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VISION STATEMENT

Our office is in the market

MISSION STATEMENT

We the people of Murree Brewery Co. Ltd 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. Shirazi
Mrs. Goshi M. Bhandara
Lt. Gen (Retd.) Zarrar Azim
Mr. Khalid Aziz Mirza
Mr. Shahbaz Haider Agha

PRINCIPAL OFFICERS

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

Mr. Mazhar Iqbal
Mr. Waqar A. Kahloon
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 (Retd.) Zarrar Azim (Chairman)
Ch. Mueen Afzal (Member)
Mr. Khurram Muzaffar (Member)
Mr. Khalid Aziz Mirza (Member)

HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

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** (Tele: 055-3891571)
- (iii) Mansoorabad
Near Sant Sing Railway Gate
Jumra Road, **Faisalabad**
Tele: (041-8522182 & 2420580)

- (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 Limited
CDC, House 99-B, Block 'B' SMCHS, Main
Shahra-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 NAFEES
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 TO THE SHAREHOLDERS FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER, 2018

The Board of Directors of Murree Brewery Company Limited takes pleasure in presenting the review on the financial and operational performance of the Company for the three months period ended 30th September, 2018.

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

Financial Overview & Highlights

		Rs. In million		
Sales revenue (Net)	increased by 11.4%	from 2,411.5	to 2,685.9	
Gross Profit	increased by 14.2%	from 726.8	to 830.1	
Profit before Taxation	increased by 2.9%	from 479.6	to 493.4	
Profit after Taxation	increased by 5.01%	from 345.3	to 362.6	
Earnings per share	increased by 5.01%	from Rs. 14.98	to Rs. 15.73	

The profitability of the Company has increased during the 1st quarter ended 30th September, 2018 as compared to the corresponding period of the last year despite the devaluation of the rupee. Overall sales reflected 11.4% growth over the last corresponding period and the profit after tax also improved by 5.01% in the current 1st quarter.

IMPORTANT ISSUES:

Devaluation of the Pakistan rupee:

The rupee dropped by approximately Rs.10 per US dollar from Rs.123 to Rs.133 from October 2018 following an alarming reduction of foreign exchange reserves and increase in current account deficit with loan related payments in sight. The government is considering various options to raise foreign exchange reserves which could affect the rupee dollar parity rate during the remaining period of 9 months of the year to 30th June, 2019.

Ban on Liquor Sale in Sindh:

As advised earlier the case is pending before the Sindh High Court. Meanwhile, sales during the quarter were satisfactory.

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.

The company is paying this duty and recovering it from the buyers which makes Murree Brewery products dearer than our competitors.

Murree Brewery Company Limited

The Punjab Government has filed an appeal in the Lahore High Court, Lahore praying the impugned judgment may 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”.

The 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 Rs.180.4 million (30th June, 2018: Rs.167.06 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 to July 2018, the company has been paying GIDC on current billings only which was borne by the company. The case relating to aforesaid arrears Rs.180.4 million is pending before the court and the stay is available to that extent. Now from July 2018 Islamabad High Court has again granted stay order in favour of the Company for charging of current GIDC. Hence the Company is not paying current GIDC on its gas bills from July 2018 onward.

Interim Dividend:

The Directors have today declared first interim cash dividend of 50% (i.e. Rs. 5/- per share) for the year ending 30th June, 2019.

Outlook:

The devaluation of the Pakistan rupee will increase the cost of imported raw material and the cost of gas and electricity is expected to increase. These factors will result in inflation and increase the cost of production and sales, which can affect the profitability of the Company. The Company intends to deal with these challenges with further review of costs, market knowledge and research and consumer brand loyalty.

Acknowledgement:

The Board would like to express their appreciation of the loyalty and dedication of all employees and extend its gratitude to the Government authorities, all stakeholders and shareholders for their unwavering support and cooperation. Thanks are also due to the Directors for their valuable advice on policy issues.



Khurram Muzaffar
Chairman

Rawalpindi 25th October, 2018

حکومت پنجاب نے لاہور ہائی کورٹ میں ایک استدعا جمع کروائی جس میں درخواست کی گئی کہ روکوہ فیصلے کو معطل کیا جاسکتا ہے اور مورخہ 24 جون 2015ء کے نوٹیفکیشن کو اسلامی جمہوریہ پاکستان کے دستور دائرہ اختیار کے اندر قرار دیا جائے۔ پنجاب ایگسٹریٹس نے سندھ وائٹ ڈیلرز کے خلاف حکم امتناعی حاصل کر رکھا ہے اور ”یکسٹرا ڈیوٹی“ وصول کر رہا ہے۔

یہ معاملہ معزز لاہور ہائی کورٹ، لاہور کے سامنے زیر التواء ہے۔

گیس انفراسٹرکچر ڈیولپمنٹ سیس (جی آئی ڈی سی):

کینیڈا اور انڈسٹری نے جی آئی ڈی سی ایکٹ، 2015ء کو منظور کر رکھا ہے اور ایک تحریری درخواست بشمول جی آئی ڈی سی ایکٹ کی متن کی کاپی تاریخوں میں درخواست لاہور ہائی کورٹ میں جمع کروا دی ہے۔ اس سے قبل عدالت نے جی آئی ڈی سی ایکٹ 2015ء کے تحت ایک حکم امتناعی عطا کر رکھا ہے۔ جی آئی ڈی سی کا مالیاتی اثر/دھچکے اب تک 180.4 ملین روپے (30 جون 2018ء: 167.06 ملین روپے) ہے۔ کینیڈا نے اس حوالے سے عائد کوئی بھی ذمے داری داخل اندراج نہیں کی کیونکہ انتظامیہ کو پورا اعتماد ہے کہ بالآخر فیصلہ کینیڈا کے حق میں ہوگا۔

اگست 2017ء سے جولائی 2018ء تک کینیڈا صرف جاری بلنگز پر جی آئی ڈی سی ادا کرتی رہی جس کو کینیڈا کی جانب سے برداشت کیا جاتا تھا۔ مذکورہ بالا 180.4 ملین روپے بتایا جاتا جو اس معاملے سے متعلق ہیں عدالت کے روبرو زیر التواء ہیں اور حکم امتناعی اسی کی حد تک دستیاب ہے۔ اب جولائی 2018ء سے اسلام آباد ہائی کورٹ نے موجودہ جی آئی ڈی سی کو عائد کرنے کیلئے کینیڈا کے حق میں ایک بار پھر حکم امتناعی دے دیا ہے۔ لہذا کینیڈا جولائی 2018ء کے بعد سے اس کے گیس بلز پر جاری جی آئی ڈی سی ادا نہیں کر رہی ہے۔

عمومی منافع مقصد:

ڈائریکٹرز نے آج 30 جون 2019ء کو تم ہونے والے سال کیلئے 50% کے سپلے عموری نقد منافع مقصد کا اعلان کر دیا ہے (یعنی 51 روپے فی شیئر)۔

توقعات:

پاکستان روپے کی قدر میں کمی درآمدی خام مال کی لاگت بڑھانے اور توقع ہے کہ گیس اور بجلی کی لاگت میں بھی اضافہ ہو جائے گا۔ ان عوامل کا نتیجہ آفریڈ زراور پیداوار اور فروخت کی لاگت میں اضافے کی صورت میں ظاہر ہوگا جس سے کینیڈا کا منافع متاثر ہو سکتا ہے۔ کینیڈا کا ارادہ ہے کہ وہ ان چیلنجز سے تیز آڑا ہونے کیلئے لاگتوں، مارکیٹ کے علم اور تحقیق اور کنزیومر برانڈ لائسنس یعنی صارف کی برانڈ سے وفاداری کا از سر نو مزید جائزہ لے۔

اظہار تشکر:

یورڈ تمام ملازمین کی وفاداری اور چھٹی گن کو خوب سراہا تا ہے اور سرکاری حکام، تمام اسٹیک ہولڈرز اور شیئرز ہولڈرز سے ان کے غیر متزلزل تعاون اور سرپرستی کیلئے تہ دل سے اظہار تشکر کرتا ہے۔ ہم ڈائریکٹرز کا بھی شکریہ ادا کرتے ہیں جن کی پالیسی مسائل پر گرانڈرز ہنمائی و مشاورت جو کہ وہ گاہے بگاہے پیش کرتے رہتے ہیں۔

- King Affar -
خزیم مظفر
چئیرمین

راولپنڈی، 25 اکتوبر 2018ء

مری برووری کمپنی لمیٹڈ ڈائریکٹرز کا جائزہ

مری برووری کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 ستمبر 2018ء کو اختتام پذیر ہونے والی سہ ماہی کیلئے کمپنی کی مالیاتی اور عملی کارکردگی پر جائزہ پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔ کمپنی کی پچھلے سال کے مطابقتی عرصے کے مقابل میں تین مہینوں کے عرصے کیلئے مالیاتی کارکردگی کا ایک مختصر جائزہ حسب ذیل ہے:

