

# Murree Brewery Co. Ltd. Rawalpindi

Condensed Interim (Unaudited) Financial Information for  
the 3rd Quarter and nine months period ended March 31, 2021

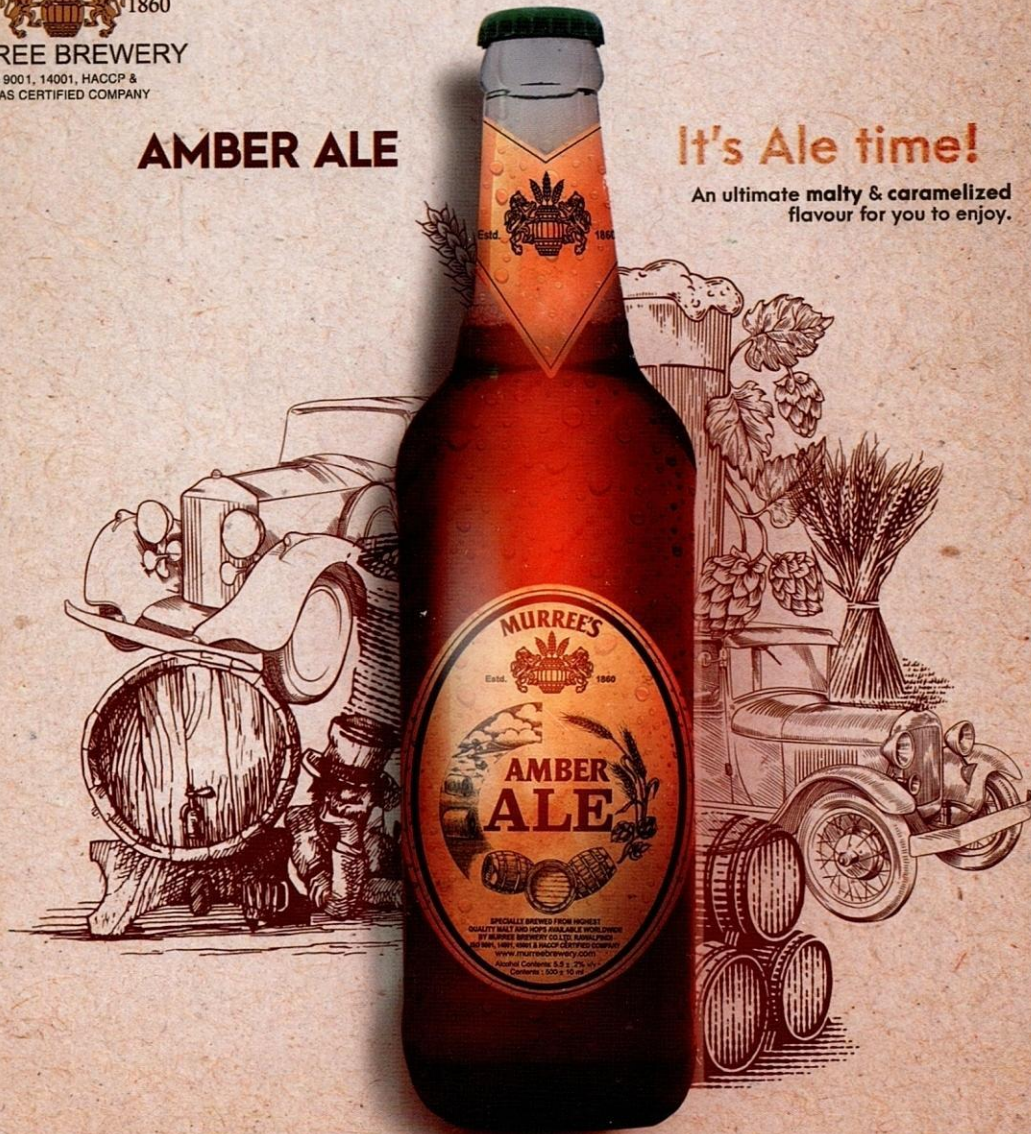


**MURREE BREWERY**  
ISO 9001, 14001, HACCP &  
OHSAS CERTIFIED COMPANY

## AMBER ALE

**It's Ale time!**

An ultimate malty & caramelized  
flavour for you to enjoy.



Murree's Amber Ale is brewed from the highest quality malt and Hallertau Hops. The special Yeast, for making this Amber Ale, is imported from a very renowned Yeast Manufacturing Company in Germany which has decades of experience in development of special yeast and has specific quality to produce rich, full bodied fruity taste with a tinge of caramelized flavor in *Amber Ale*.



# Murree Brewery Company Limited



CONTENTS	PAGES
Vision & Mission Statement	1
Corporate Information	2-3
Directors' Review	4-5
ڈائریکٹرز کا جائزہ	6-7
Statement of Financial Position	8
Statement of Profit or Loss	9
Statement of Comprehensive Income	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Financial Information	13-25

# Murree Brewery Company Limited



## VISION STATEMENT

Our office is in the market

## MISSION STATEMENT

We the people of Murree Brewery Co. Ltd. make our personal commitment to first understand our customers' requirement then to meet and exceed their expectations, by performing the correct tasks on time and every time through:

**C**ontinuous improvement

**A**lignment of our missions and goals

**R**esponsibility and respect of our jobs and each other

**E**ducate one another

# Murree Brewery Company Limited

ESTABLISHED 1860

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Chairman  
Chief Executive Officer/Director  
Directors

Ch. Mueen Afzal  
Mr. Isphanyar M. Bhandara  
Mr. Aamir H. Shirazi  
Mrs. Goshi M. Bhandara  
Prof. Khalid Aziz Mirza  
Mr. Shahbaz Haider Agha  
Mr. Pervaiz Akhtar  
Ms. Jahanara Sajjad Ahmad

### PRINCIPAL OFFICERS

Chief Financial Officer  
Company Secretary  
Head of Internal Audit  
Deputy General Manager (Brewery Division)  
Business Manager (Murree Glass)  
Plant Manager ( // // )  
General Manager (Tops)  
Factory Manager (Murree Sparkletts)

Mr. Mazhar Iqbal  
Ch. Waqar A. Kahloon  
Malik Saqib  
Mr. Fakher-e-Mahmood  
Mr. Arshad Zaheer  
Mr. Zaka ud Din  
Mr. Talat Yaqoob  
Mr. Fayyaz Ahmad

### AUDIT & RISK MANAGEMENT COMMITTEE

Mr. Shahbaz Haider Agha (Chairman)  
Ch. Mueen Afzal (Member)  
Prof. Khalid Aziz Mirza (Member)  
Mrs. Goshi M. Bhandara (Member)  
Ms. Jahanara Sajjad Ahmad (Member)

### HUMAN RESOURCE & REMUNERATION AND NOMINATION COMMITTEE

Prof. Khalid Aziz Mirza (Chairman)  
Ch. Mueen Afzal (Member)  
Mr. Aamir H. Shirazi (Member)  
Mr. Isphanyar M. Bhandara (Member)  
Mr. Pervaiz Akhtar (Member)

### AUDITORS

M/s KPMG Taseer Hadi & Co.  
Chartered Accountants.  
6<sup>th</sup> Floor, State Life Bldg.  
Jinnah Avenue, Islamabad.

### PRINCIPAL BANKERS

Askari Commercial Bank Ltd, Islamabad  
Standard Chartered Bank, Islamabad  
National Bank of Pakistan, Rawalpindi / Hattar  
Bank Alfalah Ltd, Rawalpindi  
The Bank of Khyber, Hattar  
Allied Bank Ltd, Rwp/Lhr/Gujranw/F.Abad/Multan  
Sahiwal/Murree/Sargodha  
United Bank Limited, Islamabad.

# Murree Brewery Company Limited

ESTABLISHED 1860

## CORPORATE INFORMATION

### REGISTERED OFFICE

Murree Brewery Company Limited  
3-National Park Road, Rawalpindi  
Tel: 051-5567041-47, Fax: 051-5584420  
E-mail: [murree.brewery@murreebrewery.com](mailto:murree.brewery@murreebrewery.com)  
[murbr@cyber.net.pk](mailto:murbr@cyber.net.pk)  
Website: [www.murreebrewery.com](http://www.murreebrewery.com)

- (v) 164/B, Near Winter Time,  
Small Industries Estate, Sahiwal  
Mobile: 0335-5611125  
0321-6954001
- (vi) Ratti Gali, Ayoubia Road, Murree  
Mob: 0335-5111047

### FACTORIES

- (1) **Murree Brewery Company Limited**  
3-National Park Road, Rawalpindi  
Tel: 051-5567041-47, Fax: 051-5584420

- (vii) Plot No. 28-B Small  
Industrial Estate Opp.  
Siddique Kantawala Main  
Lahore Road, Sargodha  
Mob: 0335-5611103

- (2) **Tops Food & Beverages**  
(a) 3-National Park Road, Rawalpindi  
Tel: 051-5567041-47, Fax: 051-5565461

### SHARE REGISTRAR

CDC Share Registrar Services Limited  
CDC House 99-B, Block 'B' SMCHS, Main  
Shahra-e-Faisal Karachi-74400,  
Tel: +(92-21)111-111-500  
Fax: +(92-21)034326053, Email: [info@cdcsrsl.com](mailto:info@cdcsrsl.com)

- (b) Plot No. 14/1, Phase III, Industrial Estate,  
Hattar, District Haripur (K.P.K)  
Tel: 0995-617013, 617493, 617494

### LEGAL ADVISORS

- (3) **Murree Sparkletts**  
Plot No. 10/2, Phase III, Industrial Estate,  
Hattar, District Haripur (K.P.K)

- (i) Hamid Law Associates,  
409-410, Alfalah Building,  
Shahrah-e-Quaid-e-Azam  
Lahore. Tel: 042-6301801
- (ii) Mr. Umer Abdullah (Advocate)  
Chaudhary Law Associates  
Advocate High Court  
Flats No. 5 & 6, 1<sup>st</sup> Floor, MICCOP Center,  
1. Mozang Road, Lahore.  
Cell # 0300-8430877, 0345-8412222

- (4) **Murree Glass**  
Plot No. 24, Phase III, Industrial Estate,  
Hattar, District Haripur (K.P.K)  
Tel: 0995-617233, 0995-617188

- (iii) Mr. Muhammad Ilyas Sheikh  
House No. 37, Street No. 02, Mohalla  
Phase 5, Bahria Town, Islamabad.

### DISTRIBUTION OFFICES

- (i) Tops Food & Beverages  
121/3, Industrial Estate, Kot Lakhpat,  
Lahore. (Tel: 042-5117501)
- (ii) Aziz Chowk Pindi Bypass,  
Galla Sonica Industry, G.T.Road,  
Gujranwala (Tel: 055-3891571)
- (iii) Mansoor Abad  
Near Sant Sing Railway Gate  
Jumra Road, Faisalabad  
Tel: (041-8522182 & 2420580)
- (iv) Mohallah Noorpura  
Bahawalpur Bypass Road, Multan  
Ph: 061-4232964  
Mob: 0345-8597704

### TAX ADVISOR

Naseem Zafar Associates  
16-A, First Floor, Sadiq Plaza,  
69-Shahrah-e-Quaid-e-Azam, Lahore  
Tel: 042-6360275-6

### CORPORATE ADVISOR

RS Corporate Advisory  
First Floor, Plot No. 62, Central Commercial  
Area (CCA), Block-T, Phase -2, Defence  
Housing Authority, Lahore Cantt-Pakistan.  
Tel: +92 42 357 47 904  
Website: [www.rscorporate.com](http://www.rscorporate.com)

# Murree Brewery Company Limited

## DIRECTORS' REVIEW

The Board of Directors of Murree Brewery Company Limited takes pleasure in presenting its review on financial performance and affairs of the Company for the nine months period ended 31<sup>st</sup> March, 2021.

The Company's financial performance for the nine months period against the corresponding period of the last year was as follows:-

### FINANCIAL OVERVIEW & HIGHLIGHTS

		Rs. in million				
Sales Revenue (Net)	increased by	16.1%	from	7,123	to	8,270
Gross Profit	increased by	5.9%	from	2,186	to	2,317
Profit before Taxation	increased by	9.4%	from	1,286	to	1,407
Profit after Taxation	increased by	10.8%	from	862	to	955
Earnings per share	increased by	10.8%	from	Rs. 31.15	to	Rs. 34.52

The profitability of the Company has increased during the nine months period ended 31<sup>st</sup> March, 2021, as compared to the corresponding period of the last year. Overall sales reflected 16.1% growth over the last corresponding period, net profit of the Company has increased significantly i.e. 10.8% during the nine months period ended 31<sup>st</sup> March, 2021 as compared to the corresponding period of the last year despite the Covid-19 pandemic.

### IMPORTANT ISSUES:

#### **i. Gas Infrastructure Development Cess (GIDC):**

The honorable Supreme Court of Pakistan decided the matter of GIDC in favor of the Government on 13<sup>th</sup> August, 2020. Subsequent to the decision, review petitions were filed by the companies but the Supreme Court upheld its earlier decision. Company has already provided for the GIDC expense in its financial statements on 30<sup>th</sup> June, 2020, which is now being paid in installments as directed by the Supreme Court of Pakistan.

#### **ii. Tax on water consumption for commercial use:**

The Supreme Court of Pakistan announced taxation of the beverage industry @ Re. 1 per liter of surface and underground water which would not be passed on to the consumers. The order issued effective from December 2018 applies to all industries consuming water in Pakistan, the Rules for which have not yet been issued. The beverage industry has lodged a review petition, which is pending in the Supreme Court.

### **THIRD INTERIM DIVIDEND:**

The Directors have today declared the third interim cash dividend @ 50% (i.e. Rs. 5 per share) for the year ending 30<sup>th</sup> June, 2021. This is in addition to interim cash dividends already paid @ 150% (i.e. Rs. 15 per share).

# Murree Brewery Company Limited

## **CONTRIBUTION TO NATIONAL EXCHEQUER:**

The Company contributed a sum of Rs. 3.01 billion in the nine months period ended 31<sup>st</sup> March, 2021 (31<sup>st</sup> March, 2020: Rs. 4.05 billion) to the Government exchequer on account of duties and taxes.

## **CORPORATE SOCIAL RESPONSIBILITY:**

The Company continues to give donations to institutions in accordance with its policies for corporate philanthropy.

## **OUTLOOK:**

With a resurgence in the country of cases in the third wave of Covid-19, the robust safety plans and learning from the first and second waves ensured that the business was fully prepared to quickly adapt to the changing scenario to ensure people safety and business continuity. The team is analyzing the pandemic situation on a continuous basis and taking prompt action to implement all possible preventive measures and to ensure continuity of business operations. During the last quarter, the Company has endeavored to maintain business performance despite a slow-down in economic activity.

While the economic environment continues to improve in the country, the GDP growth rate and the prospects for inflation remain somewhat uncertain because of the third wave of the pandemic. Also, the political scenario raises some concerns. However, the prospects for the Company's business remain reasonably sound.

## **APPRECIATION:**

The Board would like to record its appreciation for the management team along with all Company employees for their commitment to improving profitability. The Board extends its gratitude to all Stakeholders, Government authorities and Shareholders for their support in achieving the Company's objectives.

## **ON BEHALF OF THE BOARD**



Isphanyar M Bhandara  
Chief Executive Officer



Goshi M Bhandara  
Director

Rawalpindi 23<sup>rd</sup> April, 2021



تیسرا عبوری منافع منقسمہ:

ڈائریکٹرز نے 31 مارچ، 2021 کو ختم ہونے والے سال کے لئے تیسرے عبوری نقد منافع منقسمہ کا اعلان کیا ہے جو کہ 50 فیصد کی شرح سے یعنی 5 روپے فی حصص ہے۔ یہ عبوری منافع منقسمہ پہلے سے ادا کئے گئے منافع منقسمہ 150 فیصد کی شرح یعنی 15 روپے فی حصص کے علاوہ ادا کیا جائے گا۔

قومی خزانے میں معاونت:

آپ کی کمپنی نے 31 مارچ، 2021 کو ختم شدہ نو ماہ کے عرصے میں 3.01 بلین روپے (31 مارچ، 2020 تک 4.05 بلین روپے) ڈیوٹی اور ٹیکسز کی مدد میں قومی خزانے میں جمع کروائے ہیں۔

ادارہ جاتی سماجی ذمہ داری:

کمپنی نے انسانی ہمدردی کے حوالے سے اپنی پالیسیوں کے مطابق اداروں کو عطیات کی فراہمی کو جاری رکھا ہوا ہے۔

نقطہ نظر:

ملک میں کوویڈ-19 کی تیسری لہر سے کمیز کے دوبارہ ابھرنے کے ساتھ، مضبوط حفاظتی منصوبوں اور پہلی اور دوسری لہروں سے سیکھنے نے اس بات کو یقینی بنایا کہ کاروبار لوگوں کی حفاظت اور کاروباری تسلسل کو یقینی بنانے کے لئے بدلتے ہوئے حالات کے مطابق تیزی سے ڈھلنے کے لئے مکمل طور پر تیار تھا۔ ٹیم مسلسل بنیادوں پر وبا کی صورتحال کا تجزیہ کر رہی ہے اور تمام ممکنہ حفاظتی اقدامات پر عمل درآمد اور کاروباری معاملات کے تسلسل کو یقینی بنانے کے لئے فوری کارروائی کر رہی ہے۔ گزشتہ سہ ماہی کے دوران کمپنی نے معاشی سرگرمیوں میں سست روی کے باوجود کاروباری کارکردگی برقرار رکھنے کی کوشش کی ہے۔

جبکہ ملک میں معاشی ماحول میں بہتری کا سلسلہ جاری ہے، جی ڈی پی کی شرح نمو اور افراط زر کے امکانات اس وبا کی تیسری لہر کی وجہ سے کسی حد تک غیر یقینی ہیں۔ اس کے علاوہ سیاسی منظر نامہ نے کچھ خدشات کو جنم دیا ہے۔ تاہم کمپنی کے کاروبار کے امکانات کافی حد تک درست ہیں۔

بورڈ کا اعتراف:

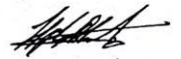
بورڈ انتظامی ٹیم کے ہمراہ اپنے ملازمین کے عزم، منافع میں بہتری لانے کے لئے ان کے تعاون اور شراکت کو سراہتا ہے اور ان کا شکر گزار ہے۔ بورڈ کمپنی کے مقاصد کو حاصل کرنے میں تمام کاروباری سٹیک ہولڈرز سرکاری حکام اور حصص داران کے تعاون پر ان کا شکر یہ ادا کرتے ہیں۔

بورڈ کی جانب سے



گوشی ایم بھٹدارا

ڈائریکٹر



اسفندیا رانیم بھٹدارا

چیف ایگزیکٹو آفیسر

راولپنڈی 23 اپریل، 2021

# مری بروری کمپنی لمیٹڈ

## ڈائریکٹرز کا جائزہ

مری بروری کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز 31 مارچ 2021 کو اختتام پذیر ہونے والے نو ماہ کے لئے کمپنی کی مالیاتی کارکردگی اور معاملات پر اپنا جائزہ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

کمپنی کے پچھلے سال کے مطابق عرصے کے تقابل میں نو مہینوں کے دوران کمپنی کی مالی کارکردگی کا مختصر جائزہ مندرجہ ذیل ہے۔

مالیاتی جائزہ اور اہم نکات:	روپے بلین میں
فروخت محصولات (خالص)	اضافہ % 16.1
مجموعی منافع	اضافہ % 5.9
قبل از ٹیکس منافع	اضافہ % 9.4
بعد از ٹیکس منافع	اضافہ % 10.8
آمدن فی حصص	اضافہ % 10.8

گزشتہ سال کی اسی مدت کے مقابلے میں 31 مارچ 2021 کو اختتام پذیر ہونے والے نو ماہ کے دوران کمپنی کے منافع میں اضافہ ہوا ہے۔ کوویڈ-19 وبا کے باوجود گزشتہ سال کی اسی مدت کے مقابلے میں مجموعی طور پر فروخت کی شرح میں % 16.1 کا اضافہ دیکھنے میں آیا اور گزشتہ نو ماہ میں ٹیکس ادا کرنے کے بعد منافع کی شرح میں % 10.8 کا نمایاں اضافہ ہوا ہے۔

اہم مسائل:

i- گیس انفراسٹرکچر ڈیولپمنٹ سیس GIDC:

سپریم کورٹ آف پاکستان نے GIDC کے معاملے کو حل کرتے ہوئے 13 اگست، 2020 کو فیصلہ حکومت کے حق میں دیا تھا۔ فیصلے کے بعد کمپنیوں نے نظر ثانی کی درخواست دائر کی تھی لیکن سپریم کورٹ نے اپنے فیصلے کو قائم رکھا۔ کمپنی پہلے ہی 30 جون 2020 کو GIDC کی مد میں تمام تر اخراجات اپنے مالیاتی گوشواروں میں فراہم کر چکی ہے جو اب سپریم کورٹ آف پاکستان کی ہدایت کے مطابق قسطوں میں ادا کی جا رہی ہے۔

ii- تجارتی استعمال کے لئے پانی کے استعمال پر ٹیکس:

سپریم کورٹ آف پاکستان نے سوموٹو اقدام کرتے ہوئے اپنے ارادے کا اظہار کیا تھا کہ بیورج انڈسٹری کو سطح زمین اور زیر زمین پانی کے ایک لیٹر پر ایک روپے کا ٹیکس عائد ہوگا جسے صارفین سے وصول نہیں کیا جائے گا۔ یہ جاری کردہ حکم دسمبر 2018ء سے مؤثر اور تمام صنعتوں پر لاگو ہے جو پاکستان میں پانی کا استعمال کرتے ہیں۔ اس کیلئے قواعد اب تک جاری نہیں کیے گئے ہیں۔ بیورج انڈسٹری نے ایک نظر ثانی کی درخواست دائر کر رکھی ہے جو سپریم کورٹ میں زیر التواء ہے۔

# Murree Brewery Company Limited

## Condensed Interim Statement of Financial Position As at 31 March 2021

	Note	Un-Audited 31-Mar-21 (Rs.'000)	Audited 30-Jun-20 (Rs.'000)	Note	Un-Audited 31-Mar-21 (Rs.'000)	Audited 30-Jun-20 (Rs.'000)
<b>EQUITY</b>						
<b>Share capital and reserves</b>						
Share capital		276,636	276,636		4,991,212	5,157,220
Capital reserve		30,681	30,681	7	300,297	322,559
Revenue reserves		7,230,965	6,785,176	8	912	1,301
Revaluation surplus on property, plant and equipment and ROU assets- net of tax		2,848,979	2,893,179		73,813	82,036
<b>Total equity</b>		<b>10,387,261</b>	<b>9,985,672</b>		<b>358,627</b>	<b>358,627</b>
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Lease liabilities		3,559	22,561		16,732	15,334
Long Term Loan		150,811	-		38,466	35,754
Employee benefits		240,280	267,977		6,308,827	6,507,390
Non-current portion of GIDC payable		39,160	-		2,146,828	1,862,119
Deferred grant	5.1	4,609	-		42,396	25,926
Deferred tax liability - net		257,009	229,863		238,875	214,181
<b>Non-current liabilities</b>		<b>695,428</b>	<b>520,401</b>		<b>1,944,401</b>	<b>1,723,243</b>
<b>Current liabilities</b>						
Current portion of lease liabilities		22,408	89,859		81,823	372,106
Current portion of long term loan		170,142	-	9	1,945,048	1,335,329
Trade and other payables		1,202,465	1,204,077		6,399,371	5,532,904
Contract liabilities		96,503	109,842			
Current portion - deferred grant income		16,325	-			
Unpaid dividend		34,259	71,843			
Unclaimed dividend		83,407	58,600			
<b>Current liabilities</b>		<b>1,625,509</b>	<b>1,534,221</b>			
<b>Total liabilities</b>		<b>2,320,937</b>	<b>2,054,622</b>		<b>12,708,198</b>	<b>12,040,294</b>
<b>Total equity and liabilities</b>		<b>12,708,198</b>	<b>12,040,294</b>			
<b>Contingencies and commitments</b>						
	6					

The annexed notes 1 to 19 form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR

# Murree Brewery Company Limited

Condensed Interim Statement of Profit or Loss (unaudited)

For the nine months ended 31 March 2021

	Quarter ended 31 March		Nine months ended 31 March	
	2021	2020	2021	2020
	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)
<b>NET TURNOVER</b>	2,990,490	2,310,894	8,270,117	7,123,362
<b>COST OF SALES</b>	(2,101,675)	(1,589,530)	(5,953,608)	(4,937,056)
<b>GROSS PROFIT</b>	888,815	721,364	2,316,509	2,186,306
Selling and distribution expenses	(221,830)	(205,292)	(644,814)	(675,210)
Administrative expenses	(112,669)	(113,739)	(338,619)	(372,145)
Other expenses	(50,602)	(98,207)	(122,728)	(164,917)
Other income	2,066	10,965	33,517	49,029
<b>OPERATING PROFIT</b>	505,780	315,091	1,243,865	1,023,063
Finance costs	(8,664)	(3,793)	(23,498)	(12,840)
Finance income	68,002	94,680	186,933	276,128
<b>NET FINANCE INCOME / COST</b>	59,338	90,887	163,435	263,288
<b>PROFIT BEFORE TAX</b>	565,118	405,978	1,407,300	1,286,351
Income tax expense	(185,714)	(133,021)	(452,439)	(424,729)
<b>PROFIT FOR THE PERIOD</b>	379,404	272,957	954,861	861,622
Earnings per share - basic and diluted (Rupees)	13.71	9.87	34.52	31.15

The annexed notes 1 to 19 form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR

# Murree Brewery Company Limited

Condensed Interim Statement of Comprehensive Income (unaudited)

For the nine months ended 31 March 2021

Note	Quarter ended		Nine months ended	
	31 March		31 March	
	2021	2020	2021	2020
	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)
Profit for the period	379,404	272,957	954,861	861,622
Other comprehensive income (OCI) for the period:	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>379,404</b>	<b>272,957</b>	<b>954,861</b>	<b>861,622</b>

The annexed notes 1 to 19 form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR

# Murree Brewery Company Limited

## Condensed Interim Statement of Changes in Equity (unaudited)

*For the nine months ended 31 March 2021*

	Capital reserves			Revenue reserves			Total equity
	Share capital	Capital reserve	Revaluation surplus on property, plant and equipment - net of tax	General reserve	Contingency reserve	Unappropriated profits	
	(Rs.'000)						
Balance as at 30 June 2019 (Audited)	276,636	30,681	2,837,111	327,042	20,000	6,534,489	10,025,959
Adjustment on initial application of IFRS 16	-	-	-	-	-	-	-
Adjusted balance at 01 July 2019	276,636	30,681	2,837,111	327,042	20,000	6,534,489	10,025,959
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	861,622	861,622
Other comprehensive income for the period	-	-	-	-	-	861,622	861,622
Revaluation surplus on property, plant and equipment realized through depreciation for the year - net of deferred tax	-	-	(47,782)	-	-	47,782	-
Transferred from revaluation surplus on property, plant and equipment on disposal - net of deferred tax	-	-	(2,742)	-	-	2,742	-
Transaction with the owners of the company			(50,524)			50,524	
Final dividend for the year ended 30 June 2019 (Rs. 10 per share)	-	-	-	-	-	(276,636)	(276,636)
First interim dividend for the year ending 30 June 2020 (Rs. 5 per share)	-	-	-	-	-	(138,318)	(138,318)
Second interim dividend for the year ending 30 June 2020 (Rs. 10 per share)	-	-	-	-	-	(276,636)	(276,636)
Balance at 31 March 2020 (unaudited)	276,636	30,681	2,786,587	327,042	20,000	6,755,045	10,195,991
Balance at 01 July 2020	276,636	30,681	2,893,179	327,042	20,000	6,438,134	9,985,672
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	954,861	954,861
Other comprehensive income for the period	-	-	-	-	-	954,861	954,861
Revaluation surplus on property, plant and equipment realized through depreciation for the year - net of deferred tax	-	-	(52,010)	-	-	52,010	-
Transaction with the owners of the company			7,810			(7,810)	-
Final dividend for the year ended 30 June 2020 (Rs. 5 per share)	-	-	-	-	-	(138,318)	(138,318)
First interim dividend for the year ending 30 June 2021 (Rs. 5 per share)	-	-	-	-	-	(138,318)	(138,318)
Second interim dividend for the year ending 30 June 2021 (Rs. 10 per share)	-	-	-	-	-	(276,636)	(276,636)
Balance at 31 March 2021 (unaudited)	276,636	30,681	2,848,979	327,042	20,000	6,883,923	10,387,261

The annexed notes 1 to 19 form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR

# Murree Brewery Company Limited

Condensed Interim Statement of Cash Flows (unaudited)

For the nine months ended 31 March 2021

		Nine months ended 31 March	
		2021	2020
		(Rs.'000)	(Rs.'000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
	Note		
Profit before tax		1,407,300	1,286,351
<b>Adjustments for:</b>			
Depreciation / amortization	7	301,811	310,199
Amortization of intangible assets		389	389
Amortization of right of use asset	8	27,857	-
Employee benefits - charge to profit or loss		51,886	38,336
Provision for Workers' Profit Participation Fund (WPPF)		76,015	69,197
Provision for Workers Welfare Fund (WWF)		30,406	27,679
(Gain) / Loss on disposal of property, plant and equipment		(5,354)	(5,259)
Finance cost		23,498	12,840
Return on deposit accounts		(54,743)	(99,071)
Interest on PIBs		(32,797)	(19,507)
Interest on advances		(264)	(309)
Dividend income		(59,639)	(110,899)
Unrealized gain on re-measurement of short term investments		(22,198)	(28,781)
Deferred grant income		(17,487)	-
		<u>319,381</u>	<u>194,814</u>
<b>Operating profit before working capital changes</b>		<b>1,726,681</b>	<b>1,481,165</b>
<b>Changes in</b>			
Inventories		(284,709)	(245,842)
Trade debts		(16,470)	(30,222)
Advances, prepayments and other receivables		(24,694)	(60,754)
Trade and other payables		(32,968)	134,031
Contract liabilities		(13,339)	(47,246)
		<u>(372,180)</u>	<u>(250,033)</u>
<b>Cash generated from operating activities</b>		<b>1,354,501</b>	<b>1,231,132</b>
Finance cost paid		(8,543)	(11,571)
Employee benefits paid		(33,350)	(19,890)
WPPF paid		(35,814)	(88,639)
Taxes paid		(135,007)	(385,543)
<b>Net cash from operating activities</b>		<b>1,141,787</b>	<b>725,489</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment		(156,371)	(197,999)
Proceeds from disposal of property, plant and equipment		26,059	5,942
Advances for capital expenditures		8,223	8,792
Long term advances paid		3,533	(6,304)
Long term deposits paid		(2,712)	3,828
Realization of long term investment		-	13,495
Proceeds from sales of / (acquisition of) investments - net		(221,158)	(216,894)
Interest received		68,532	87,343
Dividends received		59,639	110,899
<b>Net cash used in investing activities</b>		<b>(214,255)</b>	<b>(190,898)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of lease liabilities		(92,048)	(77,661)
Receipt of loan		340,284	-
Dividend paid		(566,049)	(696,512)
<b>Net cash used in financing activities</b>		<b>(317,813)</b>	<b>(774,173)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>609,719</b>	<b>(239,582)</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>1,335,329</b>	<b>1,694,452</b>
<b>Cash and cash equivalents at end of the year</b>	9	<b>1,945,048</b>	<b>1,454,870</b>

The annexed notes 1 to 19 form an integral part of these financial statements.

  
CHIEF FINANCIAL OFFICER

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

# Murree Brewery Company Limited

## Notes to the condensed interim financial information (unaudited)

*For the nine months ended 31 March 2021*

### 1 REPORTING ENTITY

Murree Brewery Company Limited ("the Company") was incorporated under the repealed Indian Companies Act (now the Companies Act, 2017) in February 1861 as a public limited company in Pakistan. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The registered office of the Company is situated at National Park Road in Rawalpindi, Pakistan.

The Company is principally engaged in the manufacturing of alcoholic beer, Pakistan Made Foreign Liquor (PMFL), non-alcoholic beer, aerated water (non-alcoholic products), juices and food products, mineral water, glass bottles and jars. The Company is presently operating three divisions namely Liquor, Tops and Glass to carry out its principal activities.

### 2 BASIS OF PREPARATION

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, 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 the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The disclosures in these interim financial statements do not include the information that was reported in annual audited financial statements and should therefore be read in conjunction with the annual audited financial statements for the year ended 30 June 2020. Comparative condensed interim unconsolidated statement of financial position is extracted from the annual audited financial statements for the year ended 30 June 2020, whereas comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from unaudited interim financial statements for the nine months period ended 31 March 2020.

This condensed interim financial information is un-audited and is being submitted to the members as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of the Pakistan Stock Exchange Limited.

### 3 ACCOUNTING POLICIES AND ESTIMATES

#### 3.1 Accounting policies and method of computation

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended 30 June 2020.

#### 3.2 Accounting Estimates and Judgements

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

#### Measurement of fair values

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team 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 IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the audit committee.

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.



# Murree Brewery Company Limited

## Notes to the condensed interim financial information (unaudited)

*For the nine months ended 31 March 2021*

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.

### 3.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2021:

	<b>Effective Date</b>
- Amendments to IFRS-9, IAS-39, IFRS-7, IFRS-4 and IFRS-16 - Interest rate benchmark reform	01-Jan-21
- Amendments to IFRS-3 Reference to the Conceptual Framework	01-Jan-22
- Amendments to IAS-16 Proceeds before intended use	01-Jan-22
- Amendments to IAS-37 Onerous Contracts - Cost of fulfilling a contract	01-Jan-22
- Amendments to IAS-41, IFRS-9 and IFRS-16 Annual Improvements to IFRS Standards 2018-2020	01-Jan-22
- Amendments to IFRS-4 Expiry date of deferral approach	01-Jan-23
- Amendments to IAS-1 Classification of liabilities as current or non-current and disclosure of accounting policies	01-Jan-23
- Amendments to IAS-8 Definition of accounting estimates	01-Jan-23

			<u>Unaudited</u> <u>31-Mar-21</u> <u>(Rs.'000)</u>	<u>Audited</u> <u>30-Jun-20</u> <u>(Rs.'000)</u>
<b>4 SHARE CAPITAL</b>		<b>Note</b>		
<b>4.1 Authorized share capital</b>		<b>4.1.1</b>	<b>300,000</b>	<b>300,000</b>
<b>4.1.1</b> This represents 30,000,000 (30 June 2020: 30,000,000) ordinary shares of Rs. 10 each.				
<b>4.2 Issued, subscribed and paid up share capital</b>				
	<u>Un-audited</u> <u>31-Mar-21</u> <u>Number</u>	<u>Audited</u> <u>30-Jun-20</u> <u>Number</u>	<u>Un-audited</u> <u>31-Mar-21</u> <u>(Rs.'000)</u>	<u>Audited</u> <u>30-Jun-20</u> <u>(Rs.'000)</u>
	<b>264,000</b>	264,000	<b>2,640</b>	2,640
	<b>27,399,630</b>	27,399,630	<b>273,996</b>	273,996
	<b>27,663,630</b>	27,663,630	<b>276,636</b>	276,636
		Ordinary shares of Rs. 10 each, fully paid in cash		
		Ordinary shares of Rs. 10 each, issued as bonus shares		
<b>5 LONG TERM LOAN</b>		<b>Note</b>		
Opening balance			-	-
Receipt of loan			<b>340,285</b>	-
Recognition of deferred government grant		<b>5.1</b>	<b>(34,286)</b>	-
Amortisation for the period			<b>14,954</b>	-
Closing balance		<b>5.2</b>	<b>320,953</b>	-
Non Current portion			<b>150,811</b>	-
Current portion			<b>170,142</b>	-
			<b>320,953</b>	-

# Murree Brewery Company Limited

## Notes to the condensed interim financial information (unaudited)

*For the nine months ended 31 March 2021*

5.1 RECOGNITION OF GOVERNMENT GRANT	Un-audited 31-Mar-21 (Rs.'000)	Audited 30-Jun-20 (Rs.'000)
Opening balance		
Additions during the period	34,286	-
Deferred grant income recognised for the period	(13,352)	-
Closing balance	20,934	-
Non Current Portion	4,609	-
Current Portion	16,325	-
	20,934	-

- 5.2 In an attempt to mitigate the effect of the COVID 19 pandemic, the State Bank of Pakistan ("SBP") introduced "Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns" whereby financing at low mark-up rates was made available to the entities on the condition of not laying off the workers/employees and payment of salaries and wages of permanent, contractual, daily wagers and outsourced employees from April 2020 to June 2020. The Company obtained long term loan under this scheme from United Bank Limited which is secured by first charge over fixed assets of the Company excluding land and building amounting to Rs 534 million (30 June 2020: Rs Nil). The loan is repayable in 8 equal quarterly installments due from 1 April 2021. Interest chargeable under the refinance scheme is 0.75% per annum. Accordingly, an amount of Rs 34.28 million has been recognised as deferred grant income which represents the difference between the actual loan received and present value of repayments of principal and interest at incremental borrowing rate of the Company i.e. 6 months' KIBOR + 1% per annum. Deferred grant is being amortized over the life of the loan. There were no unfulfilled conditions related to this grant at the reporting date.

## 6 CONTINGENCIES AND COMMITMENTS

There are no changes in the contingencies and commitments of the Company as disclosed in the financial statements for the year ended 30 June 2020, except the following:

### 6.1 CONTINGENCIES:

- 6.1.1 The Company is currently liable in respect of guarantees amounting to Rs. 119.29 million (30 June 2020 : Rs. 119.01 million) issued by banks on behalf of the Company in the normal course of business to Sui Northern Gas Pipelines Limited ("SNGPL") for commercial and industrial use of gas.
- 6.1.2 The Company, along-with several other bottling / beverage companies, is contesting the case related to a suo moto notice of the Honorable Supreme Court of Pakistan (case no 26 of 2018) regarding use of ground / surface water. The Company has contested the decision of the Honorable Supreme Court and has filed a review petition through its legal counsel.

Further, the Company had received notice from the Government of Khyber Pakhtunkhwa on account of water charges. The Company had filed writ petition in the Peshawar High Court against recovery of billed amounts. In this respect, the Khyber Pakhtunkhwa Water Act, 2020 was promulgated with effect from 24 July 2020, containing a clause validating the orders issued and actions taken by the Government and its related agencies in relation to water charges prior to 24 July 2020. The Khyber Pakhtunkhwa Water Act, 2020 comes into force in such areas and on such dates as the Irrigation Department with approval of Chief Minister may specify. In the absence of such specification, the Company has recognised liability amounting to Rs. 9.05 million for water consumed at Hattar, Khyber Pakhtunkhwa with effect from 24 July 2020 at the rate of Rs. 0.25 per litre of sales made till 31 March 2021. The Company believes that the validation of the orders and actions of the Government of Khyber Pakhtunkhwa and related agencies prior to 24 July 2020 are not supported by any legislation, and therefore are considered illegal. Accordingly, the Company has not recognised any provision for water consumed prior to enactment of the Khyber Pakhtunkhwa Water Act, 2020. In this respect, the Company is in the process of filing an amended petition before the Peshawar High Court.

Additionally, the Company has obtained legal opinion from its lawyer regarding the applicability of the Punjab Water Act, 2019. According to lawyer of the Company, the Company's plant is situated in the Rawalpindi's cantonment area which is regulated under the Cantonment Act which is silent about any charges on the use of ground/surface water. Accordingly, no provision has been recognised in the books of accounts related to water consumption at the plant of the Company located in District Rawalpindi.

- 6.1.3 With respect to contingency related to sui gas industrial bill as disclosed in note 15.2 to the financial statements for the year ended 30 June 2020, the Supreme Court of Pakistan has upheld the decision of the Lahore High Court which was in favour of the Company.
- 6.1.4 At the reporting date there is no change in the status of the tax contingencies except for the item mentioned at 6.1.5 below. For details, notes 38.3 and 38.4 of the financial statements for the year ended 30 June 2020 are to be referred.

# Murree Brewery Company Limited

## Notes to the condensed interim financial information (unaudited)

For the nine months ended 31 March 2021

- 6.1.5 On 27 November 2020, the Company received order related to amendment of assessment for the tax year 2019 mainly on account of reconciliation of revenue declared for the purposes of sales tax with revenue as per income tax return. The addition in tax chargeable as per demand amounts to Rs. 539.73 million. The Company has filed an appeal before Commissioner Appeals.

### 6.2 COMMITMENTS

- 6.2.1 The Company's outstanding Letter of Credit for the import of machinery and inventory items amounted to approximately Rs 105.73 million (30 June 2020 : Rs. 223.13 million).

### 7 PROPERTY, PLANT AND EQUIPMENT

	Un-audited 31 March 2021 (Rs. '000)		
	Operating fixed assets	Capital work in progress	Total
Balance at 01 July 2020	5,156,460	760	5,157,220
Additions during the period	156,371	137	156,508
Transferred from capital work in progress	897	(897)	-
Disposal during the period-net	(20,705)	-	(20,705)
Depreciation charge for the period	(301,811)	-	(301,811)
Balance at 31 March 2021	4,991,212	-	4,991,212
	Audited 30 June 2020 (Rs. '000)		
Balance at 1 July 2019	5,226,194	169,848	5,396,042
Recognition of right of use asset on initial application of IFRS 16	(286,239)	-	(286,239)
Additions during the year	264,418	62,006	326,424
Transfer from right to use asset	7,029	-	7,029
Revaluation surplus	97,177	-	97,177
Transfers from CWIP	231,094	(231,094)	-
Disposal during the year	(4,846)	-	(4,846)
Depreciation charge for the year	(378,367)	-	(378,367)
Balance at 30 June 2020	5,156,460	760	5,157,220

- 7.1 Additions in and depreciation on property, plant and equipment during the nine months period ended 31 March 2019 were 382.5 million and 261.9 million respectively.

### 8 RIGHT OF USE ASSET

	(Unaudited) 31-Mar-21 (Rs. '000)
Balance at 1 July 2020	322,559
Addition during the period	5,595
Depreciation charge for the period	(27,857)
Balance at 31 March 2021	300,297
	(Audited) 30 June 2020 (Rs. '000)
Balance at 1 July 2019	309,243
Additions	7,378
Transfer to property, plant and equipment - owned	(7,029)
Revaluation surplus	57,252
Disposal	(1,152)
Depreciation charge for the period	(43,133)
Balance at 30 June 2020	322,559

# Murree Brewery Company Limited

Notes to the condensed interim financial information (unaudited)

For the nine months ended 31 March 2021

9 CASH AND BANK BALANCES	Note	(Unaudited) 31-Mar-21 (Rs in '000)	(Audited) 30-Jun-20 (Rs in '000)
Cash in hand		15,098	9,002
Banking instrument in hand		100,000	60,000
Cash at banks :			
- in local currency		556,396	608,328
- in local currency deposit account	9.1	1,271,801	656,134
-in foreign currency deposit account	9.2	1,753	1,865
		1,829,950	1,266,327
		1,945,048	1,335,329

9.1 Profit on local currency deposit accounts ranges from 5.25% to 6.25% (30 June 2020: 6.5% to 12.62%) respectively.

9.2 This carries interest rate of 0.35% per annum (30 June 2020: 0.35% per annum).

9.3 There is no change in financing facilities from those as disclosed in the financial statements for the year ended 30 June 2020.

# Murree Brewery Company Limited

Notes to the condensed interim financial information (unaudited)

For the nine months ended 31 March 2021

		Nine months ended	
		(unaudited) 31-Mar-21 (Rs '000)	(unaudited) 31-Mar-20 (Rs '000)
10	<b>COST OF SALES</b>	Note	
	Raw material consumed	10.1	5,791,251
	Stores and spares consumed		4,850,910
	Fuel and power consumed		140,327
	Salaries and wages		113,367
	Repair and maintenance		564,437
	Depreciation		550,506
	Other manufacturing overheads		437,629
			72,767
			304,437
			248,422
			211,184
			7,559,270
			6,546,871
	<b>Work in process:</b>		
	Work in process - opening		250,380
	Work in process - closing		(288,432)
			(38,052)
			(24,291)
	<b>Cost of goods manufactured</b>		7,521,218
			6,522,580
	<b>Finished goods:</b>		
	Finished goods - opening		304,686
	Finished goods - closing		(349,985)
			(45,299)
			(181,310)
	Less: Inter division transfers		(1,522,311)
			(1,404,214)
			5,953,608
			4,937,056
10.1	<b>Raw material consumed</b>		
	Opening stock		1,033,587
	Purchases		6,067,882
			7,101,469
	Less : Closing stock		(1,310,218)
			5,791,251
			4,850,910
11	<b>EARNING PER SHARE - BASIC AND DILUTED</b>	Quarter ended 31 March	Nine months ended 31 March
		2021	2020
		2021	2020
	Net Profit for the period - Rupees in ('000)	379,404	272,957
		954,861	861,622
	Weighted average number of shares - Number	27,663,630	27,663,630
		27,663,630	27,663,630
	Earning per share - Rupees	13.71	9.87
		34.52	31.15
11.1	There is no dilutive effect on the basic earnings per share of the Company as at 31 March 2021.		

# Murree Brewery Company Limited

Notes to the condensed interim financial information (unaudited)

For the nine months ended 31 March 2021

## 12 Segment information

### 12.1 Information about reportable segments

The detail of utilization of the Company's assets by the divisions as well as related liabilities is as follows:

	Liquor division (Rs. '000)	Glass division (Rs. '000)	Tops division (Rs. '000)	Corporate Office (Rs. '000)	Total (Rs. '000)
<b>a. For the nine months ended</b>					
<b>31 March 2021</b>					
Third party turnover - net	8,355,986	260,641	2,530,931	-	11,147,558
Inter-segment turnover	387,028	1,101,057	34,226	-	1,522,311
Segment profit / (loss) before tax	1,282,650	339,182	(91,804)	-	1,530,028
<b>31 March 2020</b>					
Third party turnover - net	8,380,767	122,872	2,290,353	-	10,793,992
Inter-segment turnover	306,784	1,077,138	20,292	-	1,404,214
Segment profit (loss) before tax	1,306,209	327,085	(182,025)	-	1,451,269
<b>b. Assets</b>					
<b>31 March 2021 (unaudited)</b>	<b>7,312,405</b>	<b>734,762</b>	<b>2,118,945</b>	<b>2,542,086</b>	<b>12,708,198</b>
30 June 2020 - audited	6,358,441	779,857	2,273,840	2,628,156	12,040,294
<b>c. Liabilities</b>					
<b>31 March 2021 (unaudited)</b>	<b>844,771</b>	<b>191,925</b>	<b>432,017</b>	<b>852,224</b>	<b>2,320,937</b>
30 June 2020 - audited	1,089,397	313,222	383,797	268,206	2,054,622
<b>d. Additions to</b>					
<b>property, plant and equipment</b>					
<b>31 March 2021 (unaudited)</b>	<b>130,830</b>	<b>75</b>	<b>25,603</b>	<b>-</b>	<b>156,508</b>
30 June 2020 - audited	294,375	130,424	70,713	-	495,512
<b>Right of use asset</b>					
<b>31 March 2021 (unaudited)</b>	<b>4,199</b>	<b>1,396</b>	<b>-</b>	<b>-</b>	<b>5,595</b>
30 June 2020 - audited	3,733	3,645	-	-	7,378
<b>e. Other income</b>					
<b>31 March 2021 (unaudited)</b>	<b>18,109</b>	<b>7,353</b>	<b>8,055</b>	<b>-</b>	<b>33,517</b>
31 March 2020 (unaudited)	-	-	-	49,029	49,029
<b>f. Net finance income</b>					
<b>31 March 2021 (unaudited)</b>	<b>159,745</b>	<b>4,199</b>	<b>(509)</b>	<b>-</b>	<b>163,435</b>
31 March 2020 (unaudited)	268,576	(150)	(5,138)	-	263,288
<b>g. Depreciation</b>					
<b>31 March 2021 (unaudited)</b>	<b>122,836</b>	<b>113,830</b>	<b>93,002</b>	<b>-</b>	<b>329,668</b>
31 March 2020 (unaudited)	110,710	107,098	92,391	-	310,199

### 12.2 Reconciliation of reportable segment profit or loss

	Nine months ended 31 March	
	2021 (Rs. '000)	2020 (Rs. '000)
Total profit before tax for reportable segments	1,530,028	1,451,269
Unallocated amount - operating expenses	(122,728)	(164,917)
Unallocated amount - other income	-	-
Unallocated amount - finance income	-	-
Net profit before tax	1,407,300	1,286,351

# Murree Brewery Company Limited

Notes to the condensed interim financial information (unaudited)  
For the nine months ended 31 March 2021

	Liquor Division				Glass Division				Tops Division				Total			
	Quarter ended 31 March		Nine months ended 31 March		Quarter ended 31 March		Nine months ended 31 March		Quarter ended 31 March		Nine months ended 31 March		Quarter ended 31 March		Nine months ended 31 March	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>TURNOVER</b>	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)
Third party turnover - gross	2,925,443	2,754,756	8,416,498	8,433,078	102,523	54,949	260,641	122,872	966,254	774,670	2,757,976	2,499,285	3,994,220	3,584,375	11,435,115	11,055,235
Less: trade discounts	(21,670)	(18,578)	(60,512)	(52,311)	-	-	-	-	(96,400)	(71,880)	(227,045)	(208,932)	(1,018,079)	(90,758)	(287,557)	(261,243)
Third party turnover - net	2,903,764	2,735,578	8,355,986	8,380,767	102,523	54,949	260,641	122,872	869,854	702,790	2,530,931	2,290,353	3,876,141	3,493,617	11,147,558	10,793,992
Inter-division sales	120,786	68,125	387,028	306,784	394,373	319,066	1,101,057	1,071,138	8,167	7,636	34,226	20,292	3,876,141	3,493,617	11,147,558	10,793,992
Sales tax and excise duty	3,024,550	2,804,003	8,743,014	8,687,551	496,896	374,015	1,361,698	1,200,010	878,021	710,426	2,565,157	2,310,645	(885,651)	(1,182,723)	(2,877,441)	(3,670,630)
Revenue	(658,427)	(1,007,024)	(2,222,870)	(3,105,856)	(14,897)	(7,984)	(37,871)	(17,853)	(212,521)	(167,715)	(615,700)	(548,921)	2,990,490	2,310,894	8,270,417	7,123,362
	2,866,123	1,796,979	6,519,144	5,583,695	481,999	366,031	1,323,827	1,182,157	665,094	542,711	1,949,457	1,761,724				
<b>COST OF SALES</b>	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)
Third parties	(1,311,231)	(926,204)	(3,751,108)	(2,897,752)	(356,186)	(261,124)	(961,366)	(822,306)	(434,258)	(402,202)	(1,241,134)	(1,216,998)	(2,101,675)	(1,589,530)	(5,953,608)	(4,977,056)
Inter-division cost	(384,830)	(309,550)	(1,085,253)	(1,040,544)	-	-	-	-	(138,488)	(85,471)	(437,058)	(363,670)	(2,101,675)	(1,589,530)	(5,953,608)	(4,977,056)
	(1,696,069)	(1,235,560)	(4,836,361)	(3,938,296)	(356,186)	(261,124)	(961,366)	(822,306)	(572,746)	(487,673)	(1,678,192)	(1,580,668)				
<b>GROSS PROFIT</b>	670,054	501,419	1,682,783	1,645,339	125,813	104,907	362,461	359,851	92,248	55,038	271,265	181,056	888,815	721,364	2,316,809	2,186,306
Selling and distribution expenses	(122,083)	(106,297)	(349,551)	(371,752)	(1,899)	(1,692)	(4,813)	(5,324)	(97,848)	(97,203)	(290,450)	(298,133)	(221,830)	(205,292)	(644,814)	(675,210)
Administrative expenses	(78,907)	(85,530)	(228,436)	(271,086)	(5,553)	(9,907)	(30,018)	(33,324)	(28,209)	(18,302)	(80,165)	(67,735)	(112,669)	(113,759)	(338,619)	(372,145)
Other expenses	5,840	5,988	18,109	35,072	(4,884)	613	7,353	6,032	1,099	4,364	8,055	7,925	(50,602)	(98,207)	(122,728)	(164,917)
Other income	474,904	375,580	1,122,905	1,037,633	113,497	93,921	334,983	327,235	(32,019)	(56,203)	(91,295)	(176,887)	595,780	315,091	1,243,865	1,023,063
<b>Operating profit</b>	(7,458)	(654)	(17,905)	(2,443)	(93)	(93)	(583)	(150)	(10,344)	(3,246)	(6,010)	(10,247)	(8,664)	(3,793)	(23,498)	(12,840)
Finance costs	61,153	94,290	177,660	271,010	4,415	-	4,782	-	434	300	4,501	5,109	68,002	94,680	186,933	276,128
Net finance (cost)/ income	55,695	93,836	159,745	268,576	4,243	(93)	4,199	(150)	(600)	(2,836)	(909)	(5,138)	59,338	90,887	163,435	263,288
<b>Profit before tax</b>	530,599	469,416	1,282,650	1,306,209	117,740	93,828	339,182	327,085	(32,619)	(59,059)	(91,804)	(182,025)	565,118	405,978	1,407,300	1,286,351

Note

12.3

12.4

COST OF SALES

Finance costs

Finance income

Net finance (cost)/ income

Profit before tax

# Murree Brewery Company Limited

Notes to the condensed interim financial information (unaudited)

For the nine months ended 31 March 2021

	Note	Nine months ended				
		Liquor (Rs '000)	Glass (Rs '000)	Tops (Rs '000)	31-Mar-21 (Rs '000)	31-Mar-20 (Rs '000)
<b>12.4 COST OF SALES</b>						
Raw material consumed	12.5	4,080,128	338,093	1,373,030	5,791,251	4,850,910
Stores and spares consumed		49,051	66,146	25,130	140,327	113,367
Fuel and power consumed		205,686	316,848	41,903	564,437	550,506
Salaries and wages		241,453	88,476	107,700	437,629	420,559
Repair and maintenance		33,767	29,308	9,692	72,767	120,602
Depreciation		110,890	113,745	79,802	304,437	279,743
Other manufacturing overheads		151,068	14,763	82,593	248,424	211,184
		4,872,043	967,379	1,719,850	7,559,272	6,546,871
<b>Work in process:</b>						
Work in process - opening		224,012	1,445	24,923	250,380	201,276
Work in process - closing		(240,586)	(1,445)	(46,401)	(288,432)	(225,567)
		(16,574)	-	(21,478)	(38,052)	(24,291)
<b>Cost of goods manufactured</b>		4,855,469	967,379	1,698,372	7,521,220	6,522,580
<b>Finished goods:</b>						
Finished goods - opening		121,272	90,000	93,414	304,686	152,672
Finished goods - closing		(140,380)	(96,013)	(113,592)	(349,985)	(333,982)
		(19,108)	(6,013)	(20,178)	(45,299)	(181,310)
Less: Inter division transfers		(1,085,253)	-	(437,058)	(1,522,311)	(1,404,214)
		3,751,108	961,366	1,241,136	5,953,608	4,937,056
<b>12.5 Raw material consumed</b>						
Opening stock		672,956	19,786	340,845	1,033,587	1,057,072
Purchases		4,281,868	329,857	1,456,157	6,067,882	4,867,534
		4,954,824	349,643	1,797,002	7,101,469	5,924,606
Less : Closing stock		(874,696)	(11,550)	(423,972)	(1,310,218)	(1,073,696)
		4,080,128	338,093	1,373,030	5,791,251	4,850,910



# Murree Brewery Company Limited

## Notes to the condensed interim financial information (unaudited)

For the nine months ended 31 March 2021

### 13 Transactions and balances with related parties

Related parties comprise of directors, entities over which the directors are able to exercise significant influence, entities with common directors, major shareholders, staff retirement funds and key management personnel. The transactions and balances as of this reporting date with the related parties are disclosed as follows:

13.1	Name of Related Party	Nature of Relationship	Percentage of share holding	Nature of transactions during the year	For the nine months ended 31 March	
					2021 (Rs.'000)	2020 (Rs.'000)
1)	D.P. Edulji & Company (Private) Limited	Associated company on account of common directorship	17.69%	Sales commission Services acquired Dividend paid	95,445 12,150 97,859	97,735 11,250 116,824
2)	Kingsway Fund	Associated company	24.36%	Dividend paid	133,958	242,647
3)	Board of directors	Directors	20.30%	Dividend paid	112,313	140,254
4)	Directors' relatives	Directors' relatives	15.17%	Dividend paid	119,385	99,562
5)	Staff retirement benefit plan - Provident fund	Staff retirement funds	Nil	Contribution by the Company	6,335	5,745
6)	Staff retirement benefit plan - Pension fund	Staff retirement funds	Nil	Contribution by the Company	5,598	5,683
7)	Bhandara Foundation	Chief Executive Officer acts as a Trustee	Nil	Donation paid	1,500	1,500

- 13.2 The aggregate amounts charged for the remuneration including benefits and perquisites to Chief Executive Officer and Executives at the reporting date are Rs 13.74 million and Rs 34.79 million (31 March 2020: Rs.8.40 million and Rs. 20.90 million) respectively. Further, free furnished accommodation is provided to the Chief Executive Officer and Executives. Company maintained vehicles are also provided to the Chief Executive Officer and Executives, the values of which are Rs. 11.89 million (31 March 2020 : Rs.15.70 million).

# Murree Brewery Company Limited

Notes to the condensed interim financial information (unaudited)

For the nine months ended 31 March 2021

## 14 FINANCIAL INSTRUMENTS

### A FAIR VALUES

#### 14.1 Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

#### On-balance sheet financial instruments

	Fair value through profit and loss	Carrying amount		Fair value				
		Amortized cost	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
31 March 2021 - Unaudited								
		(Rs.'000)						
Shares of listed companies	6	-	-	6	6	-	-	6
Mutual funds	1,944,395	-	-	1,944,395	1,944,395	-	-	1,944,395
	1,944,401	-	-	1,944,401	1,944,401	-	-	1,944,401

#### 31 March 2021 - Unaudited

#### Financial assets measured at fair value

Long term advances	-	13,553	-	-	-	-	-	-
Long term investments	-	515,215	-	-	-	486,323	-	486,323
Long term deposits	38,466	-	38,466	-	-	-	-	-
Trade debts	-	42,396	42,396	-	-	-	-	-
Advances, prepayments and other receivables	-	154,129	154,129	-	-	-	-	-
Cash and bank balances	38,466	1,945,048	1,945,048	-	-	-	-	-
		2,670,341	2,708,807	-	-	486,323	-	486,323

#### Financial assets not measured at fair value

Lease liabilities	-	-	25,967	-	-	-	-	-
Loan	-	-	320,953	-	-	-	-	-
Trade and other payables	-	-	623,047	-	-	-	-	-
Unpaid dividend	-	-	34,259	-	-	-	-	-
Unclaimed dividend	-	-	83,407	-	-	-	-	-
	-	-	1,087,633	-	-	-	-	-

#### Financial liabilities not measured at fair value

Long term advances	-	13,553	-	-	-	-	-	-
Long term investments	-	515,215	-	-	-	486,323	-	486,323
Long term deposits	38,466	-	38,466	-	-	-	-	-
Trade debts	-	42,396	42,396	-	-	-	-	-
Advances, prepayments and other receivables	-	154,129	154,129	-	-	-	-	-
Cash and bank balances	38,466	1,945,048	1,945,048	-	-	-	-	-
		2,670,341	2,708,807	-	-	486,323	-	486,323

#### Lease liabilities

Loan	-	-	25,967	-	-	-	-	-
Trade and other payables	-	-	320,953	-	-	-	-	-
Unpaid dividend	-	-	623,047	-	-	-	-	-
Unclaimed dividend	-	-	34,259	-	-	-	-	-
	-	-	83,407	-	-	-	-	-
	-	-	1,087,633	-	-	-	-	-

# Murree Brewery Company Limited

Notes to the condensed interim financial information (unaudited)

For the nine months ended 31 March 2021

On-balance sheet financial instruments	Carrying amount		Fair value					
	Fair value through profit and loss	Amortized cost	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
	(Rs.'000)							
<b>30 June 2020</b>								
<b>Financial assets measured at fair value</b>								
Shares of listed companies	6	-	-	6	6	-	-	6
Mutual funds	1,672,957	-	-	1,672,957	1,672,957	-	-	1,672,957
	1,672,963	-	-	1,672,963	1,672,963	-	-	1,672,963
<b>Financial assets not measured at fair value</b>								
Long term advances	-	17,086	-	17,086	-	-	-	-
Long term investments	-	517,473	-	517,473	-	-	-	506,927
Long term deposits	35,754	-	-	35,754	-	-	-	-
Investment in TDR - USD	-	50,280	-	50,280	-	-	-	-
Trade debts	-	25,926	-	25,926	-	-	-	-
Advances, prepayments and other receivables	14.4	15,513	-	15,513	-	-	-	-
Cash and bank balances	14.2	1,335,329	-	1,335,329	-	-	-	-
	7 & 14.4	1,961,608	-	1,997,362	-	-	-	506,927
<b>Financial liabilities not measured at fair value</b>								
Lense liabilities	14.4	-	112,420	112,420	-	-	-	-
Trade and other payables	14.3	-	913,376	913,376	-	-	-	-
Unpaid dividend	14.4	-	71,843	71,843	-	-	-	-
Unclaimed dividend	14.4	-	58,600	58,600	-	-	-	-
		-	1,156,239	1,156,239	-	-	-	-

14.2 It excludes advances to suppliers and prepayments.

14.3 It excludes advances from customers, withholding tax payable, sales tax payable - net, excise duty payable, export duty payable on PMFL and beer, unearned income, Worker's Welfare Fund (WWF) and Zila tax payable.

14.4 The Company has not disclosed the fair values for these financial assets and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

# Murree Brewery Company Limited

Notes to the condensed interim financial information (unaudited)  
*For the nine months ended 31 March 2021*

**15 CORRESPONDING FIGURES**

Corresponding figures have been reclassified for the purposes of comparison and better presentation. These reclassifications have no impact on previously reported profit or equity.

**16 DATE OF AUTHORIZATION FOR ISSUE**

The condensed interim unaudited financial information was approved by the Board of Directors of the Company in their meeting held on 23 April 2021.

**17 IMPACT OF COVID 19**

On 30 January 2020, the World Health Organization (WHO) declared the outbreak a "Public Health Emergency of International Concern" and on 11 March 2020, the WHO declared the COVID-19 outbreak to be a pandemic in recognition of its rapid spread across the globe. Many countries, including Pakistan, have taken stringent steps to help contain further spread of the virus. Certain industries were directly affected by the Covid-19, including hospitality industry. Accordingly, sales of P.M.F.L and Beer were completely closed from 24 March 2020 to 28 May 2020, whereas sales of TOPs division declined in March and April 2020 which later on recovered in May and June 2020. While events and conditions related to Covid-19 have resulted in general economic uncertainty, management has evaluated the impact of COVID-19 and concluded that although there were temporary implications of COVID-19 on the operations of the Company as explained above. Any adverse implications were neither observed during the nine months ended 31 March 2021 nor are these expected in the long term. Further, COVID-19 has no material impact on the presented amounts and disclosures in these financial statements.

**18 NON ADJUSTING EVENTS AFTER REPORTING DATE**

- 18.1** The Board of Directors in their meeting held on 23 April 2021, has declared an interim cash dividend @ 50% (i.e Rs 5 per share) for the year ending 30 June 2021.

**19 GENERAL**

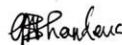
Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR

**BOOK POST**  
**PRINTED MATTER**



**Estd. 1860**

**Murree Brewery Company Limited**

3-National Park Road, Rawalpindi

Tel: 051-5567041-47

Fax 051-5584420

E-mail: [murree.brewery@murreebrewery.com](mailto:murree.brewery@murreebrewery.com)

[murbr@cyber.net.pk](mailto:murbr@cyber.net.pk)

Website: [www.murreebrewery.com](http://www.murreebrewery.com)