabad

**Notes:**

[illegible]



**GO  
GREEN**



**BESTWAY CEMENT LIMITED**

Bestway Building, 19-A, College Road,  
F-7 Markaz, Islamabad 44000, Pakistan  
Tel: +92 (0) 51 265 4856 - 64  
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Email: info@bestway.com.pk

+92 51 111 111 722  [WWW.BESTWAY.COM.PK](http://WWW.BESTWAY.COM.PK)

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BESTWAY CEMENT LIMITED - PAKISTAN'S ONLY CEMENT MANUFACTURER  
TO TAKE ORDERS ONLINE AT YOUR CONVENIENCE.