مالیاتی جائزہ اور جھلکیاں

مخصوصات فروخت (خالص)	11.4% کی شرح سے 2,411.5 ملین روپے سے بڑھ کر 2,685.9 ملین روپے ہو گئیں
مجموعی منافع	14.2% کی شرح سے 726.8 ملین روپے سے بڑھ کر 830.1 ملین روپے ہو گیا
قبل از ٹیکس منافع	2.9% کی شرح سے 479.6 ملین روپے سے بڑھ کر 493.4 ملین روپے ہو گیا
بعد از ٹیکس منافع	5.01% کی شرح سے 345.3 ملین روپے سے بڑھ کر 362.6 ملین روپے ہو گیا
منافع فی حصص	5.01% کی شرح سے 14.98 روپے سے بڑھ کر 15.73 روپے ہو گیا

کمپنی کا منافع پچھلے سال کے مقابل میں 30 ستمبر 2018ء کو ختم ہو چکی پہلی سہ ماہی کے دوران بڑھ گیا باوجود اس کے کہ روپے کی قدر میں کمی واقع ہوئی تھی۔ پچھلے سال کے مطابقتی عرصے بھر میں مجموعی فروخت نے 11.4% کی نمو ظاہر کی ہے اور اس جاری پہلی سہ ماہی میں منافع بعد از ٹیکس بھی 5.01% سے بہتر ہوا ہے۔

اہم مسائل:

پاکستانی روپے کی قدر میں کمی:

پاکستانی روپے میں اکتوبر 2018ء سے تقریباً 10/- روپے بہتالہ فی امریکی ڈالر کی کمی سے 123 روپے سے 133 روپے تک کمی واقع ہوئی ہے جس کے بعد غیر ملکی زرمبادلہ کے ذخائر میں خطرناک حد تک کمی ہو گئی اور قرضوں سے مربوط ادائیگیوں کے تناظر میں حساسات جاریہ کا خسارہ بھی بڑھ گیا۔ حکومت کئی اقدامات پر غور کر رہی ہے جس کے ذریعے غیر ملکی زرمبادلہ کے ذخائر بڑھائے جائیں اور جس کی وجہ سے رواں مالی سال کے اختتام یعنی 30 جون 2019ء تک کے باقی ماندہ 9 مہینوں کے عرصے کے دوران روپے ڈالر کی شرح تبادلہ متاثر ہو سکتی ہے۔

سندھ میں شراب کی فروخت پر پابندی:

جیسا کہ پہلے ہی بتایا جا چکا ہے کہ یہ معاملہ سندھ ہائی کورٹ کے سامنے زیر التواء ہے۔ دریں اثنا اس سہ ماہی میں فروخت اطمینان بخش تھی۔

اسٹل ہیڈ ڈیوٹی:

حکومت پنجاب نے مورخہ 24 جون 2015ء کو ایک نوٹیفکیشن نمبر SO(E&M)2-3/2011(P-II) جاری کیا تھا جس کے ذریعے پاکستان بھر میں تیار کردہ غیر ملکی شراب اور بیئر جو صوبہ پنجاب سے باہر استعمال کیلئے ہو پر یکم جولائی 2015ء سے اسٹل ہیڈ ڈیوٹی عائد کر دی گئی۔ کمپنی نے اس نوٹیفکیشن کو لاہور ہائی کورٹ، لاہور میں چیلنج کر رکھا ہے۔ اس نوٹیفکیشن کو معزز ہائی کورٹ کی جانب سے مورخہ 27 جون 2016ء کو معطل کر دیا گیا ہے۔

کمپنی اس ڈیوٹی کو ادا کر رہی ہے اور اسے خریداروں سے وصول کر رہی ہے جس کی وجہ سے مری برووری پروڈکٹس ہمارے حریفوں کے مقابلے میں زیادہ منگنے ہو رہے ہیں۔

Murree Brewery Company Limited
Condensed Interim Statement of Financial Position (unaudited)
As at 30 September 2018

	30-Sep-18 unaudited (Rs.'000)	30-Jun-18 audited (Rs.'000)		30-Sep-18 unaudited (Rs.'000)	30-Jun-18 audited (Rs.'000)
EQUITY					
Share capital and reserves					
Share capital	230,530	230,530		5,304,523	4,846,221
Capital reserve	30,681	30,681		2,309	2,339
Revenue reserves	6,668,141	6,292,270		25,730	266,214
Revaluation surplus on property, plant and equipment - net of tax	2,900,397	2,913,653		292,783	292,340
Total equity	9,829,749	9,467,134		3,414	2,240
				6,194,126	5,970,269
LIABILITIES					
Finance lease liabilities	154,085	1,319		1,346,750	1,343,755
Employee benefits	241,925	242,426		55,710	26,058
Deferred tax liability - net	146,887	167,456		356,170	138,631
Non-current liabilities	542,897	411,201		1,249,792	1,243,524
Trade and other payables	1,080,261	837,977		222,139	185,085
Current portion of finance lease liabilities	92,627	6,669		2,238,242	1,998,714
Unpaid dividend	65,656	51,739		5,468,803	4,935,767
Unclaimed dividend	51,739	131,316			
Current liabilities	1,290,283	1,027,701			
Total liabilities	1,833,180	1,438,902		11,662,929	10,906,036
Total equity and liabilities	11,662,929	10,906,036		11,662,929	10,906,036
Contingencies and commitments					

3

The annexed notes 1 to 14 form an integral part of these financial statements.


 CHIEF FINANCIAL OFFICER


 CHIEF EXECUTIVE OFFICER


 DIRECTOR

Murree Brewery

Condensed Interim Statement of Profit or Loss (unaudited)

Note	Liquor Division		Glass Division	
	30-Sep-18 (Rs.'000)	30-Sep-17 (Rs.'000)	30-Sep-18 (Rs.'000)	30-Sep-17 (Rs.'000)
TURNOVER				
Third party turnover - gross	2,996,766	2,851,610	48,930	48,404
Less: trade discounts	(68,831)	(54,186)	-	-
Third party turnover - net	2,927,935	2,797,424	48,930	48,404
Inter division sales	194,219	193,385	439,117	384,727
	3,122,154	2,990,809	488,047	433,131
Sales tax and excise duty	(1,108,125)	(1,115,795)	(7,114)	(7,034)
Revenue	2,014,029	1,875,014	480,933	426,098
COST OF SALES 7				
Third parties	(1,102,454)	(1,039,025)	(280,338)	(273,260)
Inter division cost	(399,713)	(361,527)	-	-
	(1,502,167)	(1,400,552)	(280,338)	(273,260)
GROSS PROFIT	511,862	474,462	200,595	152,838
Selling and distribution expenses	(164,841)	(95,958)	(2,103)	(1,114)
Administrative expenses	(67,362)	(53,481)	(8,812)	(7,616)
Other expenses	-	-	-	-
Other income	-	-	-	-
Operating profit	279,659	325,023	189,680	144,108
Finance costs	(751)	(612)	(17)	(95)
Finance income	-	-	-	-
Net finance (cost) / income	(751)	(612)	(17)	(95)
Profit before tax	278,908	324,411	189,663	144,013
Income tax expense	-	-	-	-
Profit for the year				
Earnings per share - basic and diluted (Rupees) 8				

The annexed notes 1 to 14 form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER

Company Limited

For the quarter ended 30 September 2018

	Tops Division		Total	
	30-Sep-18 (Rs.'000)	30-Sep-17 (Rs.'000)	30-Sep-18 (Rs.'000)	30-Sep-17 (Rs.'000)
	1,119,596	927,708	4,165,292	3,827,722
	(59,496)	(30,728)	(128,327)	(84,914)
	1,060,100	896,980	4,036,965	3,742,807
	5,668	6,794	-	-
	1,065,768	903,774	4,036,965	3,742,807
	(235,799)	(208,525)	(1,351,038)	(1,331,353)
	829,969	695,249	2,685,927	2,411,454
	(473,051)	(372,416)	(1,855,843)	(1,684,701)
	(239,291)	(223,380)	-	-
	(712,342)	(595,796)	(1,855,843)	(1,684,701)
	117,627	99,453	830,084	726,753
	(103,585)	(85,334)	(270,529)	(182,406)
	(23,847)	(21,357)	(100,021)	(82,454)
	-	-	(34,380)	(32,900)
	-	-	23,486	18,578
	(9,805)	(7,237)	448,640	447,572
	(3,238)	(280)	(4,006)	(987)
	(3,238)	(280)	48,815	33,041
	(13,043)	(7,517)	44,809	32,054
			493,449	479,625
			(130,834)	(134,321)
			362,615	345,304
			15,773	14,98



DIRECTOR

Murree Brewery Company Limited

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2018

	Note	Quarter ended 30-Sep 2018 (Rs.'000)	Quarter ended 30-Sep 2017 (Rs.'000)
Profit for the period		362,615	345,304
Other comprehensive income (OCI) for the period:		-	-
Total comprehensive income for the period		362,615	345,304

The annexed notes 1 to 14 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 (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2018

	Capital reserves			Revenue reserves			Total equity	
	Share capital	Capital reserve	Revaluation surplus on property, plant and equipment - net of tax	General reserve	Contingency reserve	Reserve for issuance of bonus shares		Unappropriated profits
	(Rs. '000)							
Balance at 01 July 2017	230,530	30,681	2,966,369	327,042	20,000	3,457,954	1,983,881	9,016,457
<i>Total comprehensive income for the quarter ended 30 September 2017</i>								
Profit for the quarter	-	-	-	-	-	-	345,304	345,304
Other comprehensive income for the quarter	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	345,304	345,304
Revaluation surplus on property, plant and equipment realized through depreciation for the year - net of deferred tax	-	-	(12,352)	-	-	-	12,352	-
	-	-	(12,352)	-	-	-	12,352	-
Balance at 30 September 2017	230,530	30,681	2,945,403	327,042	20,000	3,457,954	2,341,537	9,361,761
Balance at 1 July 2018	230,530	30,681	2,913,653	327,042	20,000	-	5,945,228	9,467,134
<i>Total comprehensive income for the quarter ended 30 September 2018</i>								
Profit for the quarter ended 30 September 2018	-	-	-	-	-	-	362,615	362,615
Other comprehensive income for the quarter ended 30 September 2018	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	362,615	362,615
Revaluation surplus on property, plant and equipment realized through depreciation for the year - net of deferred tax	-	-	(13,256)	-	-	-	13,256	-
	-	-	(13,256)	-	-	-	13,256	-
Balance at 30 September 2018	230,530	30,681	2,900,397	327,042	20,000	-	6,321,099	9,829,749

The annexed notes 1 to 14 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 FOR THE QUARTER ENDED 30 SEPTEMBER 2018

CASH FLOWS FROM OPERATING ACTIVITIES	Note	30-Sep-18 (Rs.'000)	30-Sep-17 (Rs.'000)
Profit before tax		493,449	479,625
Adjustments for:			
Depreciation / amortization		82,973	79,910
Employee benefits - charge to profit or loss		4,280	7,269
Provision for WPPF		24,119	-
Provision for WWF		9,647	-
Gain on remeasurement of investment property to fair value		(443)	-
Loss / (Gain) on disposal of property, plant and equipment		1,319	(310)
Finance cost		4,006	987
Return on deposit accounts		(24,982)	(18,789)
Interest on PIBs		(11,616)	(10,164)
Interest on advances		(93)	-
Dividend income		(4,138)	-
Unrealized gain on re-measurement of short term investments		(6,268)	(7,886)
Gain on sales of investments		-	-
		<u>78,804</u>	<u>51,017</u>
Operating profit before working capital changes		572,253	530,641
<i>Changes in</i>			
Inventories		(2,995)	246,475
Trade debts		(29,652)	20,222
Advances, prepayments and other receivables		(218,700)	(105,697)
Trade and other payables		208,606	31,490
		<u>(42,741)</u>	<u>192,490</u>
Cash generated from operating activities		529,512	723,132
Finance cost paid		(4,006)	(987)
Employee benefits paid		(3,608)	(5,175)
Income taxes paid		(169,182)	(174,444)
Net cash from operating activities		352,716	542,526
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(245,035)	(68,166)
Proceeds from disposal of property, plant and equipment		670	1,499
Advances for capital expenditures		240,484	(33,278)
Long term advances paid		(4,202)	(1,094)
Long term deposits paid		(350)	-
Realization of long term investments		-	-
Proceeds from sales of / (acquisition of) investments - net		-	-
Return on deposits received		16,143	27,662
Dividends received		4,138	-
Net cash used in investing activities		11,848	(73,377)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of finance lease		(59,376)	(2,789)
Dividend paid		(65,660)	(36,680)
Net cash used in financing activities		(125,036)	(39,469)
Net increase / (decrease) in cash and cash equivalents		239,528	429,680
Cash and cash equivalents at beginning of the year		1,998,714	1,642,306
Cash and cash equivalents at end of the year	6	2,238,242	2,071,986

The annexed notes 1 to 14 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 (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2018

1 THE COMPANY AND ITS 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. The shares of the Company are quoted on Pakistan Stock Exchange. 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 principle activities. The registered office of the Company is situated at National Park Road in Rawalpindi. The addresses of the Company's corporate office, manufacturing facilities and ware houses owned by the Company located in Rawalpindi, Hattar, Lahore and Gujranwala are disclosed in note 15.1.5 of the annual financial statement for year ended 30 June 2018.

2 BASIS OF PREPARATION

2.1 This condensed interim financial information of the Company for the three months period ended 30 September 2018 has been prepared in accordance with the requirements of the 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. The condensed interim financial information does not include all information required for full financial statements and should be read in conjunction with the annual financial statement as at year ended 30 June 2018. Comparative balance sheet numbers are extracted from annual audited financial statements for the year ended 30 June 2018, whereas comparative condensed interim profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement are stated from unaudited condensed interim financial information of the Company for the three months period ended 30 September 2017.

2.2 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 the Pakistan Stock Exchange Limited.

2.3 SIGNIFICANT ACCOUNTING POLICIES

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 2018.

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto have become / will be effective for accounting periods beginning on or after 01 July 2018.

IFRS 15 'Revenue from contracts with customers-IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The Company is currently in the process of analyzing the potential impact of changes required in revenue recognition policies on adoption of the standard

IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 01 July 2018 and 01 January 2019 respectively). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Company is currently in the process of analyzing the potential impact of changes required in classification and measurement of financial instruments and the impact of expected loss model on adoption of the standard.

Murree Brewery Company Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2018

3 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 2018, except the following:

3.1 CONTINGENCIES:

- 3.2 The Company is currently liable in respect of guarantees amounting to Rs 112.9 million (30 June 2018 : Rs. 80.9 million) issued by banks on behalf of the company in the normal course of business
- 3.3 Regarding Gas Infrastructure Cess (GIDC) the unpaid amount upto 30 September 2018 is Rs. 180.4 million. (30 June 2018 Rs: 167.06 million) and Gas rate differential is Rs 108.5 million (30 June 2018: Rs 102.09). For details, note 14.2 & 14.3 of the financial statements for the year ended 30 June 2018 is to be referred.
- 3.4 At the reporting date there is no change in the status of the tax contingencies. For details, notes 36.4 and 36.5 of the financial statements for the year ended 30 June 2018 are to be referred.

COMMITMENTS

- 3.5 The Company has opened Letter of Credit for the import of machinery and inventory items valuing approximately Rs 180 million (30 June 2018 : Rs. 364.7 million)
- 3.6 The Company's contracted capital commitments outstanding at the date of reporting amounts to Rs. 49.3 million (30 June 2018 : Rs. 293.3 million)

4 PROPERTY, PLANT AND EQUIPMENT

	Unaudited 30-Sep-18 (Rs '000)	audited 30-Jun-18 (Rs '000)
Note		
Operating assets	5,084,994	4,635,033
Capital work-in-progress	219,529	211,188
	5,304,523	4,846,221

4.1 Additions / Disposals :

	Additions (at cost)		Quarter ended (Rs '000)	Disposals (at net book value)	
	30-Sep-18	30-Sep-17		30-Sep-18	30-Sep-17
Land	-	-		-	-
Buildings	33,075	17,292		-	-
Plant and Machinery -owned	199,245	95,575		1,989	-
Plant and Machinery -leased	298,100				
Furniture and Fittings	144	1,086		-	-
Motor Vehicles	4,138	7,565		-	880
Capital work in progress	8,431	33,774		-	-
	543,133	155,292		1,989	880

- 4.2 Depreciation on property, plant and equipment during the quarter ended was Rs 82.9 million (30 September 2017: Rs. 79.9 million) respectively.

5 INVESTMENT PROPERTY

The investment properties are land and building held for capital appreciation and to earn rental income. At the balance sheet date, an exercise was carried out by the management to assess the fair value of the investment property. Based on the exercise, management of the Company ascertained that there is no significant change in the valuation of the investment property.

Murree Brewery Company Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2018

6 CASH AND BANK BALANCES	(Unaudited)	(Audited)
	30-Sep-18	30-Jun-18
	(Rs in '000)	(Rs in '000)
Cash in hand	18,739	16,974
Cash at banks :		
- in local currency	734,537	718,245
- in local currency deposit account	1,445,630	1,225,922
- in foreign currency deposit account	39,336	37,573
	<u>2,219,503</u>	<u>1,981,740</u>
	<u>2,238,242</u>	<u>1,998,714</u>

Murree Brewery Company Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2018

		Quarter ended			Quarter ended	
7	Note	Liquor (Rs '000)	Glass (Rs '000)	Tops (Rs '000)	30-Sep-18 (Rs '000)	30-Sep-17 (Rs '000)
COST OF SALES						
	7.1	1,299,375	108,459	661,683	2,069,517	1,861,184
		16,503	17,831	-	34,334	36,147
		53,730	47,916	14,443	116,089	109,731
		63,973	25,798	34,463	124,234	102,594
		16,212	9,674	9,358	35,244	28,599
		21,838	32,995	20,614	75,447	61,204
		5,645	6,493	6,974	19,112	25,152
		1,477,276	249,166	747,535	2,473,977	2,224,611
		Work in process:				
		220,896	1,445	17,481	239,822	293,540
		(188,664)	(1,445)	(20,358)	(210,467)	(261,086)
		32,232	-	(2,877)	29,355	32,454
		Cost of goods manufactured	1,509,508	249,166	744,658	2,503,332
						2,257,065
		Finished goods:				
		77,093	61,171	61,376	199,640	165,604
		(84,435)	(30,000)	(93,690)	(208,125)	(153,061)
		(7,342)	31,171	(32,314)	(8,485)	12,543
		(399,713)	-	(239,291)	(639,004)	(584,907)
		1,102,454	280,338	473,051	1,855,843	1,684,701
7.1	Raw material consumed					
	Opening stock	510,079	7,426	273,627	791,132	927,637
	Purchases	1,300,232	115,345	654,336	2,069,913	1,669,384
		1,810,311	122,771	927,963	2,861,045	2,597,021
	Less : Closing stock	(510,936)	(14,312)	(266,280)	(791,528)	735,838
		1,299,375	108,459	661,683	2,069,517	1,861,184
8	EARNING PER SHARE - BASIC AND DILUTED				Quarter ended	
					30-Sep-18	30-Sep-17
	Net Profit for the period - Rupees in ('000)				362,615	345,304
	Weighted average number of shares - Number				23,053,025	23,053,025
	Earning per share - Rupees				15.73	14.98
8.1	There is no dilutive effect on the basic earnings per share of the Company as at 30 September 2018.					

Murree Brewery Company Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2018

9 Segment information

9.1 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 <i>(Rs. '000)</i>	Glass division <i>(Rs. '000)</i>	Tops division <i>(Rs. '000)</i>	Corporate Office <i>(Rs. '000)</i>	Total <i>(Rs. '000)</i>
a. For the three months ended					
30 September 2018					
External turnover	2,927,935	48,930	1,060,100	-	4,036,965
Inter-segment turnover	194,219	439,117	5,668	-	639,004
Segment profit / (loss) before tax	278,908	189,663	(13,043)	-	455,528
30 September 2017					
External turnover	2,797,424	48,404	896,980	-	3,742,807
Inter-segment turnover	193,385	384,727	6,794	-	584,907
Segment profit (loss) before tax	324,411	144,013	(7,517)	-	460,907
b. Assets					
30 September 2018 (unaudited)					
	7,043,405	813,212	1,810,878	1,995,434	11,662,929
30 June 2018 - audited	6,587,505	821,156	1,545,263	1,952,112	10,906,036
c. Liabilities					
30 September 2018 (unaudited)					
	920,923	78,552	569,423	264,282	1,833,180
30 June 2018 - audited	885,482	78,787	308,270	166,363	1,438,902
d. Additions to property, plant and equipment					
30 September 2018 (unaudited)					
	154,437	1,147	387,549	-	543,133
30 June 2018 - audited	257,334	18,264	167,990	-	443,588
Other income					
30 September 2018 (unaudited)					
	-	-	-	23,486	23,486
30 June 2018 (audited)	-	-	-	90,021	90,021
Net finance income					
30 September 2018 (unaudited)					
	(751)	(17)	(3,238)	48,815	44,809
30 June 2018 (audited)	(18,732)	(395)	(1,007)	192,446	172,312
e. Depreciation					
30 September 2018 (unaudited)					
	27,427	33,031	22,515	-	82,973
30 June 2018 - audited	90,601	126,479	45,186	-	262,266
9.2 Reconciliation of reportable segment profit or loss					
				Quarter ended 30 September	
				2018	2017
				<i>(Rs. '000)</i>	<i>(Rs. '000)</i>
Total profit before tax for reportable segments				455,528	460,907
Unallocated amount -Operating expenses				(34,380)	(32,900)
Unallocated amounts -Other income				23,486	18,578
Unallocated amounts -Finance income				48,815	33,041
Net Profit Before Tax				493,449	479,625

Murree Brewery Company Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2018

10 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:

	Name of Related Party	Nature of Relationship	Percentage of share holding	Nature of transactions during the year	Quarter ended 30 September	
					2018 (Rs.'000)	2017 (Rs.'000)
1)	D.P. Edulji & Company (Private) Limited	Associated company on account of common directorship	15.42%	Sales commission Services acquired Dividend paid	52,725 4,226 -	24,607 3,000 -
2)	Kingsway Fund	Associated company	29.53%	Dividend paid	50,960	-
3)	Board of directors	Directors	26.56%	Dividend paid	9,591	-
4)	Directors' relatives	Directors' relatives	7.83%	Dividend paid	-	36,621
5)	Staff retirement benefit plan - Provident fund	Staff retirement funds	Nil	Contribution by the Company	1,632	1,331
6)	Staff retirement benefit plan - Pension fund	Staff retirement funds	Nil	Contribution by the Company	1,173	998
7)	Bhandara Foundation	Chief executive officer acts as a Trustee	Nil	Donation paid	1,500	-

10.1 The aggregate amounts charged for the remuneration including benefits and perquisites to Chief Executive Officer and Executive at the reporting date are Rs 3.5 million and Rs 2.3 million (30 September 2017 : Rs 3.4 million and Rs 1.8 million) respectively.

11 Fair value of financial instruments

11.1 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 QUARTER ENDED 30 SEPTEMBER 2018

11.2 FINANCIAL INSTRUMENTS

A FAIR VALUES

11.3 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.

	Note	Carrying amount				Fair value				
		Fair value through profit and loss	Amortized cost	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		(Rs.'000)				(Rs.'000)				
30 September 2018 - Unaudited										
Financial assets measured at fair value										
Shares of listed companies		84	-	-	-	84	84	-	-	84
Mutual funds		1,249,708	-	-	-	1,249,708	1,249,708	-	-	1,249,708
		<u>1,249,792</u>				<u>1,249,792</u>	<u>1,249,792</u>			<u>1,249,792</u>
Financial assets not measured at fair value										
Long term advances		-	-	15,096	-	15,096	-	-	-	-
Long term investments		-	523,503	-	-	523,503	-	467,591	-	467,591
Long term deposits		-	-	26,868	-	26,868	-	-	-	-
Trade debts	11.6	-	-	55,710	-	55,710	-	-	-	-
Advances, prepayments and other receivables	11.4	-	-	252,777	-	252,777	-	-	-	-
Cash and bank balances	11.6	-	-	2,238,242	-	2,238,242	-	-	-	-
			<u>523,503</u>	<u>2,588,093</u>		<u>3,111,296</u>		<u>467,591</u>		<u>467,591</u>
Financial liabilities not measured at fair value										
Finance lease liabilities	11.6	-	-	-	246,712	246,712	-	-	-	-
Trade and other payables	11.5	-	-	-	687,158	687,158	-	-	-	-
Unpaid dividend	11.6	-	-	-	65,656	65,656	-	-	-	-
Unclaimed dividend	11.6	-	-	-	51,739	51,739	-	-	-	-
					<u>1,051,265</u>	<u>1,051,265</u>				

	Note	Carrying amount				Fair value				
		Fair value through profit and loss	Held to maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		(Rs.'000)				(Rs.'000)				
30 June 2018										
Financial assets measured at fair value										
Shares of listed companies		321	-	-	-	321	321	-	-	321
Mutual funds		1,243,203	-	-	-	1,243,203	1,243,203	-	-	1,243,203
		<u>1,243,524</u>				<u>1,243,524</u>	<u>1,243,524</u>			<u>1,243,524</u>
Financial assets not measured at fair value										
Long term advances		-	-	10,894	-	10,894	-	-	-	-
Long term investments		-	523,503	-	-	523,503	-	466,801	-	466,801
Long term deposits		-	-	26,518	-	26,518	-	-	-	-
Trade debts	11.6	-	-	26,058	-	26,058	-	-	-	-
Advances, prepayments and other receivables	11.4	-	-	27,040	-	27,040	-	-	-	-
Cash and bank balances	11.6	-	-	1,998,714	-	1,998,714	-	-	-	-
			<u>523,503</u>	<u>2,089,224</u>		<u>2,612,727</u>		<u>466,801</u>		<u>466,801</u>
Financial liabilities not measured at fair value										
Finance lease liabilities	11.6	-	-	-	7,988	7,988	-	-	-	-
Trade and other payables	11.5	-	-	-	551,413	551,413	-	-	-	-
Unpaid dividend	11.6	-	-	-	51,739	51,739	-	-	-	-
Unclaimed dividend	11.6	-	-	-	131,316	131,316	-	-	-	-
					<u>742,456</u>	<u>742,456</u>				

11.4 It excludes advances to suppliers and prepayments.

11.5 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.

11.6 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 (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2018

12 DATE OF APPROVAL

The condensed interim unaudited financial information was approved by the Board of Directors of the Company in their meeting held on 25 October 2018.

13 OTHER NON ADJUSTING / POST BALANCE SHEET EVENTS

13.1 The shareholders at the Annual General Meeting held on 25th October 2018 for the year ended 30 June 2018 approved final cash dividend @ 50% (i.e Rs. 5 per share) and stock dividend @ 20% as proposed by the Directors in their meeting held on 13th September 2018.

13.2 The Board of Directors in their meeting held on 25th October 2018, has declared an interim cash dividend @50% (i.e Rs 5 per share) for the year ending 30 June 2019.

14 GENERAL

-Figures have been re-arranged / re-classified wherever necessary for the purpose of comparison.
-Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR