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VISION STATEMENT

Our office is in the market

MISSION STATEMENT

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

Continuous improvement

Alignment of our missions & goals

Responsibility and respect of our jobs and each other

Educate one another

Murree Brewery Company Limited

ESTABLISHED 1860

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman
Chief Executive Officer
Directors

Mr. Khurram Muzaffar
Mr. Isphanyar M. Bhandara
Ch. Mueen Afzal
Mr. Aamir H. Sherazi
Mrs. Goshi M. Bhandara
Lt. Gen (R) Zarrar Azim
Mr. Khalid Aziz Mirza
Mr. Shahbaz Haider Agha

PRINCIPAL OFFICERS

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

Mr. Waqar A. Kahloon
Mr. Mazhar Iqbal
Mr. Malik Saqib Gul Nawaz
Mr. Mohammad Javed
Mr. Arshad Zaheer
Mr. Zaka ud Din
Mr. Talat Yaqoob
Mr. Fayyaz Ahmad

AUDIT COMMITTEE

Lt. Gen @ Zarrar Azim (Chairman)
Ch. Mueen Afzal (Member)
Mr. Khurram Muzaffar (Member)
Mr. Khalid Aziz Mirza (Member)

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Lt. Gen @ Zarrar Azim (Chairman)
Mrs. Goshi M. Bhandara (Member)
Mr. Khurram Muzaffar (Member)
Mr. Shahbaz Haider Agha (Member)

NOMINATION COMMITTEE

Mr. Khalid Aziz Mirza (Chairman)
Ch. Mueen Afzal (Member)
Mr. Aamir H. Sherazi (Member)

AUDITORS

M/s KPMG Taseer Hadi & Co.
Chartered Accountants.
6th 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

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: murreebrewery@cyber.net.pk
murbr@cyber.net.pk
Website: www.murreebrewery.com

FACTORIES

- (1) **Murree Brewery Company Limited**
3-National Park Road, Rawalpindi
Tel: 051-5567041-47, Fax 051-5584420
- (2) (a) **Tops Food & Beverages.**
3-National Park Road, Rawalpindi
Tel: 051-5567041-47, Fax 051-5565461
- (b) Plot No. 14/1, Phase III, Industrial Estate,
Hattar, **District Haripur (K.P.K)**
Tel: 0995-617013, 617493, 617494
- (3) **Murree Sparkletts**
Plot, No. 10/2, Phase-III, Industrial Estate,
Hattar, **District Haripur (K.P.K)**
- (4) **Murree Glass**
Plot No. 24, Phase III, Industrial Estate,
Hattar. **District Haripur (K.P.K)**
Tel: 0995-617233, Fax: 0995-617188
- (iv) Mohallah Noorpura,
Bahawalpur Bypass Road, **Multan**
Ph: 061-4232964
Mob: 0345-8597704
- (v) 164/B, Near Winter Time,
Small Industries Estate, **Sahiwal**
Mob: 0335-5611125
0321-6954001
- (vi) Ratti Gali, Ayoubia Road, **Murree**
Mob: 0335-5111047
- (vii) Plot No. 28-B Small
Industrial Estate Opp.
Siddique Kantawala Main
Lahore Road, **Sargodha**
Mob #: 0335-5611103

SHARE REGISTRAR

M/S Central Depository Company of Pakistan,
CDC, House 99-B, Block 'B' SMCHS, Main
Shar-e-Faisal Karachi-74400.
Tel: +(92-21) 0800-CDCPL(23275), Facsimile:
+(92-21)021-4326053, Email: info@CDCpak.com

LEGAL ADVISORS

- (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, 1st Floor, MICCOP Centre,
1. Mozang Road, Lahore.
Cell # 0300-8430877-0345-8412222
- CORPORATE LEGAL ADVISOR**
Syed Ahmed Hassan Shah
HASSAN KAUNAIN NAFEEES
Legal Practitioners & Advisors
207, 2nd Floor, Block 8, Shoukat Complex
Markaz F-6 Islamabad. Tel: 051-1112826235

TAX ADVISOR

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

Murree Brewery Company Limited

DIRECTORS' REVIEW FOR THE 3RD QUARTER AND NINE MONTHS PERIOD ENDED 31ST MARCH 2018

The Directors take pleasure in presenting their review along with un-audited financial statements for the 3rd quarter and nine months period ended 31st March, 2018 along with the comparative figures of the previous corresponding period.

A brief review of the Company's performance for the nine months period against the corresponding period of the last year is as follows:-

Financial Overview & Highlights

			Rs. In million
Sales revenue (Net)	increased by 29.6%	from	4,837.7 to 6,268.7
Gross Profit	increased by 40.5%	from	1,502.2 to 2,110.4
Profit before Taxation	increased by 40.2%	from	981.1 to 1,375.1
Profit after Taxation	increased by 41.2%	from	662.1 to 935.1
Earnings per share	increased by 41.2%	from	Rs. 28.72 to Rs.40.56

The profitability of the Company has increased during the 3rd quarter ended 31st March, 2018 as compared to the corresponding period of the last year. Overall sales reflected 27.7% growth over the last corresponding period and the profit after tax also improved by 27.5% in the current 3rd Quarter.

IMPORTANT ISSUES:

Ban on Liquor Sale in Sindh:

As advised earlier the case is pending before the Sindh High Court and it is hoped that a favourable ruling will be given. Meanwhile, sales from 1st July 2017 are progressing satisfactorily.

Still Head Duty:

The Punjab Government issued a notification # SO(E&M)2-3/2011(P-II) dated 24th June, 2015 by which Still Head Duty was levied from 1st July, 2015 on all Pakistan made Foreign Liquor and Beer meant for consumption outside the Province of Punjab. The Company challenged this notification in the Lahore High Court, Lahore. The notification was set aside by the Honorable High Court on 27th June 2016.

Murree Brewery Company Limited

DIRECTORS' REVIEW FOR THE 3RD QUARTER AND NINE MONTHS PERIOD ENDED 31ST MARCH 2018

The company is paying this duty and recovering it from the buyer, but this makes Murree Brewery products dearer than competition.

The Punjab Government has filed an appeal in the Lahore High Court, Lahore praying the impugned judgment may kindly be set aside and the Notification dated 24th June, 2015 be declared *intra vires* to the Constitution of Islamic Republic of Pakistan. Punjab Excise has got a stay against Sindh wine dealers and is collecting "extra duty".

Case is pending before the Honorable Lahore High Court, Lahore.

Gas Infrastructure Development Cess (GIDC):

The Company and Industry has challenged the GIDC Act, 2015 and filed a Writ Petition in the Lahore High Court including retrospective application of the provision of the GIDC Act. Earlier, the Court has been granting a stay under the GIDC Act 2015. Financial impact is approx. Rs.164.5 Million (30th June, 2017: Rs.160.14 million). The Company has not made any provision of this liability as the management is confident the eventual decision will be in favour of the company.

From August, 2017 the company is paying GIDC on current billings only which is being borne by the company. The case relating to aforesaid arrears Rs.164.5 million is pending before the court and the stay is available to that extent.

Interim Dividend:

The Directors have today declared a third interim cash dividend of 100% (Rs.10/-per share) for the year ending 30th June, 2018. This is in addition to the first & second interim cash dividends of 50% (Rs.5 per share) & 100% (Rs.10 per share), declared by the Directors on 27th October, 2017 and 22nd February, 2018 respectively.

External Factors:

Since writing on this subject for the half year ended 31st December 2017, the position has worsened with further increase in trade and current account deficits and reduction in the foreign exchange reserves.

Future Outlook:

The present Government will shortly be handing over to an interim Government, prior to elections, political activity has intensified.

Economic experts have voiced concerns avoiding the growing deficits in the balance of payments & the budget.

Murree Brewery Company Limited

DIRECTORS' REVIEW FOR THE 3RD QUARTER AND NINE MONTHS PERIOD ENDED 31ST MARCH 2018

The Government has recently announced a Tax Amnesty scheme to encourage Pakistan nationals to transfer foreign exchange held by them abroad to Pakistan to increase reserves. The limit for tax free income, applicable for individuals from next fiscal year, has been raised from Rs.400,000 to Rs.1,200,000 per annum which will further reduce tax payers in Pakistan. Both these amendments in the law have been made through Ordinances signed by the President.

All these factors have created concerns for the economy. However, despite these factors the Company expects to continue operating profitably for the year ending 30th June 2018.

Appreciation:

Our thanks are due to all employees, suppliers, customers, Government departments and shareholders for their continuous support in our operations.

On behalf of the Board



**Khurram Muzaffar
Chairman**

Rawalpindi. 27th April, 2018

مستقبل کے امکانات:

جیسا کہ موجودہ حکومت ایشین سے قبل جلد ہی بیوری حکومت کے حوالے کی جائے گی۔ جسکی وجہ سے سیاسی سرگرمیوں میں تیزی آئی ہے۔ اقتصادی ماہرین نے توثیق کاہرکی ہے کہ ادا کیوں کے توازن اور بجٹ میں کمی کے برہتے ہوئے رجحان سے پتہ مشکل ہو جائے گا۔

حکومت نے حالی ہی میں ٹیکس اہمیت متعارف کروائی ہے جس کے تحت پاکستان کے ذخائر میں اضافے کے لیے پیر کی کرنسی رکھے والوں کی حوصلہ افزائی کی گئی ہے۔ تاکہ وہ اپنے اہلے ملک میں واپس لے کر آئیں۔ ٹیکس فری آمد کی حد، جو کہ اگلے مالی سال سے افزاؤ پر لاگو ہے، 400,000 روپے سے بڑھا کر 12,00,000 روپے کر دی گئی ہے جس سے پاکستان میں ٹیکس ادا کرنے والوں میں کمی آجائے گی۔ قانون میں یہ دونوں ترامیم صدر کے دستخط سے جاری ہونے والے آرڈیننس کے ذریعے عمل میں آئی ہیں۔

ان تمام عوامل میں معیشت کے متعلق تحفظات پیدا کر دیے ہیں۔ تاہم ان عوامل کے باوجود کبھی کو سال 30 جون 2018 تک کے لیے آہ پیننگ منافع برقرار رہنے کی توقع ہے۔

خدمات کا اعتراف:

ہم تمام ماز میں، چلائرز، کسٹمر کلوٹی اداوں اور شیئر ہولڈرز کا شکریہ ادا کرتے ہیں کہ ہمیں اپنے آپریشنز جاری رکھنے میں اُن کا تعاون حاصل رہا۔

از طرف بورڈ

Kingsoft

خرم مظفر

چیئر مین

راولپنڈی۔ 27 اپریل 2018

مری بروری کینی لمیٹڈ

31 مارچ 2018 کو اختتام پذیر ہونے والی تیسری سہ ماہی کے لیے

ڈائریکٹرز کا چارج ہر اے ٹینٹرز ہولڈرز

کینی کے ڈائریکٹرز 31 مارچ 2018 کو اختتام پذیر ہونے والی سہ ماہی اور 9 ماہ کی مدت کے لیے غیر آڈٹ شدہ فیصلے، منجانب سے پیش کی گئی ہیں۔ اس سال کی 11 ماہ کی مدت کے مقابلے میں کینی کی کارکردگی کا مختصر جائزہ درج ذیل ہے:

مالیاتی جائزہ اور اہم نکات روپے ملین میں

sales revenue (Net)	increased by 29.6%	from 4,837.7	to 6,268.7
Gross profit	increased by 40.5%	from 1,502.2	to 2,110.4
Profit before Taxation	increased by 40.2%	from 981.1	to 1,375.1
Profit after Taxation	increased by 41.2%	from 662.1	to 935.1
Earnings per share	increased by 41.2%	from Rs 28.72	to Rs 40.56

31 مارچ 2018 کو اختتام کی اسی مدت کے مقابلے میں اس سہ ماہی کے دوران کینی کے منافع میں اضافہ ہوا ہے۔ گزشتہ سال کی مدت کے دوران مجموعی طور پر بلکہ 27.7% فیصد اضافہ ظاہر کرتی ہے اور موجودہ تیسری سہ ماہی میں اعداد و گیس منافع میں 27.5% کا اضافہ ہوا ہے۔

اہم مسائل:

سندھ میں شراب کی فروخت پر پابندی:

جیسا کہ پہلے بتایا گیا تھا کہ گیس سندھ میں فروخت میں زیر التواء ہے اور امید ہے کہ ایک مناسب فیصلہ دیا جائے گا۔ اس دوران ہم جولائی 2017 سے فروخت قابل اطمینان رہی ہے۔

شٹل ہیڈ ڈیوٹی:

24 جون 2015 کو جاری ہونے والے حکومت پنجاب کے نوٹیفکیشن نمبر SO(E&M)2-3/2011(P-II) کے مطابق ہم جولائی 2015 سے صوبہ پنجاب سے باہر کچھ کے لیے پاکستان بھر میں بنائی جانے والی غیر ملکی شراب اور بیئر پر اٹل ہیڈ ڈیوٹی وصول کی جارہی تھی۔ کینی نے اس نوٹیفکیشن کو لاہور ہائی کورٹ میں چیلنج کیا جس پر محرمز ہائی کورٹ نے 27 جون 2016 کو نوٹیفکیشن پر عملدرآمد روک دیا تھا۔

کینی یہ ڈیوٹی ادا کر رہی ہے اور اس کی وصولی خریدار سے کر رہی ہے، تاہم یہ مری بروری کی پروڈکٹس کو دوسری مسابقتی پروڈکٹس کے مقابلے میں ہینکھاتی ہے۔

حکومت پنجاب نے لاہور ہائی کورٹ میں ایک اپیل جمع کروائی ہے، جس میں استدعا کی گئی ہے کہ اس فیصلے کو منسوخ کیا جائے اور 24 جون 2015 کو جاری ہونے والے نوٹیفکیشن اسلامی جمہوریہ پاکستان کے دستور کے مطابق ہے۔ پنجاب ایگسٹاز نے ایک بار پھر سندھ کے شراب ڈیلرز کے خلاف اسے حاصل کر لیا ہے اور اضافی ڈیوٹی وصول کر رہی ہے۔ جب سے کس لاہور ہائی کورٹ میں زیر التواء ہے۔

گیس انفراسٹرکچر ڈویلپمنٹ سیس (GIDC):

کینی اور اسٹریٹری نے GIDC ایکٹ 2015 کو چیلنج کر دیا ہے اور GIDC ایکٹ پر نظر ثانی کی درخواست کے ساتھ اسلام آباد ہائی کورٹ میں ایک ریٹ پٹیشن جمع کروائی ہے۔ جس پر عدالت نے GIDC ایکٹ 2015 کے تحت اٹل ہیڈ ڈیوٹی وصول کر دیا ہے۔ مالیاتی ڈیٹا تقریباً 164.5 ملین روپے ہے (30 جون 2017 کو 160.14 ملین روپے تھا)۔ کینی نے اس حوالے سے عائد کوئی بھی ذمہ داری ادا نہیں کی ہے۔ کیونکہ اختتامیہ اس حوالے سے پُر اٹھا ہے کہ فیصلہ کینی کے حق میں ہوگا۔

اگست 2017 سے کینی موجودہ بلگ پر GIDC ادا کر رہی ہے اور اس اضافی خرچے کو کینی کی جانب سے برداشت کیا جا رہا ہے۔ عدالت میں 164.5 ملین روپے کے واجبات جیسا کہ اوپر بیان کیا گیا ہے سے متعلق کس زیر التواء ہے اور اس حد تک سے موجود ہے۔

عموری منافع:

27 اپریل 2018 کو منظور ہونے والے اجلاس میں ڈائریکٹرز نے 30 جون 2018 کو رقم ہونے والے مالیاتی سال کے لیے تیسرے عموری منافع فیصلہ (دس روپے فی حصص) دینے کا اعلان کیا ہے۔ یہ 27 اکتوبر 2017 کو ڈائریکٹرز کے اعلان کردہ پہلے عموری منافع فیصلہ (پانچ روپے فی حصص) اور 22 فروری 2018 کے اعلان کردہ دوسرے عموری منافع فیصلہ (دس روپے فی حصص) کے علاوہ ہے۔

بیرونی عوامل:

31 دسمبر 2017 کو رقم ہونے والے نصف سال کے لیے اس حوالے سے لکھے جانے کے بعد سے تجارت اور کرنٹ اکاؤنٹ خسارے میں اضافے اور غیر ملکی کرنسی کے ڈائریکٹرز کی وجہ سے صورتحال مزید خراب ہوئی ہے۔

Murree Brewery Company Limited
CONDENSED INTERIM BALANCE SHEET
(UNAUDITED AS AT 31 MARCH 2018)

	31 March 2018 (Unaudited) (Rs. '000)	30 June 2017 (Audited) (Rs. '000)	Note
Share capital and reserves			
Share capital	230,530	230,530	
Reserves	3,835,676	3,835,677	
Surplus on revaluation of property, plant and equipment - net of tax	2,924,612	2,966,369	
Unappropriated profit	2,371,871	1,983,881	
	<u>9,362,689</u>	<u>9,016,457</u>	
Non - current assets			
Property, plant and equipment	4,865,435	4,675,502	6
Advance for capital expenditure	68,446	45,591	
Investment property	288,149	288,149	
Long term advances - considered good	13,487	13,392	
Long term investments	526,509	526,509	
Long term deposits	26,844	25,687	
	<u>5,788,871</u>	<u>5,574,830</u>	

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Current assets


Stores, spare parts and loose tools	7,988	118,562
Stock in trade	380,827	1,416,643
Trade debts - unsecured	388,815	82,342
Advances and other receivables		44,830
Short term prepayments		31,058
Interest accrued		19,037
Short term investments		1,221,042
Advance income tax - net		206,136
Cash and bank balances		1,642,306
		<u>4,781,956</u>
Current liabilities		
Liabilities against assets subject to finance lease	2,090	157,485
Deferred liabilities	463,371	1,365,679
	<u>465,460</u>	<u>1,523,164</u>
Current liabilities		
Trade and other payables	1,119,800	1,233,275
Current portion of liabilities against assets subject to finance lease	8,844	208,478
	<u>1,128,644</u>	<u>1,441,753</u>
Contingencies and commitments		
	<u>10,956,794</u>	<u>10,356,786</u>

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The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER


DIRECTOR

Murree Brewery Company Limited


CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2018

	Quarter ended 31 march		Nine months ended 31 March	
	2018 (Rs. '000)	2017 (Rs. '000)	2018 (Rs. '000)	2017 (Rs. '000)
Profit for the period	305,675	239,741	935,085	662,146
Other comprehensive income for the period				
Total comprehensive income for the period	305,675	239,741	935,085	662,146

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR

Murree Brewery Company Limited

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2018

	Nine months ended	
	31 March	
	2018	2017
	(Rs. '000)	(Rs. '000)
Cash flows from operating activities		
Profit before tax	1,375,125	981,148
Adjustment for:		
- Depreciation	192,172	210,518
- Provision for staff retirement benefits	65,812	5,848
- Return on deposit accounts	(59,154)	(52,324)
- Interest on PIBs	(32,812)	(8,104)
- Dividend income	(9)	(6)
- Finance cost	2,715	3,210
- Interest on Workers' (Profit) Participation Fund	15,974	-
- Unrealized gain on remeasurement of short term investments	(42,430)	(60,368)
- Gain on sale of investments	(2,032)	(3,201)
- Gain on disposal of property, plant and equipment	(482)	(8,365)
	<u>139,754</u>	<u>87,208</u>
	1,514,878	1,068,356
Changes in:		
- Stores, spare parts and loose tools	(38,923)	(46,856)
- Stock in trade	50,964	(39,296)
- Trade debts	49,730	(41,512)
- Advances, receivables and prepayments	(86,700)	(147,260)
- Increase in trade and other payables	99,037	5,174
	<u>74,108</u>	<u>(269,750)</u>
Cash generated from operating activities	1,588,986	798,606
Changes in long term deposits	(1,157)	-
Changes in long term advances	(95)	(4,796)
Finance cost paid	(2,715)	(3,210)
Staff retirement benefits paid	(34,920)	(7,072)
Taxes paid	(405,870)	(397,990)
	<u>(444,756)</u>	<u>(413,068)</u>
Net cash generated from operating activities	1,144,229	385,538
Cash flows from investing activities		
Acquisition of property, plant and equipment	(385,347)	(174,545)
Acquisition of investments	(187,181)	(420,730)
Proceeds from sale of investments	209,539	334,201
Proceeds from disposal of property, plant and equipment	3,724	12,431
Advance for capital expenditure	(22,855)	-
Dividend received	9	6
Profit received on PIBs	21,875	13,125
Profit received on deposits	60,039	51,064
	<u>(300,197)</u>	<u>(184,448)</u>
Net cash used in investing activities		
Cash flows from financing activities		
Payment of finance lease liabilities	(7,948)	(8,685)
Dividend paid	(488,738)	(452,535)
	<u>(496,686)</u>	<u>(461,220)</u>
Net cash used in financing activities		
Net increase / (decrease) in cash and cash equivalents	347,348	(260,130)
Cash and cash equivalents at beginning of the period	1,642,306	1,701,696
Cash and cash equivalents at end of the period	<u>1,989,654</u>	<u>1,441,567</u>

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR

Murree Brewery Company Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2018

	Share capital	Capital reserve	Surplus on Revaluation of Property, Plant & Equipment (Refer Note 3.2)	General reserve	Contingency reserve	Reserve for issue of bonus shares	Unappropriated profit	Total equity
	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)
Balance at 01 July 2016	230,530	30,681	2,571,936	20,000	327,042	-	5,189,816	8,370,005
<i>Total comprehensive income for the period</i>								
Profit for the period	-	-	-	-	-	-	662,146	662,146
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	662,146	662,146
Surplus on revaluation of property, plant and equipment realized through depreciation for the period-net of deferred tax	-	-	(27,653)	-	-	-	27,653	-
Transferred from surplus on revaluation of property, plant and equipment on write off / disposal-net of deferred tax	-	-	(148)	-	-	-	148	-
Transferred to reserve for interim bonus shares for the year ended 30 June 2016 @ 1500% i.e. 15 shares against one share	-	-	-	-	-	3,457,954	(3,457,954)	-
<i>Transaction with the owners of the Company</i>								
<i>Distributions</i>								
Interim dividend for the year ended 30 June 2016 (Rs. 10 per share)	-	-	-	-	-	-	(230,530)	(230,530)
First interim dividend for the year 2016-17 (Rs. 10 per share)	-	-	-	-	-	-	(230,530)	(230,530)
Interim dividend for the year ending 30 June 2017 (Rs. 10 per share)	-	-	-	-	-	-	(691,590)	(691,590)
Balance at 31 March 2017	230,530	30,681	2,544,135	20,000	327,042	3,457,954	1,730,219	8,340,561
	Share capital	Capital reserve	Surplus on Revaluation of Property, Plant & Equipment (Refer Note 3.2)	General reserve	Contingency reserve	Reserve for issue of bonus shares (Refer Note 4.1)	Unappropriated profit	Total equity
	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)
Balance at 01 July 2017	230,530	30,681	2,966,369	20,000	327,042	3,457,954	1,983,881	9,016,457
<i>Total comprehensive income for the period</i>								
Profit for the period	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	935,085	935,085
Total comprehensive income for the period	-	-	-	-	-	-	935,085	935,085
Surplus on revaluation of property, plant and equipment realized through depreciation for the period-net of deferred tax	-	-	(29,230)	-	-	-	29,230	-
Deferred tax on Surplus on revaluation of property, plant and equipment	-	-	(12,527)	-	-	-	-	(12,527)
<i>Transaction with the owners of the Company</i>								
<i>Distributions</i>								
Final dividend for the year ended 30 June 2017 (Rs. 10 per share)	-	-	-	-	-	-	(230,530)	(230,530)
First interim dividend for the year 2017-18 (Rs. 5 per share)	-	-	-	-	-	-	(115,265)	(115,265)
Interim dividend for the period ending 31 December 2017 (Rs. 10 per share)	-	-	-	-	-	-	(230,530)	(230,530)
							(576,325)	(576,325)
Balance at 31 March 2018	230,530	30,681	2,924,612	20,000	327,042	3,457,954	2,371,871	9,362,689

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR

Murree Brewery Company Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2018

1 Status and nature of operations

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 and is quoted on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 3-National Park Road, Rawalpindi. The Company is principally engaged in the manufacturing of alcoholic beer, non-alcoholic beer, Pakistan Made Foreign Liquor (P.M.F.L), juices in tetra packs in Rawalpindi and food products, juices, mineral water, glass bottles and jars in Hattar. The Company is presently operating three divisions namely Liquor Division, Tops Division and Glass Division to carry out its principal activities.

2 Basis of preparation & Statement of Compliance

2.1 This condensed interim financial information of the Company for the nine months period ended 31 March 2018 has been prepared in accordance with the requirements of International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.

2.2 The disclosures in this condensed interim financial information do not include the information that was reported for the audited annual financial statements and should therefore be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2017. Comparative balance sheet numbers are extracted from the annual audited financial statements for the year ended 30 June 2017, whereas comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are stated from unaudited condensed interim financial information of the Company for the nine months period ended 31 March 2017.

2.3 This condensed interim financial information is unaudited and is being submitted to the members as required under Section 237 of the Companies Act, 2017 and the listing regulations of Pakistan Stock Exchange Limited.

3 Significant accounting policies

3.1 The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations and the methods of computation adopted in preparation of this condensed interim financial information and financial risk management policy are the same as those applied in preparation of annual audited financial statements for the year ended 30 June 2017, except as mentioned in note 3.2.

3.2 Change in accounting policy of surplus on revaluation of property, plant and equipment

During the year the Company changed its accounting policy in respect of the accounting and presentation of revaluation surplus on property, plant and equipment. Previously, the Company's accounting policy for surplus on revaluation of property, plant and equipment was in accordance with the provisions of section 235 of the repealed Companies Ordinance 1984, which required the revaluation of property, plant and equipment to be shown as a separate item below equity. However, the above mentioned specific accounting and presentation has not been prescribed in the Companies Act 2017 consequently the Company now has to follow the policy prescribed in IAS 16 "Property, Plant and Equipment".

Murree Brewery Company Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2018

As per IAS 16, the surplus on revaluation of property, plant and equipment is required to be shown in the balance sheet and statement of changes in equity as a capital reserve i.e. part of equity. Furthermore, management is in the process of assessing the impact of changes of accounting treatment of Revaluation Surplus, as per IAS 16, which requires to work out the revaluation increase & decrease separately on item to item basis and to incorporate its effect in the financials accordingly, in this regard, the company has appointed an external valuer to determine the effect on annual financial statements for the year ending June 30, 2018. The management estimates that effect of the said change in accounting policy has no material impact in these financial information

3.3 The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2018 and are not expected to have any significant effect on the company's financial statements:

- Amendments to IFRS 2 – 'Share-based Payment'	(effective 01 January 2018)
- Amendments to IAS 40 'Investment Property '	(effective 01 January 2018)
- Amendments to IAS 28 'Investments in Associates and Joint Ventures'	(effective 01 January 2018)
- IFRIC 23 'Uncertainty over Income Tax Treatments	(effective 01 January 2019)
- IFRS 15 'Revenue from contracts with customers'	(effective 01 July 2018)
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration'	(effective 01 January 2018)
- IFRS 9 'Financial Instruments' and amendment	(effective 01 July 2018)
- Amendments to IAS 28 'Investments in Associates and Joint Ventures'	(effective 01 January 2019)
<u>Annual improvements to IFRS standards 2015-2017 cycle:</u>	
- IFRS 3 'Business Combinations' and IFRS 11 'Joint Arrangement'	(effective 01 January 2019)
- IAS 12 'Income Taxes'	(effective 01 January 2019)
- IAS 23 'Borrowing Cost'	(effective 01 January 2019)

Murree Brewery Company Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2018

4 SHARE CAPITAL AND RESERVES

- 4.1** The Company held an Extra-ordinary General Meeting on 22 February 2018 in compliance with the directions of the Lahore High Court Order dated 19 October 2016 wherein the shareholders of the Company did not approve the resolution to increase the authorized share capital of the Company from Rs. 300 million to Rs. 4,000 million. Appropriate adjustment of reversal of reserve for issue of bonus shares will be made after completion of necessary corporate and legal formalities.
- 4.2** There is no change in authorized, issued, subscribed and paid up share capital of the Company from 30 June 2017.

5 CONTINGENCIES AND COMMITMENTS

There is no change in the contingencies and commitments of the Company as disclosed in the financial statements for the year ended 30 June 2017, except for the following:

5.1 Contingencies:

- 5.1.1** The Company is contingently liable in respect of guarantees amounting to Rs. 70.63 million (30 June 2017: Rs. 57.51million) issued by banks on behalf of the Company in normal course of business.
- 5.1.2** The Company and Industry has challenged the GIDC Act, 2015 and filed a Writ Petition in the Lahore High Court including retrospective application of the provision of the GIDC Act. Earlier, the Court has been granting a stay under the GIDC Act 2015. The Company has not made provision of this liability amounting approx. Rs.164.50 million (30 June 2017: Rs.160.14 million) as the management is confident that the eventual decision will be in favor of the Company / Industry. Since August 2017, the Company has been paying GIDC on current billings only, however the case relating to aforesaid arrears Rs.164.50 million is yet pending before the Court and stay is available to that extent. For details note to financial statements for the year ended 30 June 2017 is to be referred.
- 5.1.3** During the period under review, the Additional Commissioner Punjab Revenue Authority (PRA) issued an order on 05 December 2017, whereby a demand was raised amounting to Rs. 44.16 million along with default surcharge and penalty for the tax period 2014-15 with reference to provisions of the Punjab Sales Tax on Services Act, 2012. The Company has filed an appeal before the Commissioner PRA. As of the reporting date, the matter is yet subjudice before the said authority. Management of the Company expects a favourable outcome of this matter and accordingly, provision has not been recognized in the condensed interim financial information.

Murree Brewery Company Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2018

5.2 Commitments:

5.2.1 The Company has opened Letters of Credit for import of machinery and inventory items valuing approximately Rs. 198.83 million at 31 March 2018 (30 June 2017: Rs. 227.76 million).

5.2.2 The Company's capital commitments at 31 March 2018 amounts to Rs. 105.7 million (30 June 2017: Rs.152 million).

5.3 Unavailed financing facilities

There is no change in the funded and unfunded finance facilities available from scheduled banks to the Company as disclosed in the financial statements for the year ended 30 June 2017, except for the following:

The Company has not got further renewal of the RF facility (being un-availed for many years) amounting to Rs. 200 million, disclosed in note 24.3 (b) to the annual financial statements of the Company for the year ended 30 June 2017, from Askari Bank Limited. The Company has got vacated the underlying mortgage charge of Rs. 267 million against this facility. The facility of Bank Guarantees of Rs. 100 million has been renewed against 100% lien on cash deposit, for the period to October 31, 2018.

	Fixed assets	Capital work in progress	Total
	Unaudited - 31 March 2018		
	(Rs. '000)		
6 PROPERTY, PLANT AND EQUIPMENT Note			
Carrying value at beginning of the period	4,485,204	190,298	4,675,502
Additions during the period	137,163	248,184	385,347
Transferred from capital work in progress	189,633	(189,633)	-
Disposals during the period - net	(3,242)	-	(3,242)
Depreciation charge for the period	(192,172)	-	(192,172)
Carrying value at end of the period	<u>4,616,586</u>	<u>248,849</u>	<u>4,865,435</u>
	Audited - 30 June 2017		
	(Rs. '000)		
Carrying value at beginning of the year	3,907,120	35,786	3,942,906
Additions during the year	294,124	180,933	475,057
Surplus on revaluation during the year	552,730	-	552,730
Transferred from capital work in progress	26,421	(26,421)	-
Disposals during the period - net	(11,060)	-	(11,060)
Depreciation charge for the year	(284,131)	-	(284,131)
Carrying value at end of the year	<u>4,485,204</u>	<u>190,298</u>	<u>4,675,502</u>

6.1 Additions in and depreciation on property, plant and equipment during the nine months ended 31 March 2017 were Rs. 142.84 million and Rs. 210.52 million respectively.

7 THIRD PARTY SALES - NET

This is net of discount and freight amounting to Rs. 171.61 million (31 March 2017: 123.1 million) for the nine months period ended 31 March 2018.

Murree Brewery Company Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2018

	Note	Nine months ended 31 March			Nine months ended 31 March	
		Liquor	Glass	Tops	2018	2017
		(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)
8 COST OF SALES						
Raw material consumed	8.1	3,057,394	284,531	1,203,410	4,545,334	3,456,864
Stores and spares consumed		40,688	65,178	5,345	111,211	88,275
Fuel and power		129,496	164,625	25,804	319,925	291,229
Salaries and other benefits		174,654	77,522	87,011	339,187	268,275
Repair and maintenance		30,597	20,571	27,241	78,409	75,801
Depreciation		53,411	93,870	26,650	173,931	190,539
Other manufacturing overhead		16,859	18,429	13,720	49,008	42,243
		<u>3,503,099</u>	<u>724,726</u>	<u>1,389,180</u>	<u>5,617,005</u>	<u>4,413,226</u>
Work in process						
Opening stock at 01 July		279,528	1,445	12,567	293,540	319,064
Closing stock at 31 March		(228,505)	(1,445)	(13,389)	(243,339)	(308,443)
		<u>51,023</u>	<u>-</u>	<u>(822)</u>	<u>50,201</u>	<u>10,621</u>
Cost of goods manufactured		<u>3,554,122</u>	<u>724,726</u>	<u>1,388,358</u>	<u>5,667,206</u>	<u>4,423,847</u>
Finished goods						
Opening stock at 01 July		63,498	45,208	56,898	165,604	249,898
Closing stock at 31 March		(104,068)	(50,608)	(75,133)	(229,810)	(227,471)
		<u>(40,571)</u>	<u>(5,400)</u>	<u>(18,235)</u>	<u>(64,206)</u>	<u>22,427</u>
		<u>3,513,551</u>	<u>719,326</u>	<u>1,370,123</u>	<u>5,603,000</u>	<u>4,446,274</u>
Less: Interdivisional transfers		(978,281)	-	(466,378)	(1,444,659)	(1,110,768)
		<u>2,535,270</u>	<u>719,326</u>	<u>903,745</u>	<u>4,158,341</u>	<u>3,335,506</u>
8.1 Raw material consumed						
Opening stock at 01 July		620,420	12,775	294,442	927,637	908,169
Purchases		2,981,721	278,695	1,161,326	4,421,743	3,470,561
Closing stock at 31 March		(544,748)	(6,939)	(252,359)	(804,046)	(921,866)
Raw material consumed		<u>3,057,394</u>	<u>284,531</u>	<u>1,203,410</u>	<u>4,545,334</u>	<u>3,456,864</u>
9 Earnings per share - basic and diluted						
			Quarter ended 31 March	Nine months ended 31 March		
Net profit for the period - Rupees in ('000)			2018	2017	2018	2017
			<u>305,675</u>	<u>239,741</u>	<u>935,085</u>	<u>662,146</u>
Weighted average number of shares - Numbers			<u>23,053,025</u>	<u>23,053,025</u>	<u>23,053,025</u>	<u>23,053,025</u>
Earnings per share - Rupees			<u>13.26</u>	<u>10.40</u>	<u>40.56</u>	<u>28.72</u>

9.1 There is no dilutive effect on the basic earnings per share of the Company as at 31 March 2018.

Murree Brewery Company Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2018

10 Segment information

10.1 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	Glass division	Tops division	Corporate Office	Total
	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)
a. For the nine months ended					
31 March 2018					
External turnover	7,467,555	202,990	2,026,371	-	9,696,916
Inter-segment turnover	396,429	1,025,772	22,459	-	1,444,659
Segment profit / (loss) before tax	942,769	450,703	(108,773)	-	1,284,699
31 March 2017					
External turnover	5,270,228	400,305	1,696,500	-	7,367,033
Inter-segment turnover	322,696	761,230	26,842	-	1,110,768
Segment profit (loss) before tax	563,515	340,923	(22,491)	-	881,947
b. Assets					
31 March 2018 (unaudited)	7,327,854	856,184	994,820	1,777,935	10,956,794
30 June 2017 - audited	6,032,522	974,527	1,098,654	2,251,183	10,356,786
c. Liabilities					
31 March 2018 (unaudited)	955,864	67,970	236,882	334,010	1,594,105
30 June 2017 - audited	846,053	66,421	171,878	255,977	1,340,329
d. Additions to property, plant and equipment					
31 March 2018 (unaudited)	247,631	17,472	120,244	-	385,347
30 June 2017 - audited	132,015	205,017	138,025	-	475,057
e. Depreciation					
31 March 2018 (unaudited)	66,238	93,962	31,972	-	192,172
30 June 2017 - audited	99,706	145,310	39,115	-	284,131

	Nine months ended 31 March	
	2018	2017
	(Rs. '000)	(Rs. '000)
10.2 Reconciliation of reportable segment profit or loss		
Total profit before tax for reportable segments	1,284,699	881,947
Unallocated amount		
- Other operating expenses	(109,712)	(78,758)
- Other income	200,138	177,960
Profit before tax	1,375,125	981,148

Murree Brewery Company Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2018

11 Transactions and balances with related parties

Related parties comprise of directors as well as their close family members, entities over which the directors are able to exercise significant influence, entities with common directorship, executives, major shareholders, key management personnel, and staff retirement funds. Transactions and balances as of this reporting date with the related parties are disclosed as follows:

	Nine months ended 31 March	
	2018 (Rs. '000)	2017 (Rs. '000)
Transactions and balances with associated companies		
Sales commission	65,761	50,519
Services acquired	9,000	9,000
Dividend paid	171,352	193,450
Balance payable / Dividend payable	67,223	8,076
Share capital held	102,764	96,725
Transactions with other related parties		
Contribution to staff provident fund	4,138	3,401
Contribution to staff pension fund	2,535	2,447
Dividend paid	196,377	132,077
Remuneration of the key management personnel	10,435	9,281
Donation	1,500	1,000

12 Fair value of financial instruments

12.1 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.

Murree Brewery Company Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2018

12.2 Fair value of financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	Note	Carrying amount			Fair value			Total	
		Fair Value through profit and loss	Loans and receivables	Other financial liabilities	Level 1	Level 2	Level 3		
Unaudited - 31 March 2018		<i>(Rs. '000)</i>							
Financial assets measured at fair value									
Quoted securities and mutual funds		1,233,275	-	-	1,233,275	1,233,275	-	-	1,233,275
Financial assets not measured at fair value									
Long term advances		-	13,487	-	13,487	-	-	-	-
Long term investments		-	526,509	-	526,509	-	517,430	-	517,430
Long term deposits		-	26,844	-	26,844	-	-	-	-
Trade debts		-	32,612	-	32,612	-	-	-	-
Advances and other receivables		-	140,908	-	140,908	-	-	-	-
Interest accrued		-	18,151	-	18,151	-	-	-	-
Cash and bank balances		-	1,989,654	-	1,989,654	-	-	-	-
		-	2,748,166	-	2,748,166	-	517,430	-	517,430
Financial liabilities not measured at fair value									
Finance lease liabilities		-	-	10,934	10,934	-	-	-	-
Trade and other payables	12.2.1	-	-	659,050	659,050	-	-	-	-
		-	-	669,984	669,984	-	-	-	-

12.2 Fair value of financial instruments (continued)

		Carrying amount			Fair value			Total	
		Fair Value through profit and loss	Loans and receivables	Other financial liabilities	Level 1	Level 2	Level 3		
Audited - 30 June 2017		<i>(Rs. '000)</i>							
Financial assets measured at fair value									
Quoted securities and mutual funds		1,221,042	-	-	1,221,042	1,221,042	-	-	1,221,042
Financial assets not measured at fair value									
Long term advances		-	13,392	-	13,392	-	-	-	-
Long term investments		-	526,509	-	526,509	-	518,596	-	518,596
Long term deposits		-	25,687	-	25,687	-	-	-	-
Trade debts		-	82,342	-	82,342	-	-	-	-
Advances and other receivables		-	19,733	-	19,733	-	-	-	-
Interest accrued		-	19,037	-	19,037	-	-	-	-
Cash and bank balances		-	1,642,306	-	1,642,306	-	-	-	-
		-	2,329,006	-	2,329,006	-	518,596	-	518,596
Financial liabilities not measured at fair value									
Liabilities against asset subject to finance lease		-	-	19,455	19,455	-	-	-	-
Trade and other payables	12.2.1	-	-	578,169	578,169	-	-	-	-
		-	-	597,624	597,624	-	-	-	-

12.2.1 It excludes advances from customers, withholding tax payable, sales tax payable - net, Federal Excise Duty (FED) payable, export duty payable on PMFL and beer, Workers' Welfare Fund (WWF) payable and Zila tax payable

Murree Brewery Company Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2018

13 General

13.1 Non-adjusting event after the balance sheet date.


The Board of Directors, in its meeting held on 27th April 2018 has declared an interim cash dividend of 100% (i.e. Rs 10/-per share).

13.2 Date of approval

This condensed interim financial information was approved by the Board of Directors of the Company in their meeting held on 27th April 2018.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR