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MURREE BREWERY COMPANY LTD.

Murree Brewery Co. Ltd.



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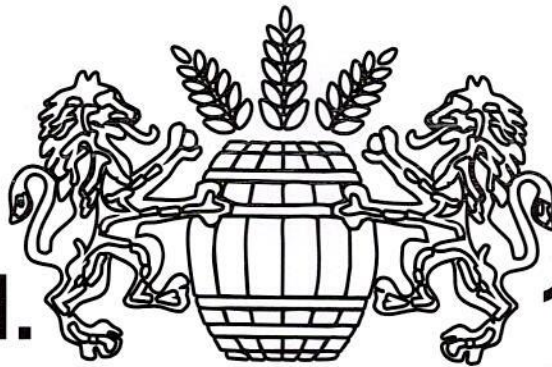
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ANNUAL REPORT
2022

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Annual Report 2022

Murree Brewery Company Limited



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Murree Brewery Company Limited

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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:

Continuous improvement

Alignment of our missions and 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-Non Executive Director
CEO/Director-Executive Director
Non-Executive Director
Non-Executive Director
Independent Director
Independent Director
Independent Director
Independent Director

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

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)

Ch. Waqar A. Kahloon
Mr. Muhammad Khurshid
Mr. Zaka Ullah Malik
Mr. Fakher-e-Mahmood
Mr. Arshad Zaheer
Mr. Zaka ud Din
Mr. Talat Yaqoob Awan
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 Hussain Shirazi (Member)
Mr. Isphanyar M. Bhandara (Member)
Mr. Pervaiz Akhtar (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
United Bank Limited, Islamabad.

Murree Brewery Company Limited

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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

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

FACTORIES

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

(2) **Tops Food & Beverages**
(a) 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**
(a) Plot No. 10/2, Phase III, Industrial Estate,
Hattar, District Haripur (K.P.K.)

(b) 121/3, Industrial Estate, Kot Lakhpat,
Lahore.

(4) **Murree Glass**
Plot No. 24, Phase III, Industrial Estate,
Hattar, District Haripur (K.P.K.)
Tel: 0995-617233, 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 (Tel: 055-3891571)

(iii) Mansoor Abad
Near Sant Sing Railway Gate
Jumra Road, Faisalabad
Tel: (041-8522182 & 2420580)

(iv) 164/B, Near Winter Time,
Small Industries Estate, Sahiwal
Mobile: 0335-5611125

(v) Ratti Gali, Ayubia Road, Murree
Mob: 0335-5111047

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

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 Center,
1. Mozang Road, Lahore.
Cell # 0300-8430877, 0345-8412222
- (iii) Mr. Muhammad Ilyas Sheikh
House No. 37, Street No. 02, Mohalla
Phase 5, Bahria Town, Islamabad.

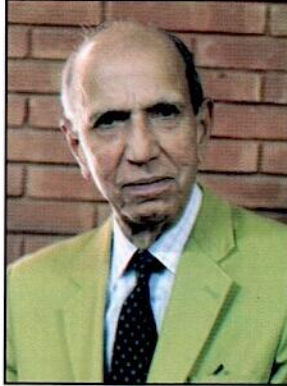
TAX ADVISORS

- (i) Naseem Zafar Associates
10-Commercial Building,
Shahrah-e-Quaid-e-Azam, Lahore.
Tel: 042-37314315-16
- (ii) Sheikh Law Associates
G 313-316, Imran Mansion,
Gordon College Road, Rawalpindi,
Ph: 051-5770500 Website: www.sla.net.pk
- (iii) M/s KPMG Taseer Hadi & Co.
Chartered Accountants.
6th Floor, State Life Bldg,
Jinnah Avenue, Islamabad.

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

Murree Brewery Company Limited
Board of Directors



Ch. Mueen Afzal
Chairman - Non Executive Director

Ch. Mueen Afzal after getting his MA Degree from Oxford University joined the Civil Service of Pakistan in 1964, finally retiring from Government Service in 2002. While in service, he held several important positions which included Finance Secretary in Balochistan (1981-84), Finance Secretary in the Punjab (1984-86), Economic Minister in the Pakistan Embassy in Washington, D. C, USA (1987-90). Later, he was Health Secretary, Government of Pakistan (1995-96), Finance Secretary in Islamabad (1996-1998) and Secretary General, Finance & Economic affairs from 1999-2002.

He was awarded Hilal-e-Imtiaz for distinguished public service in 2003 by the Government of Pakistan.

After his retirement from the civil service, he held a number of appointments in the corporate sector. At present, he is Chairman of the Board of Murree Brewery Company Ltd, and member of Audit and Risk Management Committee as well as HR & Remuneration and Nomination Committee. He was Chairman of the Board of Pakistan Tobacco Company and as well as Chairman of Akzo Nobel Pakistan.

He is a founder director of the Pakistan Centre of Philanthropy and on the Board of Beaconhouse, National University. He is also Chairman of IDEAS, a think tank which concentrates on research in to various aspects of public policy.

Murree Brewery Company Limited
Board of Directors



Mr. Isphanyar M. Bhandara

CEO/Director - Executive Director

Mr. Isphanyar M. Bhandara started his family business, Murree Brewery Co. Ltd. Rawalpindi, one of the oldest public limited companies of the sub-continent in 1997.

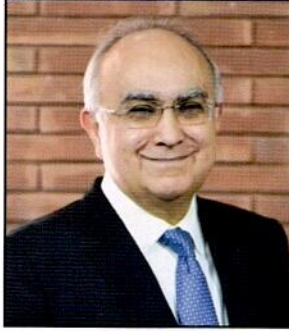
Joined Board of Directors of the company in 1998. Before this he has significant exposure to fields operation including production, project development, development planning, conceptual engineering and operation supports in the brewery and its other divisions.

In June, 2005 became Executive Director till 2008. In June, 2008 was appointed as Chief Executive Officer of the Murree Brewery Group of Companies on the demise of his father.

The Company has also other divisions manufacturing food products, fruit juices, mineral water, non-alcoholic products and glass containers. The traditional activities of the Company are brewing and distilling of fine liquors and beers. With the passage of time the company has increased the product lines and capacity as well.

- Holds a Master Degree in Business & Administration.
- Ex-Member of the National Assembly of Pakistan on seat reserved for Minorities (2013-2018).
- Currently President of Rawalpindi Parsi Anjuman.
- Representing and helping following Minority communities of Pakistan Parsi, Sikhs, Baha'is, Buddhists, Kalash and doing other social and welfare activities.
- Attended various LUMS workshops on business.
- Completed Directors' Training Program from Pakistan Institute of Corporate Governance.

Murree Brewery Company Limited
Board of Directors



Mr. Aamir Hussain Shirazi
Non-Executive Director

Mr. Aamir Hussain Shirazi is the President of Atlas Group.

He has over 36 years of corporate management experience. He has to his credit, work experience in Honda - America. Besides working at various positions in Atlas Group, he also served as the Chief Executive of Atlas Honda.

He is currently the Chairman of Honda Atlas Cars (Pakistan) Limited, Atlas Honda Limited, Atlas Battery Limited, Atlas Engineering (Private) Limited, and Atlas Autos (Private) Limited. He serves on the Boards of Shirazi Investments, Shirazi Trading and Murree Brewery. He was appointed as a Director on the Board of Lahore Stock Exchange for two consecutive terms by the Securities & Exchange Commission of Pakistan.

He is currently a member of the Board of Governors of Lahore University of Management Science. He serves as an Honorary Consul General of Japan and is the Patron-in-Chief of Pakistan Japan Cultural Association in Lahore.

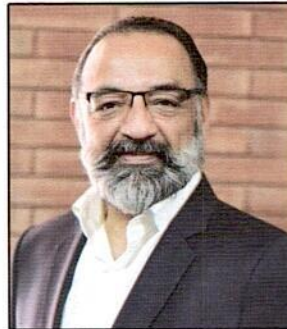
He graduated from the Claremont McKenna College and completed his OPM from the Harvard Business School.

Murree Brewery Company Limited
Board of Directors



Mrs. Goshi M. Bhandara
Non-Executive Director

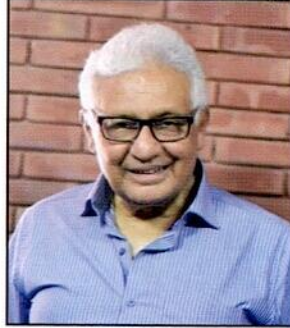
Due to untimely death of Mr. M. P. Bhandara in June, 2008, Mrs. Goshi M Bhandara was invited to join MBC Board against casual vacancy. Since then she is on the Board. She is also member of Audit and Risk Management Committee.



Mr. Shahbaz Haider Agha
Independent Director

He got his bachelor's degree in finance from Indiana University, USA and an executive MBA degree from NCB&E, Lahore. He has 32 years' experience of Insurance Industry in Pakistan. Currently he is working as CEO with Hellenic Sun Insurance Brokers (Pvt.) Ltd. He served as director on the board of Capital Investment Bank Ltd. in 2015-16. He also served as director on the Board of Samba Bank Ltd. since 2015-17. He is an Honorary Consul General of Greece in Lahore since 2007. He is a Board member of Zahidjee Textiles Ltd. & Premier Sugar Mills Ltd. He is the Chairman of Bhandara Foundation, a Trustee of A New Beginning and Mohammad Raza Farooq Memorial Trust.

Murree Brewery Company Limited
Board of Directors



Prof. Khalid Aziz Mirza
Independent Director

Mr. Mirza is a Masters of Commerce (M.Com) from University of Punjab, Lahore, and has also been awarded an honorary doctorate degree by the Institute of Business Management, Karachi. He has about 53 years of work experience.

Mr. Mirza served for about seven years in various positions in Investment Corporation of Pakistan (ICP), and then for over 6 years in the Credit & Finance Corporation, a merchant bank in London. Subsequently, for about two decades, he remained on the professional investment staff of the International Finance Corporation (IFC) (Member, World Bank Group). Besides this, he has also served as the founding Chairman of Securities & Exchange Commission of Pakistan (three years); Sector Manager for Financial Sector Development, East Asia & Pacific Region, The World Bank, Washington DC, USA (about four years); Chairman and Chief Executive, Monopoly Control Authority (one year); founding Chairman and Chief Executive Competition Commission of Pakistan (three years); and Member, Competition Appellate Tribunal (about eight months). Mr. Mirza joined the Lahore University of Management Sciences (LUMS) in 2010 and is at present Professor of Practice. Mr. Mirza is also an Independent Director and Chairman of the Board of both Orix Leasing Pakistan Limited as well as the Board of Awwal Modaraba, and an Independent Director on the Boards of Silkbank and Murree Brewery Company Limited. Recently, he was appointed Chairman, Securities and Exchange Policy Board.

Significant among his regular consultancy assignments are Finance Consultant, WAPDA; and Evaluator, Investment Evaluation Unit, The World Bank Group.

Murree Brewery Company Limited
Board of Directors



Mr. Pervaiz Akhtar
Independent Director

Career: Mr. Akhtar graduated in 1976 from University of Punjab with majors in Economics. He later attended an MBA program at School of Business and Commerce Islamabad and secured distinction in Business Policy & Strategy and Human Resource Management. He completed his professional training with Klynveld Peat Marwick Goerdeler (KPMG) and passed Institute of Chartered Accountants of Pakistan (Inter) examination in 1981. In 1989 Mr. Akhtar was awarded a USAID scholarship and he completed Petroleum Management Program at Arthur D. Little Inc Boston, U.S.A.

Mr. Akhtar is responsible for METRO's Corporate Affairs since 2007. Being part of the senior management team, he has contributed towards successfully establishing the METRO Pakistan's business in Pakistan. Prior to joining METRO, he served as General Manager Corporate Affairs for a Dutch Multinational Company (SHV Energy) for over 9 years. Mr. Akhtar has a versatile experience of more than 35 years of working with local and multinational companies in Pakistan. During this period, he served in senior management positions in the field of Finance, Human Resources, Procurement and Corporate Affairs.

Mr. Akhtar is a Certified Director from the Pakistan Institute of Corporate Governance. He is also an independent Director on the Board of Directors of LOTTE Chemical Pakistan Limited and in June 2020 was re-elected to the Board for the third term and currently is the Chairman of the Audit Committee and Chairman of HR & Remuneration Committee.

Outside interests

- Director Corporate Affairs METRO Pakistan (Pvt) Ltd
- Director Star Farm Pakistan (Pvt) Limited (METRO Group Company)
- Director CABI-SFPK Joint Venture
- Independent Director-LOTTE Chemical Pakistan Limited
- Director CORE

Murree Brewery Company Limited
Board of Directors



Ms . Jahanara Sajjad Ahmad, FCA

Independent Director

Ms Jahanara Sajjad Ahmad, FCA is a fellow member of the Institute of Chartered Accountants of Pakistan. She has 20 years of post-qualification experience in finance, audit, capital markets, Islamic finance and corporate governance.

Currently, Jahanara is the Executive Director Corporate Governance and Group Financial Advisor to the Bibojee Group of Companies.

Previously she has worked in the UAE in the field of Corporate Governance with Dubai Parks and Resorts PJSC and Hawkamah, the Institute of Corporate Governance, based in Dubai International Financial Centre. At Dubai Parks, Jahanara lead the process of the Company's participation in the 2016 Ethical board room Corporate Governance Awards, which Dubai Parks won and helped position the Company as the market leader in terms of governance frameworks and practices.

At Hawkamah, Jahanara provided consultancy to various GCC Companies, including State Owned Companies and Islamic Banks, and assisted them in setting up their Corporate Governance frameworks and practices in accordance with international best practice. She developed the Middle East's first Code of Corporate Governance for the Dubai Real Estate Developers. Jahanara was driving Hawkamah's Task Forces on Corporate Governance of State Owned Enterprises, Islamic Banks and Insolvency and Debtor Creditor Rights systems and implementation of the policy recommendations culminating out of the work of the Task Forces throughout the MENA region.

Prior to joining Hawkamah, she was Director Securities Market Division at the Securities and Exchange Commission of Pakistan where she was responsible for regulating the primary capital market of Pakistan, ensuring adequate disclosures in the prospectuses of companies proposing to be listed on the Pakistan and the International Stock Exchanges, licensing of Special Purpose Vehicles, monitoring the implementation of the Takeovers and Acquisition Law. Jahanara was the Chairperson of the working group established for the Development of Debt Capital Market of Pakistan and has represented the SECP at Board Meetings of the Privatization Commission.

Murree Brewery Company Limited
Board of Directors

Jahanara has also worked with Morison Stoneham Chartered Accountants in London (now known as the Tenon Group Plc). Jahanara is an IFC certified trainer on Corporate Governance and has been invited to speak on Corporate Governance both regionally and internationally. She is the Co-Author of the Chapter on “The Arab Spring emphasizes better corporate governance of state-owned enterprises”, published by the OECD.

Jahanara has also served on the Board of Linde Pakistan Ltd (now known as Pakistan Oxygen Ltd) as a Non-Executive Director (NIT Nominee Director) from January 2017 till the change of control of the Company in January 2018.

Ms. Jahanara served as a member of the Pakistan Audit Oversight Board as well.

She is currently a Board member of Fauji Cement Company Ltd and Murree Brewery Company Ltd.

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Murree Brewery Company Limited
Principal Officers



Ch. Waqar A. Kahloon
Company Secretary



Muhammad Khurshid
Chief Financial Officer



Zaka Ullah Malik
Head of Internal Audit

Murree Brewery Company Limited


NOTICE OF 155TH ANNUAL GENERAL MEETING

Notice is hereby given that the 155th Annual General Meeting of the Company (AGM) will be held at its Registered Office, 3-National Park Road, Rawalpindi on Tuesday, October 25, 2022 at 9:30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Annual Audited Financial Statements of the Company together with the Directors' and Auditor's Reports for the year ended June 30, 2022 and Chairman's Review Report.
2. To approve the payment of final cash dividend of 100% i.e. Rs. 10/- per share of Rs. 10/- each, as recommended by the Board of Directors. This is in addition to the interim dividends of 250% i.e. Rs. 25/- per share already declared and paid to the shareholders, thus, making a total cash dividend of 350% i.e. Rs. 35/- per share for the year ended June 30, 2022.
3. To appoint Auditors of the Company and to fix their remuneration. The members are hereby notified that the Audit & Risk Management Committee and Board of Directors have recommended the appointment of retiring Auditors, M/s KPMG Taseer Hadi & Co. Chartered Accountants, as auditors of the Company for the year ending June 30, 2023.

BY ORDER OF THE BOARD


Ch. Waqar A. Kahloon
Company Secretary

Rawalpindi
October 04, 2022

NOTES:

CLOSURE OF SHARE TRANSFER BOOKS

The share transfer books of the Company will remain closed and no transfer of shares will be accepted for registration from October 19, 2022 to October 25, 2022 (both days inclusive). Transfers received in order at "CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi" at the close of business (5 p.m.) on October 18, 2022 will be treated in time for the purpose of entitlement of cash dividend and to attend, speak and vote at the AGM.

RIGHT TO APPOINT PROXY

A member is entitled to appoint a proxy in his/her place to attend and vote instead of him/her. The instrument appointing a proxy, duly stamped and signed, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of the power of attorney or authority must be deposited at the Registered Office of the Company, 3-National Park Road, Rawalpindi not later than 48 hours (excluding non-working days) before the time of the meeting. A proxy must be a member of the Company. Form of proxy in English and Urdu Language is enclosed herewith.

FOR ATTENDING THE MEETING:

- i. In case of individuals, the account holders or sub-account holders and/or the persons whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate their identity by showing their original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii. In case of corporate entities, the Board of Directors' resolution/power of attorney with specimen signature of the nominees shall be produced (unless it has been provided earlier) at the time of the meeting.

Murree Brewery Company Limited

FOR APPOINTING PROXIES:

- i. A member may appoint any member of the Company (u/s 137(1)(d) of the Companies Act, 2017) as a proxy to attend and vote on his / her behalf. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not less than 48 hours before the meeting.
- ii. In case of individuals, the account holders or sub-account holders and/or the persons whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirements.
- iii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iv. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- v. The proxies shall produce their original CNIC or original passport at the time of meeting.
- vi. In case of corporate entities, the Board of Directors' resolution/power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

DEDUCTION OF RATES OF INCOME TAX FOR ACTIVE TAX PAYER AND NON-ACTIVE TAX PAYER:

Under the provisions of Section 150 of Income Tax Ordinance, 2001 rates of withholding income tax on dividend will be as follows:

1.	Rate of tax deduction for shareholders appearing in the Active Tax Payers list	15%
2.	Rate of tax deduction for shareholders not appearing in the Active Tax Payers list	30%

In case of joint account, each holder is to be treated individually as either active or non-active tax payer and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing as follows, to our Share Registrar, otherwise, each joint holder shall be assumed to have an equal number of shares.

Folio / CDS Account No.	Total Shares	Principal Shareholder		Joint Shareholder	
		Name & CNIC No.	Shareholding proportion (No. of Shares)	Name & CNIC No.	Shareholding proportion (No. of Shares)

The CNIC number / NTN detail is now mandatory and is required for checking the tax status as per the Active Taxpayers List (ATL) issued by the Federal Board of Revenue (FBR) from time to time.

EXEMPTION FROM DEDUCTION OF INCOME TAX / ZAKAT:

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate, are requested to submit a valid tax exemption certificate or necessary documentary evidence as the case may be. Members desiring non-deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat.

CORONAVIRUS CONTINGENCY PLANNING FOR AGM:

In view of the instructions of the Government / SECP in light of escalating number of Coronavirus Pandemic cases, the Company intends to convene this AGM with minimal physical interaction of shareholders while ensuring compliance with the quorum requirements and requests the members to consolidate their attendance and

Murree Brewery Company Limited

voting at the AGM through proxies. The meeting can be attended using smart phones/tablets/computers. To attend the meeting through video link, the members and their proxies are requested to register themselves by providing the following information along with valid copy of CNIC / passport with the subject "Registration for Murree Brewery Company Limited AGM" through email at general.meetings@murreebrewery.com on or before 22th October, 2022.

Name of member	CNIC No.	CDC Account No/Folio No.	Cell Number	Email Address

The members who are registered after the necessary verification shall be provided a video link by the Company on the same email address that are provided to the Company. The Login facility will remain open from start of the meeting till its proceedings are concluded.

The shareholders who wish to send their comments/ suggestions on the agenda of the AGM can email the Company at general.meetings@murreebrewery.com or WhatsApp at 0331-5880900. The Company shall ensure that comments/ suggestions of the shareholders will be read out at the meeting and the responses will be made part of the minutes of the meeting.

CHANGE OF ADDRESS:

Members are requested to promptly notify any change of address to the Company's Share Registrar "CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi".

AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON COMPANY'S WEBSITE:

The audited financial statements of the Company for the year ended June 30, 2022 along with Directors' & Auditor's Report, Chairman's Review Report, Notice of AGM and other related materials have been made available on the Company's website www.murreebrewery.com, in addition to annual and quarterly financial statements for the prior years.

PAYMENT OF CASH DIVIDEND THROUGH ELECTRONIC MODE

Section 242 of the Act requires that the listed companies shall pay cash dividend only through electronic mode directly into the bank account designated by the shareholders. SECP vide its notification S.R.O.1145 (I)/2017 has also issued the Companies (Distribution of Dividends) Regulations, 2017 whereby every shareholder shall be responsible to provide valid information pertaining to its designated bank account to disburse any dividend payable in cash only through electronic mode directly into the bank account designated by the entitled shareholders.

In this regard, the Company has already communicated through its letters addressed to the shareholders individually along with newspapers publications requesting to provide the International Bank Accounts Number ("IBAN") designated by the shareholders to receive the cash dividends electronically. Hence, shareholders are requested to fill the required fields of the Company's letter available on website of the Company: www.murreebrewery.com and send the same to the Share Registrar and Transfer Agent of the Company. In case of shares held as book-entry securities, the said information would be required to be provided to Central Depository System ("CDS"), through CDS Participants.

UNCLAIMED DIVIDEND AND SHARE CERTIFICATES

The Company has uploaded an updated list of shareholders on its website (<https://www.murreebrewery.com>) whose dividends or share certificates are available with the Company which have remained unclaimed or unpaid for a period of three years from the date these have become due and payable.

Therefore, shareholders, who have not collected their dividend or shares certificates so far, are requested to contact Company's Share Registrar "CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi to claim dividend or share certificates.

Murree Brewery Company Limited

CHAIRMAN'S REVIEW

It is with pleasure that I present the 155th annual report and audited financial statements of the Company for the year ended June 30, 2022, to our valued shareholders.

In exercising its responsibilities, the Board continued to actively interact with the management to identify risks to the business to maximize shareholders' interests and to anticipate issues concerning the Company's overall performance. The Board was fully involved in the Company's strategic planning processes and it remained committed to ensuring high standards of Corporate Governance. The Board's performance is reflected in the Annual Report for the financial year ended June 30, 2022.


The Board has outsourced the Company's internal audit function to M/s BDO Ebrahim & Co. with effect from 31-05-2022. Internal audit reports are presented to the Board's Audit & Risk Management Committee on a quarterly basis, and the Internal Control Processes as well as potential risks to the Company are regularly reviewed. The Board would like to convey its thanks to the outgoing auditors, EY Ford Rhodes.

As required under the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board carried out its self-evaluation with the assistance of M/s FAMCO Associates, to ensure that the Board's overall performance and effectiveness continues to be measured against best practices. During the process of evaluation, the performance of the Board's sub-committees and CEO were also analyzed. All present directors are either duly certified or exempted. The Company is fully compliant with the training requirements of management and staff, as prescribed by the Regulator.

The Board of Directors of the Company received the agenda and supporting written material, including follow-up material, in sufficient time prior to the Board and its Committee meetings. The Board meets frequently to adequately discharge its responsibilities. The non-executive and independent directors are equally involved in all the proceedings and decisions.

On behalf of the Board, I would like to record the satisfactory performance of the management and staff, in dealing with matters pertaining to finance, taxation and corporate compliance.

I am pleased to state that during the year on record that the Directors performed their duties with responsibility and that the Company's bottom line was healthy.


Ch. Mueen Afzal
Chairman

Rawalpindi September 22, 2022

Murree Brewery Company Limited

DIRECTORS' REPORT
For the year ended June 30, 2022

The Board of Directors takes pleasure in presenting the Annual Report on the performance and progress of Murree Brewery Company Limited ("**the Company**") together with the Annual Audited Financial Statements for the year ended June 30, 2022.

BUSINESS REVIEW OF THE COMPANY

The Company has completed 162 years of continuous operations and is one of the oldest companies quoted on the Pakistan Stock Exchange.

The Company continues with its policies to add value to shareholders, to invest in its employees and processes and to improve quality of its products.

FINANCIAL PERFORMANCE

i. Overall Financial Overview & Highlights

		Rs. in million				
Sales revenue (Net)	Increased by	30 %	from	11,687	to	15,234
Gross Profit	Increased by	19 %	from	2,977	to	3,540
Profit before Taxation	Increased by	31 %	from	1,668	to	2,193
Profit after Taxation	Increased by	0.2 %	from	1,291	to	1,294
Earnings per share	Increased by	0.2 %	from	Rs. 46.68	to	46.78

The profit after tax of the Company increased under challenging operating conditions which is a testimony to the dedication and commitment of the management.

ii. Divisional Operating Results

The results of our divisions were:

Murree Brewery Company Limited

a. Liquor Division

	2022 Rs. in million	%	2021 Rs. in million	%
Sales exclusive of applicable taxes	11,639		9,049	
Cost of sales	(9,171)	(78.8)	(6,897)	(76.2)
Gross profit	2,468	21.2	2,152	23.8
Operating profit	1,630	14.0	1,372	15.2

b. Glass Division

	2022 Rs. in million	%	2021 Rs. in million	%
Sales exclusive of applicable taxes	1,965		1,750	
Cost of sales	(1,450)	(73.8)	(1,334)	(76.2)
Gross profit	514	26.2	416	23.7
Operating profit	427	21.7	378	21.6
Glass Containers sales	31,077	Metric Tons	32,161	Metric Tons

c. Tops Division

	2022 Rs. in million	%	2021 Rs. in million	%
Sales exclusive of applicable taxes	4,151		2,977	
Cost of sales	(3,593)	(86.6)	(2,568)	(86.2)
Gross profit	557	13.4	409	13.7
Operating (Loss)	(62)	(1.5)	(66)	(2.4)

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 13th 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 30th June, 2020. GIDC installments have been paid in full Rs. 284,209,640/- as on August 25, 2022.

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.

Murree Brewery Company Limited

FINAL DIVIDEND

The Board of Directors of the Company has recommended a final cash dividend of Rs. 10 per share for the year ended June 30, 2022 bringing the full year payout to Rs. 35 per share (350% - previous year 300%). This shall be subject to the approval of Shareholders at their meeting scheduled on October 25, 2022.

RISK AND UNCERTAINTIES

The Company's main risks in the short term are the payment/demand of Late Payment Surcharge (LPS) for rate differential of Sui Gas bills amounting to Rs. 130 million (approx.). The matter of LPS on tariff is pending adjudication with OGRA. The Company has paid Rs. 59.8 million as LPS out of Rs. 130 million demanded by SNGPL. This concerns whole industry.

PATTERN OF SHAREHOLDING

The total number of Company's shareholders as at June 30, 2022 was 1,226 against 1,223 on June 30, 2021. The pattern of shareholding as on June 30, 2022 and its disclosure is annexed.

EARNINGS PER SHARE

Earnings per share for the year ended June 30, 2022 is Rs. 46.78 as against Rs. 46.68 of preceding year.

INTERNAL AUDIT AND CONTROL

The internal audit function has been outsourced to M/s BDO Ebrahim & Co., Chartered Accountants a renowned firm and Head of Internal Audit has been appointed to coordinate with them who reports to the Audit & Risk Management Committee.

COMPANY'S RISK FRAMEWORK AND INTERNAL CONTROL SYSTEM

The Company envisions that risk management is a core component of the management of the Company and, therefore, has developed risk management program which is comprised of a series of processes, structures and guidelines which assist the Company to identify, assess, monitor and manage its risks.

Further, the Company has clearly defined the responsibility and authority of management to oversee and manage the risk management program in light of day-to-day needs of the Company.

Moreover, the Company has constituted Risk Management Committee in order to promote effective risk management and internal control systems and processes. The Committee provides regular reports to the Board on the effectiveness of the risk management program in identifying and addressing material business risks.

COMPOSITION OF THE BOARD

The Company conforms to the regulatory requirements on the composition and qualification of the Board of Directors. The total number of directors is eight (08). Category wise composition of the Board was:

- a. Male : Six
 b. Female : Two

Category	Names
a) Independent Directors	Prof. Khalid Aziz Mirza Mr. Shahbaz Haider Agha Mr. Pervaiz Akhtar Ms. Jahanara Sajjad Ahmad
b) Non-Executive Directors	Ch. Mueen Afzal Mr. Aamir Hussain Shirazi Mrs. Goshi M. Bhandara
c) Executive Director	Mr. Isphanyar M. Bhandara
d) Female Directors	Mrs. Goshi M. Bhandara Ms. Jahanara Sajjad Ahmad

COMMITTEES OF THE BOARD

i. Audit & Risk Management Committee:

The Audit & Risk Management Committee performed its functions under the Listed Companies (Code of Corporate Governance) Regulations, 2019 (“the Regulations”) and comprises of three independent directors and two non-executive directors as under:

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

The Chairman of Audit & Risk Management Committee is an independent Director.

ii. HR & Remuneration and Nomination Committee:

The HR & Remuneration and Nomination Committee constituted under the Regulations comprises of two independent directors, an executive director and two non-executive directors, the detail of which is mentioned below:

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

Murree Brewery Company Limited

The Chairman of HR & Remuneration and Nomination Committee is also an independent Director.

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Directors state that:

- a. The financial statements for the year ended June 30, 2022 prepared by the management of the Company fairly present its state of affairs, the result of operations, cash flows and changes in equity.
- b. Proper books of accounts of the Company have been maintained.
- c. Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d. International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements.
- e. The system of internal control is sound in design and has been effectively implemented.
- f. There are no significant doubts about the Company's ability to continue as a going concern.
- g. There are no statutory payments on account of taxes, levies and charges outstanding as on June 30, 2022, except as disclosed in the financial statements.
- h. There has been no material departure from the best practices of Corporate Governance as detailed in the listing regulations.
- i. Key operating and financial data of the last six years in summarized form are annexed.
- j. The value of the Provident Fund and Pension Fund (un-audited) investment at June 30, 2022 was Rs.158.899 million (Audited 2021: Rs. 148.871 million) and Rs. 78.93 million (Audited 2021: Rs. 71.06 million) respectively.
- k. During the year 2021-22, five (05) Board meetings, four (04) Audit & Risk Management Committee meetings and two (02) HR & Remuneration and Nomination Committee meetings were held.

Attendance of members of the Board and its Committees are as under:

NAME OF DIRECTOR	BOARD OF DIRECTORS	AUDIT & RISK MANAGEMENT COMMITTEE	HR & REMUNERATION AND NOMINATION COMMITTEE
Ch. Mueen Afzal	5/5	4/4	2/2
Mr. Isphanyar M. Bhandara	5/5	04 (by invitation)	2/2
Mr. Aamir Hussain Shirazi	3/5	-	2/2
Mrs. Goshi M. Bhandara	1/5	0/4	-
Prof. Khalid Aziz Mirza	5/5	4/4	2/2
Mr. Shahbaz Haider Agha	5/5	4/4	-

Murree Brewery Company Limited

NAME OF DIRECTOR	BOARD OF DIRECTORS	AUDIT & RISK MANAGEMENT COMMITTEE	HR & REMUNERATION AND NOMINATION COMMITTEE
Mr. Pervaiz Akhtar	5/5	01 (by invitation)	2/2
Ms. Jahanara Sajjad Ahmad	4/5	2/4	-

Leave of absence was granted to the members who could not attend meeting(s).

DIRECTORS TRAINING PROGRAM

During the year, one Director of the Company has successfully acquired the certification under the Directors' Training Program from Pakistan Institute of Corporate Governance. As on June 30, 2022, six out of eight directors had acquired certification under the directors' training program whereas the remaining two directors are exempted by the Commission.

Hence, the Company is now fully compliant with the Regulation No. 19(1) of the Regulations.

BOARD PERFORMANCE EVALUATION

The Company had conducted internally Board Performance Evaluation in previous years but, for the financial year 2021-22, the Company hired the services of M/s FAMCO Associates (Pvt.) Limited, to carry out the performance evaluation of the Board of Directors, Board Committees and Chief Executive Officer.

The results of the Board Performance Evaluation, after compilation, are shared with the Chairman directly and then these are presented and discussed in the upcoming Board meeting for consideration.

The overall performance of the Board, including effectiveness of the role played by the Board in achieving the Company's objectives, was considered as satisfactory.

POLICY ON DIRECTORS' & OFFICERS' REMUNERATION

As per the requirements of the Regulations, there is a formal and transparent procedure in place for fixing the remuneration packages of individual directors. No director is involved in deciding his / her own remuneration.

The Board reviews the fee of the Executive, Non-Executive and Independent Directors for attending the Board and committees meetings, which are subsequently presented to shareholders in the Annual General Meeting for approval. Remuneration to Chief Executive Officer and Directors are disclosed in note # 42 to the financial statements for the year ended June 30, 2022.

The remunerations of Board's Officers have been approved by the HR & Remuneration Committee.

Murree Brewery Company Limited

RELATED PARTY TRANSACTIONS

In accordance with the Section 208 of the Companies Act, 2017 and Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018, the Board of Directors has approved the related party transactions upon the recommendations of the Audit Committee in accordance with the policy approved by the Board.

TRADING OF SHARES

During the year under review, all the trading in the shares of the Company carried out by Major Shareholders was notified in writing to the Stock Exchange. Besides this, no Director, Executives and their spouses and minor children carried out the trade in the shares of the Company.

CHANGES TO THE MANAGEMENT

During the reporting year, two casual vacancies of executive level were occurred due to resignation of Chief Financial Officer and the sad demise of Head of Internal Audit of the Company. However, new Chief Financial Officer and Head of Internal Audit were appointed by the Company in the due course with the approval of the Board.

The Board is confident that new team will perform with more passion and spirit for the growth and future prospects of the Company.

CORPORATE BRIEFING SESSION

The Company held the Corporate Briefing Session at its registered office on October 22, 2021 wherein the management of the Company enlightened the participants about the Company's operation, financial performance and future prospects. The session was attended by the investors and other stakeholders, followed by an interactive question-and-answer session.

CONTRIBUTION TO NATIONAL EXCHEQUER

During the year under review, the Company contributed a sum of Rs. 4,847 million (previous year Rs. 4,315 million) to the Government exchequer on account of duties and taxes.

STATEMENT OF COMPLIANCE

The Company has fully complied with the requirements of the Regulations. A statement to this effect is annexed with this report.

CORPORATE SOCIAL RESPONSIBILITY

The Company fully meets its obligation as a social corporate citizen. The Company always takes constructive interest in social matters which may not be directly related to the business, and makes donations to charitable institutions, hospitals and trusts. During the year 2021-22, the Company has donated Rs. 3.5 million to various welfare & charitable organizations.

Murree Brewery Company Limited

COMMUNITY INVESTMENT & WELFARE SCHEMES

The Company continues to make available the use of its property to Association for Special Persons (DARAKHSHAN). Presently 75 disabled women are getting training in this vocational school for helping destitute handicapped women to be self-reliant, computer literate and contributing members of society. This property has been provided free of charge by the Company with furniture and fittings and the Company bears the cost of utilities and maintenance.

WELFARE SPENDING FOR UNDER-PRIVILEGED CLASS

The Company continues to operate and support a Social Security Dispensary on its premises. This caters the needs of workers and their families.

CORPORATE PHILANTHROPY

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

DONATIONS FOR PAKISTAN FLOOD AFFECTEES

Because of the unprecedented floods in the summer of 2022, millions of people were severely affected badly by the floods resulting in shortages of food, shelter, water and medicines. In this regard, the Company made following contributions for the affectees of the floods:

- 8,992 dozens bottles (500ml) of Murree Sparkletts;
- 1,100 units of all types of juices;
- The items were purchased against one day's salary contribution of the Company's employees, as a result of which Rs. 2 million were collected;
- The donations were distributed through Pasban Collection Centre of Pakistan Army and Pakistan Air force Nur khan Base.

ENVIRONMENT, QUALITY, HEALTH & SAFETY MANAGEMENT SYSTEM

The Company and its management are strongly committed to achieving sustainable Environmental & Quality Management which has been recognized by the society and independent certification authorities. The Company supports sustainable development and promotes greater environmental responsibilities and has achieved Certification of ISO 9001:2015, 45001:2018, 14001:2015. The Company continues to test the emissions and effluents through laboratories certified by Punjab Environment Protection Agency. The central lab of the Company has been accredited by Pakistan National Accreditation Council (PNAC) on ISO 17025:2017.

OCCUPATIONAL HEALTH AND SAFETY

The Company is strongly committed to conduct its business in ways that provide all personnel with a safe and healthy work environment. It has developed HSE management system that ensures worker safety and incidence of occupational injuries and illness. The Company's

Murree Brewery Company Limited

systematic approach is to manage Occupational Safety & Health under a well-defined standards and requirements.

The Company has integrated safe working practices in all the corners of the organization by developing rigorous set of operational controls to manage the known aspects and risk of all operations. Full implementation of these controls ensures that the Company is providing a safe work place for its all employees.

ENERGY CONSERVATION

In order to utilize the natural resources in an effective and efficient manner, the Company has installed Variable Frequency Drives (VFDs) which has resulted into electricity savings. The Company has also switched all of its conventional electrical equipment/machines to energy efficient devices for the conservation of energy sources. Further, the Company has lowered the amount of electricity by illuminating the dark areas by replacing GI sheet with fiber sheets and sky sheets in its halls which allows the natural sunlight to come across in the working areas.

ENVIRONMENTAL PROTECTION MEASURES

The Company has adopted 3R's of solid waste management (Reduce, Recover & Recycle) so that the Company can manage our natural resources more efficiently and to dispose of toxic waste material in better manner. In this regard, the Company has installed Effluent Treatment Plant which is designed for treating the Company waste-water for its reuse or safe disposal to the environment. Resultantly, the Company has reduced its waste-water wastage from 45.6% to 0%.

The Company has also framed environmental protection policy which promotes trees plantation, pollution prevention, environment awareness sessions & trainings, water conservation and various other steps to protect human health and environment. Further, the Company has arranged many events to promote economic growth of the Country including but not limited to World Environment Day, Dengue Awareness Campaign, Polo Tournament, etc.

CONSUMER PROTECTION MEASURES

The Company has adopted and implemented various safety parameters for the production and supply of its products as per applicable laws. These parameters are not only related to the safety of its workers but are also linked with the safety of its consumer. The Company, in order to promote best quality of its product, has labeled the awareness sticker on its product to break the bottles after the consumption in order to avoid bogus fillings or reuse of the bottles.

EMPLOYMENT OF SPECIAL PERSONS

The Company promotes equal employment opportunities for all kind of persons without any discrimination and disabilities. Currently 20 workers/staff with different disabilities are employed in the Company which is more than the quota fixed by the government authorities.

Murree Brewery Company Limited

BUSINESS ETHICS AND ANTI-CORRUPTION MEASURES

The Company conducts its business with integrity and in accordance with the high standards of ethical behavior and in compliance with the laws/regulations that governs the operations of the Company. In this regard, the Company has prepared and implemented the Code of Conduct which covers business ethics, transparency, fairness, professionalism, conflict of interest, workplace harassment, equal opportunity environment, etc.

Further, the Company has also prepared and approved the Whistleblowing Policy to encourage individuals to reveal and report any kind of matters which, in their opinion, may cause potential financial or reputational loss to the Company. This policy also degrades wrong doing, fraud, bribery, discrimination, black mailing, stealing and other activities in order to minimize the chances of corruption. However, as per policy Company will not entertain anonymous complaints/letters.

STATUTORY AUDITORS

The Audit of the Company for the financial year ended June 30, 2022 has been concluded and the Auditors have issued their Audit Reports on the Company's financial statements and Review Report on the Statement of Compliance with the Regulations. The Auditors M/s. KPMG Taseer Hadi & Co. shall retire at the conclusion of the Annual General Meeting, and being eligible have offered themselves for re-appointment for the financial year 2022-23. The Board proposes their appointment as Auditors for the financial year ending June 30, 2023 on the recommendation of the Audit and Risk Management Committee. This shall be subject to the approval of the shareholders at the Annual General Meeting on October 25, 2022.

OUTLOOK

Though the Company is facing challenges in a difficult economic environment, the Company continues to promote maximum value to shareholders.

APPRECIATION

We express our pleasure for the continued dedication and efforts of the employees of the Company. Our thanks are also extended to our customers, suppliers, bankers, advisors, shareholders and various government departments for their continuous support.

ON BEHALF OF THE BOARD


Ch. Mueen Afzal
Chairman


Shahbaz Haider Agha
Director

Rawalpindi September 22, 2022

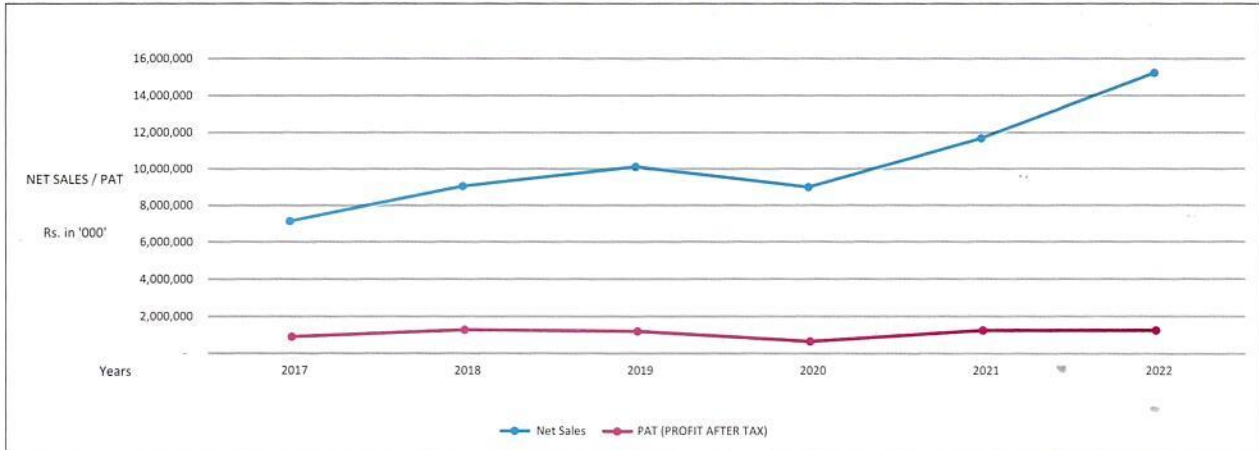
Murree Brewery Company Limited

SIX YEARS AT A GLANCE

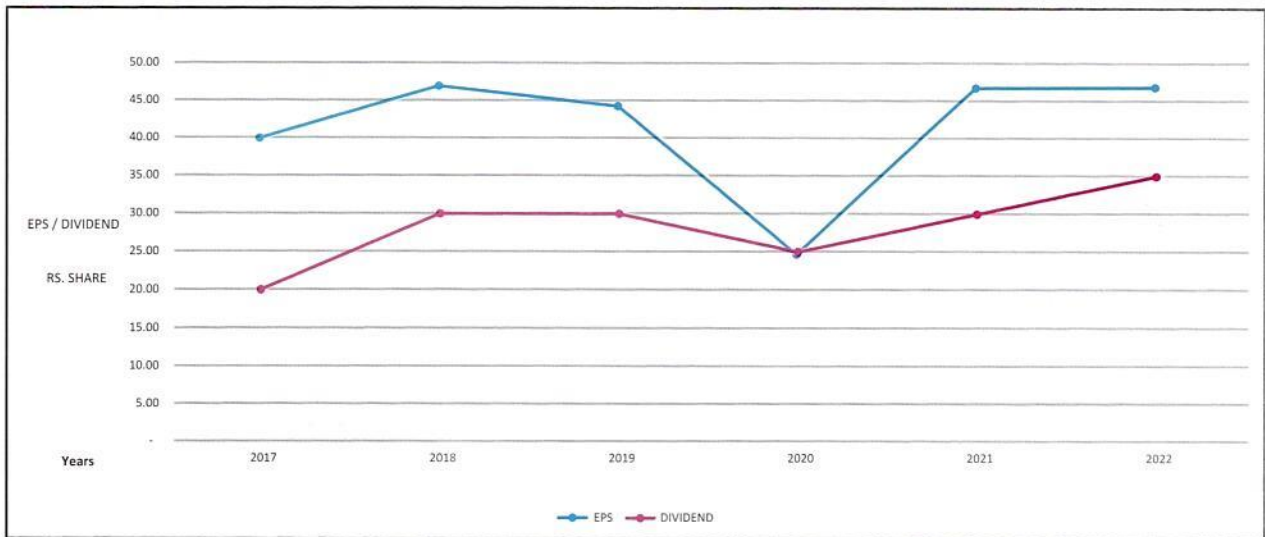
S. #	PARTICULARS	RS. "MILLION"					
		2022	2021	2020	2019	2018	2017
1	PAID UP CAPITAL	276.6	276.6	276.6	276.6	230.5	230.5
2	RESERVE & SURPLUS	11,875.5	11,506.2	9,985.7	10,025.9	9,467.0	8,786.0
3	FIXED ASSETS (LESS DEPRECIATION)	6,663.3	6,355.1	5,157.2	5,396.0	4,846.2	4,675.5
4	NET SALES	15,234.3	11,687.3	8,996.9	10,121.3	9,058.6	7,139.6
5	COST OF SALES	11,694.0	8,710.3	6,695.4	7,236.0	6,189.4	4,972.8
6	GROSS PROFIT	3,540.3	2,977.0	2,301.5	2,885.3	2,869.3	2,166.8
7	PROFIT BEFORE TAX	2,193.4	1,667.9	1,038.0	1,662.8	1,827.8	1,350.9
8	CASH DIVIDEND %	350.0	300.0	250.0	300.0	300.0	200.0
9	STOCK DIVIDEND %	-	-	-	-	20%	-
10	RETURN ON EQUITY %	10.6%	12.0%	6.8%	12.2%	13.7%	15.6%
11	BREAK-UP VALUE OF SHARE OF RS 10. EACH	440.4	415.9	361.0	362.4	410.7	262.4
12	EARNINGS PER SHARE (E.P.S)	46.8	46.7	24.6	44.2	46.9	39.9
13	P/E RATIO	8.7	12.7	27.3	16.9	18.3	25.0

Murree Brewery Company Limited

NET SALES vs PROFIT AFTER TAX COMPARISON



EARNINGS PER SHARE vs CASH DIVIDEND COMPARISON



STATEMENT OF FINANCIAL POSITION - VERTICAL ANALYSIS

	2022		2021		2020		2019		2018		2017	
	(Rs. '000)	%	(Rs. '000)	%	(Rs. '000)	%	(Rs. '000)	%	(Rs. '000)	%	(Rs. '000)	%
EQUITY AND LIABILITIES												
EQUITY												
Share Capital	276,636	1.8	276,636	2.0	276,636	2.3	276,636	2.4	230,530	2.1	230,530	2.1
Capital Reserve	30,681	0.2	30,681	0.2	30,681	0.3	30,681	0.3	30,681	0.3	30,681	0.3
Contingency Reserve	-	-	-	-	-	-	-	-	-	-	20,000	-
General Reserve	-	-	-	-	-	-	-	-	-	-	327,042	-
Reserve for Bonus Share	7,784,145	51.6	7,425,612	52.9	6,785,176	56.4	6,881,531	58.6	6,292,270	57.7	3,457,954	3.1
Revenue Reserve	4,091,322	27.1	3,773,307	26.9	2,893,179	24.0	2,837,111	24.1	2,913,653	26.7	1,983,881	1.8
Surplus on revaluation of assets	12,182,784	80.7	11,506,236	81.9	9,985,672	82.9	10,025,959	85.3	9,467,134	86.8	2,966,369	2.7
												9,016,457
NON - CURRENT LIABILITIES												
Liabilities against assets subject to finance lease	7,956	0.1	3,754	0.0	22,561	0.2	86,866	0.7	1,319	0.0	7,988	0.0
Long term loan	-	-	124,749	0.9	-	-	-	-	-	-	-	-
Deferred grant	-	-	2,859	0.0	-	-	-	-	-	-	-	-
Deferred liabilities-staff retirement	296,669	2.0	281,973	2.0	267,977	2.2	260,286	2.2	254,334	2.3	182,959	1.7
Deferred Taxation	547,977	3.6	401,352	2.9	229,863	1.9	221,529	1.9	167,456	1.5	197,868	1.8
	852,582	5.6	814,687	5.8	520,401	4.3	568,681	4.8	423,109	3.9	388,815	3.6
CURRENT LIABILITIES												
Current portion of lease liabilities	8,298	0.1	22,046	0.2	89,859	0.7	95,368	0.8	6,669	0.1	11,467	0.1
Trade and other payables	1,379,011	9.1	1,218,348	8.7	1,204,077	10.0	783,306	6.7	716,148	6.6	940,047	8.5
Contract liabilities	295,986	2.0	202,616	1.4	109,842	0.9	121,090	1.0	109,921	1.0	-	-
Current portion of long term loan	124,748	0.8	156,417	1.1	-	-	-	-	-	-	-	-
Current portion of deferred grant	2,859	0.0	13,724	0.1	71,843	0.6	59,188	0.5	51,739	0.5	-	-
Unpaid dividend	96,840	0.6	76,003	0.5	58,600	0.5	98,477	0.8	131,316	1.2	-	-
Unclaimed dividend	31,818	0.2	32,579	0.2	-	-	-	-	-	-	-	-
Provision for taxation	125,027	0.8	-	-	-	-	-	-	-	-	-	-
	2,064,387	13.7	1,721,733	12.3	1,534,221	12.7	1,157,429	9.8	1,015,793	9.3	951,514	8.6
	15,099,953	100	14,042,656	100	12,040,294	100	11,752,069	100	10,906,036	100	10,356,786	100
NON - CURRENT ASSETS												
Property, plant and equipment	6,663,324	44.1	6,355,066	45.3	5,157,220	42.8	5,396,042	45.9	4,846,221	44.4	4,675,502	43.2
Right of use assets	17,692	0.1	25,636	0.2	322,559	2.7	-	-	-	-	-	-
Intangible assets	263	0.0	782	0.0	1,301	0.0	1,820	0.0	2,339	0.0	-	-
Advance for capital expenditure	48,398	0.3	42,478	0.3	82,036	0.7	55,465	0.5	266,214	2.4	45,591	0.4
Investment property	511,127	3.4	397,886	2.8	358,627	3.0	325,116	2.8	292,340	2.7	288,149	2.7
Long term advances	12,480	0.1	13,948	0.1	17,086	0.1	11,335	0.1	10,894	0.1	13,392	0.1
Long term investment	511,459	3.4	514,466	3.7	517,473	4.3	517,117	4.5	523,503	4.8	526,509	4.9
Long term deposits	39,482	0.3	38,066	0.3	35,754	0.3	31,711	0.3	26,518	0.2	25,687	0.2
Employee benefits	40,205	0.3	30,189	0.2	15,334	0.1	21,934	0.2	2,240	0.0	-	-
	7,844,430	52.0	7,418,517	52.8	6,507,390	54.0	6,375,140	54.2	5,970,269	54.7	5,574,830	52.3
CURRENT ASSETS												
Inventories	2,438,351	16.1	1,937,621	13.8	1,862,119	15.5	1,568,204	13.3	1,343,755	12.3	1,535,205	14.3
Trade debts - unsecured	15,019	0.1	31,372	0.2	25,926	0.2	14,563	0.1	26,058	0.2	82,342	0.8
Advances, prepayments and other receivable	316,484	2.1	208,246	1.5	214,181	1.8	444,729	3.8	138,631	1.3	94,925	0.9
Short term investment	1,976,441	13.1	1,993,273	14.2	1,723,243	14.3	1,337,179	11.4	1,243,524	11.4	1,221,042	11.4
Advance tax	-	-	255,339	1.8	372,106	3.1	317,802	2.7	185,085	1.7	206,136	1.9
Cash and bank balances	2,509,228	16.6	2,197,288	15.7	1,335,329	11.1	1,998,452	14.4	1,998,714	18.3	1,642,306	15.3
	7,255,523	48.0	6,624,139	47.2	5,532,904	46.0	5,376,929	45.8	4,935,767	45.3	4,781,956	44.9
	15,099,953	100	14,042,656	100	12,040,294	100	11,752,069	100	10,906,036	100	10,356,786	100

Murree Brewery Company Limited

STATEMENT OF PROFIT & LOSS

	2022 (Rs.'000)	22 vs 21 %	2021 (Rs.'000)	21 vs 20 %	2020 (Rs.'000)	20 vs 19 %	2019 (Rs.'000)	19 vs 18 %	2018 (Rs.'000)	18 vs 17 %	2017 (Rs.'000)	17 vs 16 %	2016 (Rs.'000)
HORIZONTAL ANALYSIS													
Sales (Net)	15,234,318	30.3	11,687,289	29.9	8,996,909	(11.1)	10,121,280	11.7	9,058,672	26.9	7,139,601	7.2	6,657,314
Cost of Sales	11,694,003	34.3	8,710,319	30.1	6,695,444	(7.5)	7,236,021	16.9	6,189,422	24.5	4,972,774	12.7	4,413,950
Gross Profit	3,540,315	(3.9)	2,976,970	(0.2)	2,301,465	(3.6)	2,885,259	(5.2)	2,869,250	2.4	2,166,827	(5.4)	2,243,364
Distribution Cost	1,165,223	28.2	909,207	4.5	870,114	(19.2)	1,077,370	42.4	756,711	27.1	595,279	14.0	522,096
Administrative Expense	560,056	19.3	469,581	(7.4)	507,140	27.9	396,642	(5.1)	417,832	24.3	336,215	26.8	265,198
Other Expenses	160,254	(33.0)	239,158	(12.4)	273,018	134.0	116,692	(3.7)	121,212	28.1	94,629	(12.5)	108,100
Other Income	180,366	122.0	81,233	17.0	69,450	(35.2)	107,220	19.1	90,021	52.6	58,996	(73.3)	220,748
Impairment loss on trade debts	867	(82.7)	5,013	60.8	3,117	606.8	441	(94.5)	7,960	-	-	-	-
Operating Profit	1,834,281	27.80	1,435,244	100.0	717,526	(4.9)	1,401,334	(15)	1,655,556	38	1,199,700	(24)	1,568,718
Finance Cost	19,609	(33.6)	29,512	5.2	28,064	64.6	17,053	(15.3)	20,134	20.6	16,690	725.0	2,023
Finance Income	378,756	30.2	252,101	(27.7)	348,510	25.1	278,544	44.7	192,446	14.6	167,933	-	-
Net Profit before taxation	2,193,428	32.3	1,657,833	59.7	1,037,972	(37.6)	1,662,825	(9.0)	1,827,868	35.3	1,350,943	(13.8)	1,566,695
Provision for taxation	899,320	138.9	376,387	5.7	356,244	(19.0)	439,888	(17.2)	531,507	23.6	430,136	(1.1)	435,013
Net profit after taxation	1,294,108	1.0	1,281,446	88.0	681,728	(44.3)	1,222,937	(5.7)	1,296,361	40.8	920,807	(18.6)	1,131,682
VERTICAL ANALYSIS													
Sales	15,234,318	100.0	11,687,289	100.0	8,996,909	100.0	10,121,280	100.0	9,058,672	100.0	7,139,601	100.0	6,657,314
Cost of Sales	11,694,003	76.8	8,710,319	74.5	6,695,444	74.4	7,236,021	71.5	6,189,422	68.3	4,972,774	69.7	4,413,950
Gross Profit	3,540,315	23.2	2,976,970	25.5	2,301,465	25.6	2,885,259	28.5	2,869,250	31.7	2,166,827	30.3	2,243,364
Distribution Cost	1,165,223	7.6	909,207	7.8	870,114	9.7	1,077,370	10.6	756,711	8.4	595,279	8.3	522,096
Administrative Expense	560,056	3.7	469,581	4.0	507,140	5.6	396,642	3.9	417,832	4.6	336,215	4.7	265,198
Other Expenses	160,254	1.1	239,158	2.0	273,018	3.0	116,692	1.2	121,212	1.3	94,629	1.3	108,100
Other Income	180,366	1.2	81,233	0.7	69,450	0.8	107,220	1.1	90,021	1.0	58,996	0.8	220,748
Impairment loss on trade debts	867	0.0	5,013	0.0	3,117	0.0	441	0.0	7,960	0.1	-	-	-
Operating Profit	1,834,281	12.0	1,445,270	12.4	717,526	8.0	1,401,334	13.8	1,655,556	18.3	1,199,700	16.8	1,568,718
Finance Cost	19,609	0.1	29,512	0.3	28,064	0.3	17,053	0.2	20,134	0.2	16,690	0.2	2,023
Finance Income	378,756	2.5	252,101	2.2	348,510	3.9	278,544	2.8	192,446	2.1	167,933	2.4	-
Profit before tax	2,193,428	14.4	1,667,859	14.3	1,037,972	11.5	1,662,825	16.4	1,827,868	20.2	1,350,943	18.9	1,566,695
Provision for taxation	899,320	5.9	376,387	3.2	356,244	4.0	439,888	4.3	531,507	5.9	430,136	6.0	435,013
Net Profit after taxation	1,294,108	8.5	1,291,472	11.1	681,728	7.6	1,222,937	12.1	1,296,361	14.3	920,807	12.9	1,131,682

Murree Brewery Company Limited

MURREE BREWERY COMPANY LIMITED

Pattern of Shareholding

As of June 30, 2022

# Of Shareholders	Shareholdings' Slab			Total Shares Held
444	1	to	100	15,338
336	101	to	500	83,062
126	501	to	1000	93,699
154	1001	to	5000	360,656
66	5001	to	10000	469,886
22	10001	to	15000	272,174
19	15001	to	20000	331,407
11	20001	to	25000	241,899
3	25001	to	30000	82,908
3	30001	to	35000	93,120
5	35001	to	40000	190,282
1	40001	to	45000	43,700
3	45001	to	50000	142,057
2	50001	to	55000	102,240
1	55001	to	60000	56,954
2	60001	to	65000	120,505
1	70001	to	75000	72,706
1	80001	to	85000	82,923
2	85001	to	90000	177,598
1	125001	to	130000	125,285
1	145001	to	150000	146,884
1	155001	to	160000	156,487
1	185001	to	190000	187,450
1	215001	to	220000	215,320
1	300001	to	305000	304,060
1	315001	to	320000	319,441
1	355001	to	360000	358,700
1	420001	to	425000	420,232
1	455001	to	460000	457,040
1	465001	to	470000	469,503
1	470001	to	475000	470,060
1	500001	to	505000	500,008
1	635001	to	640000	637,990
1	675001	to	680000	678,516
1	720001	to	725000	720,815
1	790001	to	795000	790,100
1	875001	to	880000	879,149
1	970001	to	975000	971,700
1	1000001	to	1005000	1,000,074
1	1700001	to	1705000	1,701,527
1	3170001	to	3175000	3,174,540
1	4030001	to	4035000	4,030,810
1	5910001	to	5915000	5,914,825
1226				27,663,630

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Murree Brewery Company Limited

MURREE BREWERY COMPANY LIMITED

Pattern of Shareholding Report

As of June 30, 2022

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
MR. ISPHANYAR M. BHANDARA	3	4,603,280	16.64
MRS. JASMINE BHANDARA	2	334,211	1.21
MRS. GOSHI M BHANDARA	1	1,000,074	3.62
MR. AAMIR HUSSAIN SHIRAZI	1	3,084	0.01
MS. JAHANARA SAJJAD AHMAD	1	1,000	0.004
CH. MUEEN AFZAL	1	3,852	0.01
MR. SHAHBAZ HAIDER AGHA	1	2,178	0.01
MR. KHALID AZIZ MIRZA	1	1,200	0.004
MR. PERVAIZ AKHTAR	1	1,000	0.004
Associated Companies, undertakings and related parties	9	9,346,713	33.79
NIT & ICP	2	448	0.002
Banks Development Financial Institutions, Non Banking Financial Financial Institutions	3	20,643	0.07
Insurance Companies	4	1,026,740	3.71
Modarabas and Mutual Funds	4	215,530	0.78
General Public			
a. Local	1,117	2,715,757	9.82
b. Foreign	39	1,276,215	4.61
Foreign Companies	5	6,904,198	24.96
Others	31	207,507	0.75
Total	1,226	27,663,630	100.00
Shareholders holding 10% or more			
		Shares Held	Percentage
MR. JAMSHED M. BHANDARA		2,795,687	10.11
MR. ISPHANYAR M. BHANDARA		4,603,280	16.64
D.P. EDULJI & COMPANY (PVT) LIMITED		4,909,959	17.75
KINGSWAY FUND-FRONTIER CONSUMER FRANCHISES		5,914,825	21.38

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Murree Brewery Company Limited

MURREE BREWERY COMPANY LIMITED
Pattern of Shareholding Report
As of June 30, 2022

S.No.	Folio #	Name of shareholder	Number of shares	Per %	
Directors, Chief Executive Officer and their spouse(s) and minor children					
1	90022	MR. ISPHANYAR M. BHANDARA	3,174,540	11.48	
2	261129	MR. ISPHANYAR M. BHANDARA	971,700	3.51	
3	04705-83016	MR. ISPHANYAR M. BHANDARA	457,040	1.65	
4	261023	MRS. JASMINE BHANDARA	319,441	1.15	
5	04705-99009	MRS. JASMINE BHANDARA	14,770	0.05	
6	261123	MRS. GOSHI M. BHANDARA	1,000,074	3.62	
7	03277-107223	MR. AAMIR HUSSAIN SHIRAZI	3,084	0.01	
8	03459-28005	MS. JAHANARA SAJJAD AHMAD	1,000	0.004	
9	03525-11880	CH. MUEEN AFZAL	3,852	0.01	
10	03525-108190	MR. SHAHBAZ HAIDER AGHA	2,178	0.01	
11	04804-27440	MR. KHALID AZIZ MIRZA	1,200	0.004	
12	05264-140165	MR. PERVAIZ AKHTAR	1,000	0.004	
			12	5,949,879	21.51
Associated companies, undertakings and related parties					
1	261121	MR. ZANE ISPHANYAR BHANDARA	500,008	1.81	
2	130089	MISS. MUNIZEH M. BHANDARA	720,815	2.61	
3	130313	MISS. MUNIZAH M. BHANDARA & MRS. GOSHI M. BHANDARA	420,232	1.52	
4	261122	MR. JAMSHED MINOO BHANDARA, MRS. GOSHI M. BHANDARA & MR. ISPHANYAR M. BHANDARA	304,060	1.10	
5	261125	MR. JAMSHED MINOO BHANDARA, MRS. GOSHI M. BHANDARA & MR. ISPHANYAR M. BHANDARA	1,701,527	6.15	
6	04705-108227	MR. JAMSHED M. BHANDARA THROUGH MANAGER/GUARDIAN GOSHI & ISPHANYAR	790,100	2.86	
7	40029	M/S. D.P. EDULJI & CO. (PVT) LIMITED	4,030,810	14.57	
8	03525-98607	D.P. EDULJI & COMPANY (PVT) LIMITED	879,149	3.18	
9	261064	MR. SABIH UR REHMAN	12	0.00	
			9	9,346,713	33.79
NIT & ICP					
1	90013	M/S. INVESTMENT CORPORATION OF PAKISTAN	430	0.002	
2	00083-36	IDBL (ICP UNIT)	18	0.00	
			2	448	0.002
Banks Development Financial Institutions, Non Banking Financial Institutions					
1	20042	M/S. BANK OF BAHAWALPUR LTD.,	5,802	0.02	
2	04127-77	MCB BANK LIMITED - TREASURY	11,341	0.04	
3	05264-153358	CAPITAL ASSETS LEASING CORPORATION LIMITED	3,500	0.01	
			3	20,643	0.07
Insurance Companies					
1	03277-2184	EFU GENERAL INSURANCE LIMITED	637,990	2.31	
2	13748-501	ADAMJEE LIFE ASSURANCE COMPANY LTD-IMF	358,700	1.30	
3	13748-543	ADAMJEE LIFE ASSURANCE COMPANY LIMITED-NUIL Fund	23,650	0.09	
4	13748-915	ADAMJEE LIFE ASSURANCE CO.LTD - DGF	6,400	0.02	
			4	1,026,740	3.71
Modarabas and Mutual Funds					
1	05371-28	CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	187,450	0.68	
2	06411-21	CDC - TRUSTEE AKD INDEX TRACKER FUND	2,930	0.01	
3	11262-23	CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	10,650	0.04	
4	15727-22	CDC - TRUSTEE PAKISTAN PENSION FUND - EQUITY SUB FUND	14,500	0.05	
			4	215,530	0.78
General Public Foreign					
1	10004	MR. AHMAD ABDUL REHMAN NOOR AHMAD	8,562	0.03	
2	30016	SIR C. C. GARBETT	2,434	0.01	
3	50006	MR. EBRAHIM SALJEE BERA	17,194	0.06	
4	50009	MISS. E. M. WILSON	19,113	0.07	
5	70018	DR. G. K. SAWDAY	30,050	0.11	
6	80017	MR. H. LE. GEYT KENSINGTON	8,560	0.03	
7	80035	MR. H. LUND CHRISTIANSEN	60,472	0.22	
8	90009	MISS. I. M. ST. GEORGE BRETT	2,434	0.01	
9	90011	MR. I. H. R. MOSS	1,574	0.01	
10	100002	MR. J. C. BURBIDGE	25,812	0.09	
11	100029	MR. J. M. KEADY	7,965	0.03	
12	100053	MR. JOHN STUART OLIVER	2,812	0.01	
13	110020	MRS. K. M. WILLIAM	36,165	0.13	
14	110022	MR. KASSIM A. MOHAMMAD	5,072	0.02	

Annual Report 2022

Murree Brewery Company Limited

MURREE BREWERY COMPANY LIMITED
Pattern of Shareholding Report
As of June 30, 2022

S.No.	Folio #	Name of shareholder	Number of shares	Per %	
15	120001	MISS. LUCY CHARLES	1,340	0.00	
16	120004	MR. W. L. KIRELY	758	0.00	
17	130006	MRS. M. M. CAUTLEY	82,923	0.30	
18	130048	MR. M. A. MOGHAL	11,138	0.04	
19	140014	MR. NAJUMUDDIN MULLAH HAMJABHAI	8,560	0.03	
20	160015	MRS. P. SAWDAY	17,194	0.06	
21	160036	MR. PETER JOHN SARGENT	441	0.00	
22	180012	MR. RICHARD ANTHONY B. SCOTT	8,560	0.03	
23	180024	MR. RALPH JOHN HAMILTON POLLOCK	758	0.00	
24	180048	MR. R. E. A. CAUTLEY	146,884	0.53	
25	190041	MR. SALEH MUHAMMAD HAJEE AYUB	56,954	0.21	
26	210001	DR. UNA DAVISON	17,222	0.06	
27	260005	MISS. ZUBEIDA ESSOP MIA	12,592	0.05	
28	00521-5550	GREGORY ALEXANDER	678,516	2.45	
29	03277-106302	Rizwan Sheriff	100	0.00	
30	03277-106486	SYED ATIQUE BUKHARI	100	0.00	
31	03277-106814	MUHAMMAD FIAZ	736	0.00	
32	03277-109110	MUHAMMAD QASIM	200	0.00	
33	03277-114733	SAQLAIN HAIDER	50	0.00	
34	03277-115348	Zeshan Zahid	150	0.00	
35	03277-115886	JEETENDAR KUMAR	250	0.00	
36	03277-117650	MUHAMMAD NAZIM AMEER CHAUDHRY	100	0.00	
37	03277-118908	NAJEEB ULLAH DURRANI	2,000	0.01	
38	03277-119299	HINA IRRAM	20	0.00	
39	06601-32103	JAI HEMNANI	450	0.00	
			39	1,276,215	4.61

Foreign Companies

1	80077	M/S. HONGKONG BANK INTER (TRUSTEE) LTD.	1,810	0.01	
2	00521-13356	TENCORE II PARTNERS LP	48,000	0.17	
3	00547-9253	KINGSWAY FUND-FRONTIER CONSUMER FRANCHISES	5,914,825	21.38	
4	00547-10301	KINGSWAY FUND-FRONTIER CONSUMER FRANCHISES EXTOBA	470,060	1.70	
5	00695-10791	SCB NOMINEES (CI) LIMITED [1250-2]	469,503	1.70	
			5	6,904,198	24.96

Others

1	20041	M/S. BUSINESS INVESTMENTS LTD.	81	0.00	
2	80037	M/S. H. M. INVESTMENTS (PVT) LTD.	96	0.00	
3	140075	M/S. N. H. SECURITIES (PVT) LTD.,	14	0.00	
4	180019	M/S. RAWALPINDI ELECTRIC POWER CO. LTD.	3,768	0.01	
5	200006	M/S. THE DEPUTY ADMINISTRATOR (A/C DR. T. H. KHAN)	4,798	0.02	
6	01917-41	PRUDENTIAL SECURITIES LIMITED	686	0.00	
7	03210-28	Y.S. SECURITIES & SERVICES (PVT) LTD.	88	0.00	
8	03277-6164	TRUSTEES KANDAWALLA TRUST	20,278	0.07	
9	03277-13154	TRUSTEES HOMMIE&JAMSHED NUSSERWANJEE C.T	5,580	0.02	
10	03277-61491	M/S RANG COMMODITIES (PVT) LTD	10,360	0.04	
11	03277-96529	FIKREE DEVELOPMENTS CORPORATION (PRIVATE) LIMITED	9,470	0.03	
12	03293-12	S.H. BUKHARI SECURITIES (PVT) LIMITED	454	0.00	
13	03525-57191	SARFRAZ MAHMOOD (PRIVATE) LTD	94	0.00	
14	03525-63416	H M INVESTMENTS (PVT) LIMITED	2,870	0.01	
15	03525-63817	NH SECURITIES (PVT) LIMITED.	392	0.00	
16	03525-66812	TRUSTEES NESTLE PAKISTAN LTD EMPLOYEES PROVIDENT FUND	39,000	0.14	
17	03939-62	PEARL SECURITIES LIMITED	4,650	0.02	
18	07450-1040	TRUSTEE-FIRST DAWOOD INV. BANK LTD. & OTHER EMPOLYEEES P.FUND	960	0.00	
19	08847-1447	Crescent Standard Business Management (Pvt) Limited	1	0.00	
20	12666-700	ISPI Corporation (Private) Limited	50	0.00	
21	12666-1831	TRUSTEE PAKISTAN PETROLEUM SENIOR PROVIDENT FUND	13,850	0.05	
22	12666-1849	TRUSTEE PAKISTAN PETROLEUM NON-EXECUTIVE STAFF PENSION FUND	18,050	0.07	
23	12666-1856	TRUSTEE PAKISTAN PETROLEUM NON-EXECUTIVE STAFF GRATUITY FUND	6,100	0.02	
24	12666-1864	TRUSTEE PAKISTAN PETROLEUM JUNIOR PROVIDENT FUND	8,750	0.03	
25	12666-1872	TRUSTEE PAKISTAN PETROLEUM EXECUTIVE STAFF PENSION FUND	38,700	0.14	
26	12666-1880	TRUSTEE PAKISTAN PETROLEUM EXECUTIVE STAFF GRATUITY FUND	4,500	0.02	
27	12666-2045	TRUSTEE PAK. PETROLEUM EXEC. STAFF PEN. FUND DC CONVENTIONAL	2,850	0.01	
28	13748-980	TRUSTEE- GUL AHMED TEXTILE MILLS LTD. EMP. PROVIDENT FUND	4,200	0.02	
29	14241-22	FIKREES (PRIVATE) LIMITED	1,766	0.01	
30	07419-17966	ATC HOLDINGS (PRIVATE) LIMITED	5,050	0.02	
31	14746-21	KTRADE SECURITIES LIMITED	1	0.00	
			31	207,507	0.75

CODE OF CONDUCT

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Murree Brewery Company Limited

Foreword

Murree Brewery Company Ltd ("MBC") has built a reputation for conducting its business with integrity, in accordance with high standards of ethical behavior, and in compliance with the laws/regulations that govern our business. This reputation is among our most valuable assets and ultimately depends upon the individual actions of each of our employees all over the country.

The MBC code of conduct has been prepared to assist each of us in our efforts to not only maintain but enhance this reputation. It provides guidance for business conduct in a number of areas and references to more detailed corporate policies for further direction.

The code of conduct applies to all affiliates, employees and others who act on our behalf countrywide, within all sectors, regions, areas and functions.

The adherence of all employees to high standards of integrity and ethical behavior is mandatory and benefits all stakeholders viz our customers, our communities, our shareholders and ourselves

It carefully checks for compliance with the code by providing suitable information, prevention and control tools and ensuring transparency in all transactions and behaviors by taking creative measures if and as required.

Murree Brewery Company Limited

General Principles

Compliance with the laws, regulations, statutory, ethical integrity and fairness, is a constant commitment and duty of all MBC employees and its divisions.

MBC business and activities have to be carried out in a transparent, honest and fair way, in good faith, and in full compliance. Any form of discrimination, corruption, forced or child labor is rejected. Particular attention is paid to the acknowledgement and safeguarding of the dignity, freedom and equality of human beings.

All MBC employees, without discrimination or exception whatsoever, respect the principles and contents of the code in their actions and behaviors while performing their functions and according to their responsibilities, because compliance with the code is fundamental for the quality of their working and professional performance. Relationships among MBC employees, at all levels, must be characterized by honesty, fairness, cooperation, loyalty and mutual respect.

The belief that one is acting in favor or to the advantage of MBC can never, in anyway, justify –not even in part-any behavior that conflicts with the principles and content of the code.

The MBC Code of Conduct aims at guiding the “MBC Team “with respect to standards of conduct expected in areas where improper activities could result in adverse consequences to the company, harm its reputation or diminish its competitive advantage. Every member of the MBC is expected to adhere to, and firmly inculcate in his/her everyday conduct; this mandatory framework; any contravention or deviation will be regarded as misconduct and may attract disciplinary action in accordance with the Company services and relevant laws.

Murree Brewery Company Limited

Ethics, Transparency, Fairness, Professionalism

In conducting its business MBC is inspired by and compiles with the principles of loyalty, fairness, transparency, and efficiency.

Any action, transaction and negotiation performed and generally, the conduct of MBC employees in the performance of their duties is inspired by the highest principles of fairness, completeness and transparency of information, clarity and truthfulness of all accounting documents in compliance with the applicable laws in force and internal regulations.

Bribes, illegitimate favors, request for personal benefits of one or others. Either directly or through third parties, is prohibited without any exception.

It is prohibited to pay or offer, directly or indirectly, money and material benefits and other advantages of any kind to third parties, whether representatives of governments, public officers or private employees, in order to influence or remunerate the actions of their office.

Accepting gifts or any other form of hospitality is not allowed as commercial courtesy, as it may compromise the integrity and reputations of either party, and can be constructed by an impartial observer as aimed at obtaining undue advantages. Only company give aways are acceptable.

Company Information

MBC ensures the correctness of company's information, by means of suitable procedures for in-house management and communication to the outside.

Murree Brewery Company Limited

Conflict of Interest

MBC expects all employees to be free from actual or potential conflicts of interest.

A conflict of interest occurs whenever the prospect of direct or indirect personal gain may influence or appear to influence your judgments or actions while conducting Company's business.

Each member of MBC has a prime responsibility towards the Company and is expected to avoid activities or transactions that clash directly with the interests of the Company. Such situations could arise in a number of ways. Some of the specifically forbidden situations are outlined below. This list is however, neither exhaustive nor all-inclusive. In case of doubt, the advice of the management or Chief Executive should be sought.

Any member of the MBC or any dependent member having an interest in any organization supplying goods or services to the Company.

Any member of the MBC participating in any external activity directly or indirectly that competes with the Company in any manner.

Any member of the MBC having direct, indirect interest or family connection, with an external organization that has business dealings with MBC, without fully disclosing to the management of the Company details of such connections and interests.

Any member of MBC having any relative working with MBC and not disclosing details of the same to the management of the Company.

Murree Brewery Company Limited

Confidentiality

A member of MBC shall not keep or make copies of correspondence documents, papers and records, list of clients or customers without the prior approval.

A member of MBC shall not disclose or reveal any information on the behalf of the Company to print/electronic media as well as any other information medium. All information shall be released through/by the Marketing department or designated individual (s).

Agreement with Licenses, Distributors, Agents, Sales Representatives, Suppliers or Consultants

Agreements with above shall clearly specify the services to be performed for the Company, the amount to be paid or receipts and all other relevant terms and conditions.

All payments or receipts and transactions shall be supported by documents.

Workplace Harassment

Every employee has the right to work in an environment that is free from harassment and in which issues of harassment will be resolved without fear of reprisal. Harassment will not be permitted or condoned within MBC whether it is based on a person's race, color, ethnic or national origin, age, gender, real, or suspected sexual orientation, religion or perceived religious affiliation, disability, or other personal characteristic.

MBC demands that there shall be no harassment in personal working relationships either inside or outside the Company. Such behaviors are strictly forbidden and are as follows:

- Creation of an intimidating, hostile, isolating or in any case discriminatory environment for individual employees or groups of employees
- Unjustified interference in the work performed by others
- Placing of obstacles in the way of the work prospects and expectations of others merely for reasons of personal competitiveness or because of other employees
- Proposing private interpersonal relations despite the recipient's explicit or reasonably clear distaste

Murree Brewery Company Limited

Equal Opportunity Environment

MBC recognizes the value of striving for a balanced work force and is committed to the principles of equal opportunity, equality of treatment, and creating a dynamic climate where diversity is valued as a source of enrichment and opportunity.

All phases of the employment relationship –including, recruitment, hiring, training, promotion, compensation, benefits, transfers, layoffs, and leaves of absences-will be carried out by all managers without regard to race, color, religion, gender, age, ethnic or national origin or disability.

Protection of Company Assets and Proprietary Information

Confidential information is any information that is not publically known and that has value to MBC. It may be in written, electronic, or any other form.

It is duty of each member of the MBC to protect, use and operate all the corporate assets with utmost care, due diligence and honesty. In case it is observed by any member of the MBC that the corporate assets are being misused/ mishandled by some other members / individuals the matter should be immediately reported to the Management of the Company. Corporate assets include moveable and immovable property of the Company.

Dealing in Securities/Shares & Insider Trading

MBC employees must not deal in MBC shares on the basis of privileged information.

MBC employee are forbidden to convey inside information at any time to other person or encourage another person to deal in shares of MBC or any other Company on the basis of such information, even if the employee does not profit directly from the arrangement.

MBC employee should be aware of and comply with any local laws and regulations governing shares dealings, in case any employee or his / her spouse deals in the Company' s shares, he / her must notify the Company Secretary with full particulars within two days from the date of the transaction.

END

Murree Brewery Company Limited

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Murree Brewery Company Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Murree Brewery Company Limited for the year ended 30 June 2022 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2022.

Usma Taseer Hadi A/c.

**KPMG Taseer Hadi & Co.
Chartered Accountants**

**Islamabad
Date: 30 September 2022**

UDIN: CR202210245BfMP8zXnJ

Murree Brewery Company Limited

**Statement of Compliance with the Listed Companies (Code of Corporate Governance)
Regulations, 2019**

**Murree Brewery Company Limited
For the year ended June 30, 2022**

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

1. The total number of directors are eight (08) as per the following:

a) Male	:	Six
b) Female	:	Two

2. The composition of the Board is as follows:

Category	Names
a) Independent Directors	Prof. Khalid Aziz Mirza Mr. Shahbaz Haider Agha Mr. Pervaiz Akhtar Ms. Jahanara Sajjad Ahmad
b) Non-Executive Directors	Ch. Mueen Afzal Mr. Aamir Hussain Shirazi Mrs. Goshi M. Bhandara
c) Executive Director	Mr. Isphanyar M. Bhandara
d) Female Directors	Mrs. Goshi M. Bhandara Ms. Jahanara Sajjad Ahmad

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations;

Murree Brewery Company Limited

7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. The Company is fully compliant with the requirements of Directors' Training Program under these Regulations. One director attended Directors' Training during the year;
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:
 - a) **Audit and 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)
 - b) **HR & Remuneration and Nomination Committee**


Prof. Khalid Aziz Mirza	-	(Chairman)
Ch. Mueen Afzal	-	(Member)
Mr. Aamir Hussain Shirazi	-	(Member)
Mr. Isphanyar M. Bhandara	-	(Member)
Mr. Pervaiz Akhtar	-	(Member)
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;
14. The frequency of meetings (quarterly / half yearly / yearly) of the committees during the year 2021-22, were as per following:


Four (04) Audit and Risk Management Committee and two (02) HR & Remuneration and Nomination Committee.
15. The Board has outsourced the internal audit function to M/s BDO Ebrahim & Co., who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;

Murree Brewery Company Limited

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or any director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all the requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

ON BEHALF OF THE BOARD


Ch. Mueen Afzal
Chairman


Shahbaz Haider Agha
Director

Rawalpindi September 22, 2022

Murree Brewery Company Limited

INDEPENDENT AUDITORS' REPORT

To the members of Murree Brewery Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Murree Brewery Company Limited (the Company), which comprise the statement of financial position as at 30 June 2022, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2022 and of the profit, the comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Murree Brewery Company Limited

Following are the key audit matters:

S. No.	Key audit matter	How the matter was addressed in our audit
1	<p>Revenue recognition</p> <p>Refer notes 4.13 and 31 to the financial statements.</p> <p>During the year ended 30 June 2022, the Company recognised net revenue of Rs. 15,234 million from sale of food and beverages.</p> <p>We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> ▪ obtaining an understanding of the process relating to recognition of revenue and testing the design and implementation of key internal controls over recording of revenue; ▪ comparing a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents; ▪ comparing a sample of revenue transactions recorded before and after the year-end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period; ▪ comparing the details of a sample of journal entries posted to revenue accounts during the year, which met certain specific risk-based criteria, with the relevant underlying documentation. ▪ assessing whether the accounting policies for revenue recognition complies with the requirements of the accounting and reporting standards as applicable in Pakistan; and ▪ evaluating the adequacy of presentation and disclosures related to revenue as required under the accounting and reporting standards as applicable in Pakistan.
2	<p>Revaluation of Property, Plant and Equipment</p> <p>Refer notes 9 and 17 to the financial statements.</p> <p>During the year, the Company recognized surplus aggregating to Rs. 462 million on revaluation of land,</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> ▪ involving our own valuation specialist to support us in evaluating the appropriateness of valuation methodology and assessing the reasonableness of key estimates and assumptions used in the valuations conducted by the professional valuer engaged by the Company;

Murree Brewery Company Limited

S. No.	Key audit matter	How the matter was addressed in our audit
	<p>buildings, plant, machinery and equipment carried out at 30 June 2022.</p> <p>We identified the revaluation of property, plant and equipment as a key audit matter due to significance of the amount of revaluation surplus in relation to the financial statements.</p>	<ul style="list-style-type: none">▪ evaluating the accuracy of information provided by the Company to professional valuer by inspecting underlying documentation;▪ assessing the appropriateness of accounting of revaluation surplus and related adjustments in the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan; and▪ evaluating the adequacy of presentation and disclosures related to revaluation of property, plant and equipment as required under the accounting and reporting standards as applicable in Pakistan.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. Other information comprises the information included in the annual report for the year ended 30 June 2022, but does not include the financial statements and our auditors' report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Murree Brewery Company Limited

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Murree Brewery Company Limited

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

Report on Other Legal and Regulatory Requirements

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

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

The engagement partner on the audit resulting in this independent auditors' report is Muhammad Danish.

Usmy Taseer Hadi A/c.

**KPMG Taseer Hadi & Co.
Chartered Accountants**

Islamabad

Date: 30 September 2022

UDIN: AR202210245GB6jRzDI5

Murree Brewery Company Limited

Statement of Financial Position As at 30 June 2022

Note	2022 (Rs.'000)	2021 (Rs.'000)	Note	2022 (Rs.'000)	2021 (Rs.'000)
				ASSETS	
EQUITY					
	Share capital and reserves				
6	276,636	276,636	17	6,663,324	6,355,066
7	30,681	30,681	18	17,692	25,636
8	7,784,145	7,425,612	19	263	782
9	4,091,322	3,773,307	20	48,398	42,478
	12,182,784	11,506,236	21	511,127	397,886
			22	12,480	13,948
			23	511,459	514,466
			24	39,482	38,066
			12	40,205	30,189
				7,844,430	7,418,517
LIABILITIES					
	Non-current liabilities				
10	7,936	3,754	25	2,438,351	1,937,621
11	-	124,749	26	15,019	31,372
11.1	-	2,859	27	316,484	208,246
12	296,669	281,974	28	1,976,441	1,993,774
13	547,977	401,352	29	-	255,339
	852,582	814,688	30	2,509,228	2,197,788
				7,255,523	6,624,140
			Current liabilities		
14	1,379,011	1,218,348	25	2,438,351	1,937,621
15	295,986	202,616	26	15,019	31,372
10	8,298	22,046	27	316,484	208,246
11	124,748	156,417	28	1,976,441	1,993,774
11.1	2,859	13,724	29	-	255,339
29	125,027	-	30	2,509,228	2,197,788
	96,840	76,003		7,255,523	6,624,140
	31,818	32,579			
	2,064,587	1,721,733			
			Total liabilities		
	2,917,169	2,536,421			
			Total equity and liabilities		
	15,099,953	14,042,657		15,099,953	14,042,657
			Contingencies and commitments		
16					

The annexed notes 1 to 51 form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER



DIRECTOR



DIRECTOR

Annual Report 2022

Murree Brewery Company Limited Statement of Profit or Loss For the year ended 30 June 2022

	Note	2022 (Rs.'000)	2021 (Rs.'000)
TURNOVER - Net	31	15,234,318	11,687,289
COST OF SALES	32	(11,694,003)	(8,710,319)
GROSS PROFIT		3,540,315	2,976,970
Selling and distribution expenses	33	(1,165,223)	(909,207)
Administrative expenses	34	(560,056)	(469,581)
Other expenses	35	(160,254)	(239,158)
Other income	36	180,366	81,233
(Allowance for) / Reversal of impairment loss on trade debts	26.1	(867)	5,013
OPERATING PROFIT		1,834,281	1,445,270
Finance cost	37	(19,609)	(29,512)
Finance income	38	378,756	252,101
NET FINANCE INCOME		359,147	222,589
PROFIT BEFORE TAX		2,193,428	1,667,859
Income tax expense	39	(899,320)	(376,387)
PROFIT FOR THE YEAR		1,294,108	1,291,472
		<u>2022</u>	<u>2021</u>
Earnings per share - basic and diluted (Rupees)	40	46.78	46.68

The annexed notes 1 to 51 form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER



DIRECTOR



DIRECTOR

Annual Report 2022

Murree Brewery Company Limited Statement of Comprehensive Income For the year ended 30 June 2022

	Note	2022 (Rs.'000)	2021 (Rs.'000)
Profit for the year		1,294,108	1,291,472
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement on defined benefit plan liability - gratuity	12.1.3	9,278	(38,025)
Remeasurement on defined benefit plan asset - pension	12.2.6	2,293	9,198
Surplus on revaluation of property, plant and equipment		462,073	1,145,976
		473,644	1,117,149
Related tax		(122,978)	(196,467)
Other comprehensive income for the year - net of tax		350,666	920,682
Total comprehensive income for the year		1,644,774	2,212,154

The annexed notes 1 to 51 form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER



DIRECTOR



DIRECTOR

Murree Brewery Company Limited

Statement of Changes in Equity

For the year ended 30 June 2022

	Share capital	Capital reserve	Revaluation surplus on property, plant and equipment and ROU assets-net of tax	Revenue reserves			Total equity
				General reserve	Contingency reserve	Unappropriated profits	
Balance at 01 July 2020	276,636	30,681	2,893,179	327,042	20,000	6,438,134	9,985,672
(Rs.'000)							
<i>Total comprehensive income for the year</i>							
Profit for the year	-	-	-	-	-	1,291,472	1,291,472
Other comprehensive income for the year - net	-	-	-	-	-	(20,467)	(20,467)
Revaluation surplus on property, plant and equipment/ROU assets-net of deferred tax	-	-	941,149	-	-	-	941,149
Total comprehensive income for the year	-	-	941,149	-	-	1,271,005	2,212,154
<i>Transfer within equity</i>							
Revaluation surplus on property, plant and equipment realized through depreciation for the year - net of deferred tax (refer note 9)	-	-	(73,713)	-	-	73,713	-
Transferred from revaluation surplus on property, plant and equipment on disposal - net of deferred tax (refer note 9)	-	-	12,692	-	-	(12,692)	-
Transactions with members recorded directly in equity	-	-	(61,020)	-	-	61,021	-
Distribution							
Final cash dividend 30 June 2020 (Rs. 05 per share)	-	-	-	-	-	(138,318)	(138,318)
First interim cash dividend 30 June 2021 (Rs. 05 per share)	-	-	-	-	-	(138,318)	(138,318)
Second interim cash dividend 30 June 2021 (Rs. 10 per share)	-	-	-	-	-	(276,636)	(276,636)
Third interim cash dividend 30 June 2021 (Rs. 05 per share)	-	-	-	-	-	(138,318)	(138,318)
Total distribution	-	-	-	-	-	(691,590)	(691,590)
Balance at 30 June 2021	276,636	30,681	3,773,307	327,042	20,000	7,078,570	11,506,236


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER

Murree Brewery Company Limited

Statement of Changes in Equity

For the year ended 30 June 2022

	Share capital	Capital reserve	Revaluation surplus on property, plant and equipments- net of tax	Revenue reserves			Total equity
				General reserve	Contingency reserve	Unappropriated profits	
Balance at 01 July 2021	276,636	30,681	3,773,307	327,042	20,000	7,078,570	11,506,236
Total comprehensive income for the year							
Profit for the year	-	-	-	-	-	1,294,108	1,294,108
Other comprehensive income for the year - net	-	-	-	-	-	7,753	7,753
Revaluation surplus on property, plant and equipment - net of tax	-	-	342,913	-	-	-	342,913
Total comprehensive income for the year	-	-	342,913	-	-	1,301,861	1,644,774
Transfers within equity							
Revaluation surplus on property, plant and equipment realized through depreciation for the year - net of deferred tax (refer note 9)	-	-	(24,563)	-	-	24,563	-
Transferred from revaluation surplus on property, plant and equipment on disposal - net of deferred tax (refer note 9)	-	-	(335)	-	-	335	-
	-	-	(24,898)	-	-	24,898	-
Transactions with members recorded directly in equity							
Distribution							
Final cash dividend 30 June 2021 (Rs. 10 per share)	-	-	-	-	-	(276,636)	(276,636)
First interim cash dividend 30 June 2022 (Rs. 05 per share)	-	-	-	-	-	(138,318)	(138,318)
Second interim cash dividend 30 June 2022 (Rs. 10 per share)	-	-	-	-	-	(276,636)	(276,636)
Third interim cash dividend 30 June 2022 (Rs. 10 per share)	-	-	-	-	-	(276,636)	(276,636)
Total distribution	-	-	-	-	-	(968,226)	(968,226)
Balance at 30 June 2022	276,636	30,681	4,091,322	327,042	20,000	7,437,103	12,182,784

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Total comprehensive income for the year

Profit for the year
Other comprehensive income for the year - net
Revaluation surplus on property, plant and equipment - net of tax
Total comprehensive income for the year

Transfers within equity

Revaluation surplus on property, plant and equipment realized through depreciation for the year - net of deferred tax (refer note 9)
Transferred from revaluation surplus on property, plant and equipment on disposal - net of deferred tax (refer note 9)

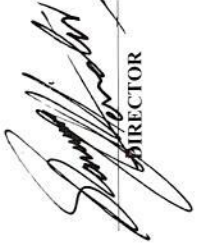
Transactions with members recorded directly in equity

Distribution
Final cash dividend 30 June 2021 (Rs. 10 per share)
First interim cash dividend 30 June 2022 (Rs. 05 per share)
Second interim cash dividend 30 June 2022 (Rs. 10 per share)
Third interim cash dividend 30 June 2022 (Rs. 10 per share)
Total distribution

Balance at 30 June 2022



CHIEF FINANCIAL OFFICER



DIRECTOR

Annual Report 2022

Murree Brewery Company Limited

Statement of Cash Flow

For the year ended 30 June 2022

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2022 (Rs.'000)	2021 (Rs.'000)
Profit before tax		2,193,428	1,667,859
Adjustments for:			
Employee benefits - charge to profit or loss	12.1.2 & 12.2.4	42,720	34,787
Depreciation	17.1.3	377,391	425,330
Amortization	19.1	519	519
Provision for slow moving inventories	34	43,671	11,765
Provision for workers' profit participation fund	35	85,904	68,553
Provision for workers' welfare fund	35	43,870	32,536
Gas tariff differential	14	69,860	133,245
Provision for water tax	14	92,596	46,307
Gain on remeasurement of investment property to fair value	36	(113,241)	(39,259)
Gain on disposal of property, plant and equipment	36	(24,418)	(5,465)
Amortisation of deferred grant		(13,724)	(17,814)
Allowance/(reversal) for expected credit losses	26.1	867	(5,013)
Finance cost	37	19,609	29,512
Return on deposit accounts	38	(131,375)	(80,180)
Interest on Pakistan investment bonds	38	(40,962)	(40,761)
Interest on advances	38	(257)	(348)
Dividend income	38	(175,365)	(114,651)
Unrealized gain on re-measurement of short term investments	38	(4,172)	(734)
		273,492	478,330
Operating profit before working capital changes		2,466,920	2,146,189
<i>Changes in</i>			
Inventories		(544,401)	(87,267)
Trade debts		15,486	(433)
Advances, prepayments and other receivables		(108,238)	5,935
Trade and other payables		(63,013)	(196,812)
Contract liabilities		93,370	92,774
		(606,796)	(185,803)
Cash generated from operating activities		1,860,124	1,960,386
Finance cost paid		(1,378)	(3,707)
Employee benefits paid	12.1 & 12.2	(26,470)	(64,472)
Workers' profit participation fund paid	14.2	(68,553)	(35,859)
Income taxes paid	29	(495,306)	(316,770)
Net cash from operating activities		1,268,418	1,539,578
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(227,141)	(156,113)
Proceeds from disposal of property, plant and equipment	17.1.6	30,007	26,066
Long term advances paid		1,468	3,138
Long term deposits paid		(1,416)	(2,312)
Realization/ (acquisition) of short term investments		24,512	(269,844)
Return on deposits received		172,594	121,629
Dividends received		175,365	114,651
Net cash from/(used in) investing activities		175,389	(162,785)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment against lease liabilities	10	(12,281)	(96,996)
Proceeds from long term loan	11	-	340,285
Repayment of loan	11	(171,935)	(44,172)
Dividend paid		(948,151)	(713,451)
Net cash used in financing activities		(1,132,367)	(514,334)
Net increase in cash and cash equivalents		311,440	862,459
Cash and cash equivalents at beginning of the year		2,197,788	1,335,329
Cash and cash equivalents at end of the year	41	2,509,228	2,197,788

The annexed notes 1 to 51 form an integral part of these financial statements.


CHIEF FINANCIAL OFFICER


DIRECTOR


DIRECTOR

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

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 Limited.

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.

The registered office of the Company is situated at National Park Road in Rawalpindi, Pakistan. The addresses of the Company's corporate office, manufacturing facilities and warehouses owned by the Company located in Rawalpindi, Hattar, Lahore and Gujranwala are disclosed in note 17.1.5. The addresses of the Company's other sales offices/ warehouses are as follows:

- Khasra No 413, 414, 415, Khatooni No 565, 566, 567, Khewat No 295, 296, 297, Mauza Jaliari Bhai Khan, GT Road, Tehsil Gujar Khan & District Rawalpindi;
- Ratti Gali, Ayubia Road, Murree;
- Mansoor Abad, near Sant Sing railway gate, Jumra Road, Faisalabad;
- 164/B, near Winter Time, Small Industries Estate, Sahiwal and;
- 28-B, Small Industrial Estate, Main Lahore Road, Sargodha.

- 1.1** Management of the Company has evaluated the impact of COVID-19 on these financial statements for the year ended 30 June 2022 and concluded that there were neither any implications of COVID-19 on the current operations of the Company, nor any adverse implications are expected in the long term. Further, COVID-19 has no material impact on the presented amounts and disclosures in these financial statements.

2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

Details of the Company's accounting policies are included in note 4.

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

2.2 Basis of measurement

These financial statements have been prepared under historical cost convention except for the following items, which are measured on an alternative basis on each reporting date.

Item	Measurement basis
Land, building, plant, machinery and equipment	Revaluation model
Investment property	Fair value model
Investments held for trading	Fair value through profit or loss
Employee benefits	Present value of the defined benefit liability, determined through actuarial valuation, less fair value of plan assets

The methods used to measure fair values are disclosed in the respective policy notes.

2.3 Functional and presentation currency

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

2.4 Use of judgments and estimates

In preparing these financial statements, management has made judgments and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgments, assumptions and estimates made in applying accounting policies that have the effects on the amounts recognised in the financial statements are as follows

- Note 4.1 and 17: Useful lives, residual values and depreciation method of property, plant and equipment
- Note 4 and 18: Useful lives and depreciation method of right of use asset; and lease term and discount rate used to compute lease liability
- Note 4.2 and 19: Useful lives, residual values and amortization method of intangible asset
- Note 4.3 and 21: Fair value of investment property
- Note 4.4 and 25: Provision for slow moving inventories
- Note 4.8 and Note 4.9: Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
- Note 4.11 and 12: Measurement of defined benefit obligations: key actuarial assumptions
- Note 4.12.2 and 13: Recognition of deferred tax liabilities and assets and estimation of income tax provisions
- Note 4.7.1 and 26: Measurement of allowance for expected credit loss of financial assets at amortised cost
- Note 4.7.2: Impairment loss of non-financial assets other than inventories
- Note 4.13 and 31: Revenue recognition

Charge in respect of Workers' profit participation fund has been recognized based on industrial profit attributable to the production and sale of food and beverages.

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

Fair value measurement

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

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

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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

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

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

The Company has an established control framework with respect to the measurement of fair values. Management has overall responsibility for overseeing all significant fair value measurements, including Level 2 fair values.

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

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

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

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

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

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized 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 recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Accounting and reporting standards as applicable in Pakistan

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 1 July 2022

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 2022 clarifies that the 'cost of fulfilling a contract for the purposes of the onerous contract assessment comprises the costs that relate directly to the contract, including both the incremental costs and an allocation of other direct costs to fulfil the contract. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.
- The following annual improvements to IFRS Standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022:
 - IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
 - IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.
 - IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This amendment enables the fair value measurement of biological assets on a post-tax basis.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after 1 January 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The amendment also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

- Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022.
- Classification of liabilities as current or non-current (Amendments to IAS 1) apply retrospectively for the annual periods beginning on or after 1 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:
 - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
 - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
 - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.
- Definition of Accounting Estimates (Amendments to IAS 8) introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses.

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

The effective date for these changes has been deferred indefinitely until the completion of a broader review.

The above amendments are not likely to have an impact on the Company's financial statements.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies as set out below have been applied consistently to all periods presented in these financial statements:

4.1 Property, plant and equipment and advances for capital expenditures

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses except for:

- Lands are stated at revalued amounts.
- Buildings are stated at revalued amounts less accumulated depreciation and impairment losses, if any.
- Plant, machinery and equipment is stated at revalued amounts less accumulated depreciation and impairment losses, if any.
- Capital work in progress and advance for capital expenditure is carried at cost less impairment loss, if any.

Items in property, plant and equipment are recognized at revalued amounts based on valuation by external independent valuer. Revaluation surplus on property, plant and equipment is credited to a capital reserve in shareholders' equity and presented as a separate line item in statement of financial position.

Increases in the carrying amounts arising on revaluation of land, buildings, plant machinery and equipment are recognised, net of tax, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in profit or loss, the increase is first recognised in profit or loss.

Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

Long term leases of land in which the Company obtains control of the land are accounted for as property, plant and equipment and presented as 'leasehold land'.

The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use.

The completed or / acquired capital work in progress and advance for capital expenditure is transferred to the respective item of operating fixed assets when it becomes available for intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised in profit or loss.

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

Subsequent expenditure

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

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in profit or loss. Land and capital work in progress are not depreciated. Leased assets are depreciated over the shorter of the leased term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Rates of depreciation/estimated useful lives for current and comparative periods are mentioned in note 17.1 to these financial statements.

Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus on property, plant and equipment to unappropriated profit.

Depreciation on additions to property, plant and equipment is charged on prorata basis from the date on which the item of property, plant and equipment is acquired or capitalized while no depreciation is charged from the date on which property, plant and equipment is disposed off / derecognized.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in OCI and presented in the revaluation reserve. Any loss is recognised in profit or loss. However, to the extent that an amount is included in the revaluation surplus for that property, the loss is recognised in OCI and reduces the revaluation surplus within equity.

4.2 Intangible assets

Recognition and measurement

Intangible assets that have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortization

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in profit or loss. Amortization rates/estimated useful lives for current and comparatives are disclosed in note 19.1 to these financial statements.

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4.3 Investment property

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

When investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

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

4.4 Inventories

Stores, spare parts and loose tools

Stores, spare parts and loose tools are valued at weighted average cost and net realizable value except for items in transit which are stated at cost incurred up to the statement of financial position date less impairment, if any. Cost comprises of cost of purchase and other costs incurred in bringing the items to their present location and condition. For items which are slow moving and / or identified as surplus to the Company's requirements, adequate provision is made for any excess book value over estimated net realizable value. The Company reviews the carrying amount of stores, spare parts and loose tools on a regular basis and provision is made for obsolescence, if there is any change in usage pattern or physical form of related stores, spare parts and loose tools.

Stock in trade

These are valued at lower of cost and net realizable value. Cost is determined as follows:

- Raw materials are valued at weighted average cost;
- Goods in transit are valued at incurred cost, which includes invoice value and other charges incurred thereon;
- Cost of finished goods, based on weighted average method, includes direct cost of production and appropriate portion of production overheads;
- Work in process including stocks under maturation are valued at lower of cost and net realizable value.
- Stocks under maturation and work in process are valued at manufacturing cost which represents direct material, labour and an appropriate share of production overheads.

Cost comprises of cost of purchase and other costs incurred in bringing the items to their present location and condition. Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make a sale.

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

4.5 Financial instruments

Recognition and initial measurement

The Company initially recognizes trade debts on the date when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial asset

On initial recognition, a financial asset is classified as measured at:

- amortized cost;
- fair value through other comprehensive income (FVOCI); or
- fair value through profit or loss (FVTPL).

The classification of financial assets is based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

a) Amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- (i) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- (i) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

c) Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

Subsequent measurement and gains and losses

Financial assets at amortised cost These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

Debt investments at FVOCI These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Financial assets at FVTPL These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Equity investment at FVOCI These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Financial liabilities—Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

De-recognition

Financial assets

The Company derecognizes a financial asset when:

- (i) the contractual rights to the cash flows from the asset expire; or
- (ii) it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred, or;
 - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the financial asset.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cashflows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Murree Brewery Company Limited

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For the year ended 30 June 2022

Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

4.5 Trade and other receivables

Trade and other receivables are initially recognized at fair value of consideration to be received. Subsequent to initial recognition these are carried at their amortized cost as reduced by appropriate charge for expected credit losses, if any. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortized cost using the effective interest method. Impairment of trade debts and other receivables is described in note 4.7.

4.6 Trade and other payables

Trade and other payables are initially recognized at the fair value of the consideration to be paid in future for goods and services received. Subsequent to initial recognition, these are carried at amortized cost.

4.7 Impairment

4.7.1 Financial assets

The Company recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost. For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether the financial assets carried at amortized cost are credit impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

4.7.2 Non-financial assets

The carrying amount of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount of

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In the absence of any information about the fair value of a cash-generating unit, the recoverable amount is deemed to be the value in use. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”).

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in statement of profit or loss. Impairment losses in respect of cash-generating units are allocated to the carrying amounts of assets in the cash-generating unit group on pro-rata basis. An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4.8 Provisions

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

4.9 Contingent liabilities

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

4.10 Share capital and dividends

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

4.11 Employee benefits

4.11.1 Short-term employee benefits

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

4.11.2 Defined contribution plan – provident fund

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. The Company operates a defined contribution provident fund scheme for permanent employees. Contributions to the fund are made monthly by the Company and employees at the rate of 12% of the basic salary. The fund is managed by its Board of Trustees

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

4.11.3 Defined benefit plans

a. Gratuity and pension plans

The Company operates defined benefit plans comprising a funded pension and an unfunded gratuity scheme covering all eligible employees completing the minimum qualifying period of service as specified by the scheme.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Company determines the net interest expense (income) on the net defined benefit liability / (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability / (asset), taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The pension fund is managed by trustees of the fund who are responsible for the establishment and oversight of the Fund's risk management framework.

b. Compensated leave absences

The Company recognises provision for compensated absences on an undiscounted basis and are expensed as the related services are provided. A liability is recognised for the amount expected to be paid under compensated absences if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. The compensated absences are payable to employees as per the Company's policy. The provision is determined on the basis of last drawn salary and accumulated leaves balance at the reporting date. Actuarial valuation has not been carried out as the impact of present valuation is considered immaterial in the context of overall financial statements.

4.12 Income tax

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

4.12.1 Current tax

Provision for current tax is based on taxable income for the year at the applicable tax rates after taking into account tax credit and tax rebates, if any and any adjustment to tax payable in respect of previous year.

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

4.12.2 Deferred tax

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

- temporary differences on initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this assumption. Deferred tax assets and liabilities are offset if certain criteria are met.

4.13 Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of product	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Liquor - Alcoholic beverages	Customers obtain control of alcoholic beverages when the goods are dispatched from the Company's warehouse. Invoices are generated at that point in time. Advance payment is received and there is no financing component. No discounts or returns are offered for alcoholic beverages.	Revenue is recognized when the goods are dispatched from the Company's warehouse. Advances received are included in contract liabilities
Liquor - Non-Alcoholic beverages	Customer obtain control of non-alcoholic beverages when the goods are delivered to and have been accepted by the customers at their premises. Invoices are	Revenue is recognised when the goods are delivered and have been accepted by

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Notes to the Financial Statements

For the year ended 30 June 2022

	generated at that point in time. Advance payment is received and there is no financing component. Discounts are offered to customers based on approved rates.	customers at their premises.
Glass products	Customers obtain control of glass products when the goods are dispatched from the Company's warehouse. Invoices are generated and revenue is recognised at that point in time. Advance payment is received and there is no financing component. Discounts are offered to customers based on approved rates.	Revenue is recognised when the goods are dispatched from the Company's warehouse.
Tops - Local sales	Customers obtain control of tops products when the goods are delivered to the customer's premises. Invoices are generated at the end of the day when cash is collected from the salesman. Sales are made on cash basis; however, some contracts allow credit and there is no financing component. Discounts are offered to customers based on approved rates.	Revenue is recognised when the goods are delivered to the customer's premises.
Tops - Sales to distributors, institutions and departments (Tops transporter)	Customers obtain control of Tops products when the goods are delivered to the customer's premises. Invoices are generated at that point in time which are usually payable within 45 days and revenue is recognised at that point in time. Some contracts allow credit and there is no significant financing component. Discounts are offered to customers based on approved rates.	Revenue is recognised when the goods are delivered to the customer's premises.
Tops - Sales to distributors, institutions and departments (Customer transporter)	Customers obtain control of tops products when the goods are loaded to the customer's vehicle. Invoices are generated at that point in time which are usually payable within 45 days and revenue is recognised at that point in time. Some contracts allow credit and there is no significant financing component. Discounts are offered to customers based on approved rates.	Revenue is recognised when the goods are loaded to the customer's vehicle.

Some contracts permit the customer to return items. Returned goods are exchanged only for new goods – i.e. no cash refunds are offered. For such contracts, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

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Notes to the Financial Statements

For the year ended 30 June 2022

4.13.1 Contract assets

The contract assets primarily relate to the Company's rights to consideration for sale of goods provided these are not yet billed at the reporting date. The contract assets are transferred to trade debts when the rights become unconditional.

4.13.2 Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

4.13.3 Contract costs

(i) Costs to obtain a contract – Incremental costs of obtaining a contract i.e., sales commission paid to third parties are accounted for as contract costs and are transferred to profit or loss account based on the systematic pattern of revenue. The Company capitalizes such costs if revenue relating to such contract has not been recognized and the Company expects to recover such costs.

(ii) Costs to full fill a contract – Costs that relate directly to a contract and are specifically identified, generate or enhance resources of the entity and are expected to be recovered i.e. direct transportation and insurance costs are accounted for as contract costs and are transferred to profit or loss account based on the systematic pattern of revenue. The Company capitalizes such costs if revenue relating to such contract has not been recognized.

4.14 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and short-term borrowings under mark-up arrangements, used by the Company in the management of its short-term commitments. Cash and cash equivalents are carried in the statement of financial position at amortised cost.

4.15 Foreign currency transactions

Transactions in foreign currencies are translated in PKR (functional and presentation currency) at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into PKR at the rates of exchange approximating those prevalent at the date of statement of financial position. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

4.16 Operating profit

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

4.17 Finance income and finance cost

Finance income includes interest income on funds invested. Markup / interest income is recognised as it accrues in the statement of profit or loss, using the effective interest rate method.

Finance cost comprises interest expense on borrowings and bank charges. Finance expenses are recognised using the effective interest rate method. Borrowing costs incurred for the construction of any qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or when substantially all the activities necessary to prepare the qualifying

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Notes to the Financial Statements

For the year ended 30 June 2022

asset for its intended use or sale are complete. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in statement of profit or loss.

4.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly investment property, investments and other expenses.

4.19 Earnings per share

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

4.20 Leases

The Company assesses whether a contract is or contains a lease at inception of the contract. This assessment involves the exercise of judgement about whether it depends on a specified asset, whether the Company obtains substantially all the economic benefits from the use of that asset, and whether the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date, except for short term leases of 12 months or less and leases of low value items, which are expensed in the statement of profit or loss on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payment that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate (IBR) applicable in the market for such leases. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

The lease liability is subsequently measured at amortized cost using the effective interest rate method and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

At inception, the ROU asset comprises the initial lease liability, initial direct costs and the obligations to refurbish the asset, less any incentives granted by the lessors. The ROU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator for impairment, as for owned assets.

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

5 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

The following new and amended standard and interpretation that is mandatory for accounting periods beginning 01 July 2021:

- Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

This amended standard and interpretation is considered not to be relevant and does not have any significant effect on the Company's financial statements.

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Notes to the Financial Statements For the year ended 30 June 2022

6	SHARE CAPITAL	Note	2022 (Rs.'000)	2021 (Rs.'000)														
6.1	Authorized share capital	6.1.1	300,000	300,000														
6.1.1	This represents 30,000,000 (2021: 30,000,000) ordinary shares of Rs. 10 each.																	
6.2	Issued, subscribed and paid up share capital																	
	<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">2022</td> <td style="width: 25%;">2021</td> <td style="width: 50%;"></td> </tr> <tr> <td style="text-align: center;">Number</td> <td style="text-align: center;">Number</td> <td></td> </tr> <tr> <td style="text-align: center;">264,000</td> <td style="text-align: center;">264,000</td> <td>Ordinary shares of Rs. 10 each, fully paid in cash</td> </tr> <tr> <td style="text-align: center;">27,399,630</td> <td style="text-align: center;">27,399,630</td> <td>Ordinary shares of Rs. 10 each, issued as bonus shares</td> </tr> <tr> <td style="text-align: center;">27,663,630</td> <td style="text-align: center;">27,663,630</td> <td></td> </tr> </table>	2022	2021		Number	Number		264,000	264,000	Ordinary shares of Rs. 10 each, fully paid in cash	27,399,630	27,399,630	Ordinary shares of Rs. 10 each, issued as bonus shares	27,663,630	27,663,630		2022 (Rs.'000)	2021 (Rs.'000)
2022	2021																	
Number	Number																	
264,000	264,000	Ordinary shares of Rs. 10 each, fully paid in cash																
27,399,630	27,399,630	Ordinary shares of Rs. 10 each, issued as bonus shares																
27,663,630	27,663,630																	
			2,640	2,640														
			273,996	273,996														
			276,636	276,636														
6.2.1	All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends from time to time and are entitled to one vote per share at general meetings of the Company.																	
6.3	D.P. Edulji & Company (Private) Limited (incorporated in Pakistan) and Kingsway Fund (incorporated in Grand Duchy of Luxembourg) ("associated undertakings") hold 4,909,959 (2021: 4,909,959) and 6,384,885 (2021: 6,565,885) ordinary shares of Rs.10 each respectively, at the reporting date. Further, directors hold 5,615,668 (2021: 5,615,668) ordinary shares of Rs.10 each at the reporting date.																	
6.4	Capital management																	
	The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain a strong capital base to support the sustained development of its businesses.																	
	The Company manages its capital structure which comprises capital and reserves by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders and/or issue new shares. There were no changes to Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirement.																	
7	CAPITAL RESERVE	Note	2022 (Rs.'000)	2021 (Rs.'000)														
	Capital reserve	7.1	30,681	30,681														
7.1	This reserve is not available for distribution.																	
8	REVENUE RESERVES																	
	General reserve		327,042	327,042														
	Contingency reserve		20,000	20,000														
	Unappropriated profits	8.1	7,437,103	7,078,570														
			7,784,145	7,425,612														
8.1	This represents unappropriated profits which are available for distribution.																	
9	REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT - NET OF TAX		2022 (Rs.'000)	2021 (Rs.'000)														
	Balance at 01 July		4,037,028	2,976,997														
	Surplus arising on revaluation during the year		462,073	1,145,976														
	Deficit/(surplus) on disposal of operating fixed assets		(335)	17,876														
			4,498,766	4,140,849														
	Transferred to equity in respect of incremental depreciation charged during the year:																	
	- Surplus - net of deferred tax liability		(24,563)	(73,713)														
	- Related deferred tax liability		(10,033)	(30,108)														
			(34,596)	(103,821)														
	Surplus on revaluation of property, plant and equipment at 30 June		4,464,170	4,037,028														
	Related deferred tax liability:																	
	On revaluation surplus at 01 July		(263,721)	(83,818)														
	On revaluation surplus arising during the year		(119,160)	(204,827)														
	On operating fixed assets disposed off during the year		-	(5,184)														
	On incremental depreciation charged during the year		10,033	30,108														
			(372,848)	(263,721)														
	Balance at 30 June		4,091,322	3,773,307														

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Notes to the Financial Statements

For the year ended 30 June 2022

9.1 This represents revaluation surplus on revaluation of lands, buildings, plant, machinery and equipment.

10 LEASE LIABILITIES

	Note	2022 (Rs.'000)	2021 (Rs.'000)
Lease liabilities		16,234	25,800
Less: current portion		(8,298)	(22,046)
Non-current portion of lease liabilities		7,936	3,754

Movement of lease liabilities is as follows:

	2022 (Rs.'000)	2021 (Rs.'000)
Balance at 01 July	25,800	112,420
New lease liabilities	-	4,020
Interest	2,715	6,356
Payments during the year	(12,281)	(96,996)
Balance at 30 June	16,234	25,800
Current portion of lease liabilities	8,298	22,046
Non-current portion of lease liabilities	7,936	3,754

Maturity analysis of undiscounted lease payments that will be paid after the reporting date is as follow:

	2022 (Rs.'000)	2021 (Rs.'000)
Less than one year	9,792	12,237
One to two years	8,462	8,928
Two to three	-	7,462
	18,254	28,627

10.1 Lease liabilities include Rs. 3,426,068 (2021: Rs. 8,369,384) against leased vehicles from financial institutions. The lease term for these arrangements is 3 years and these carry markup ranging from 8.56% to 14.50% (2021: 8.56% to 14.50%) per annum. At the completion of the lease term, the Company has the option to acquire the assets upon complete payment of all instalments and adjustment of lease key money. The facility is secured by way of ownership of the leased vehicles by the financial institutions.

11 LONG TERM LOAN

		2022 (Rs.'000)	2021 (Rs.'000)
Balance at 01 July		281,166	-
Receipt of loan	11.2	-	340,285
Recognition of deferred grant	11.1	-	(34,397)
Effective interest		15,517	19,450
Repayment		(171,935)	(44,172)
Balance at 30 June		124,748	281,166
Non-current portion		-	124,749
Current portion		124,748	156,417
		124,748	281,166

11.1 RECOGNITION OF GOVERNMENT GRANT

		2022	2021
Balance at 01 July		16,583	-
Addition	11.2	-	34,397
Amortization of deferred grant		(13,724)	(17,814)
Balance at 30 June		2,859	16,583
Non-current portion		-	2,859
Current portion		2,859	13,724
		2,859	16,583

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Notes to the Financial Statements

For the year ended 30 June 2022

11.2 In order 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. During the year ended 30 June 2020, the Company obtained long term loan facility amounting to Rs. 340.28 million 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. The loan is repayable in 8 equal quarterly instalments due from 1 April 2021. Interest chargeable under the refinance scheme is 0.75% per annum. Accordingly, an amount of Rs 34.39 million was recognised as deferred grant income representing the difference between the loan proceeds 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 term of the loan. There were no unfulfilled conditions related to this grant at the reporting date.

12	EMPLOYEE BENEFITS	Note	2022 (Rs.'000)	2021 (Rs.'000)
	Net defined benefit liability - gratuity	12.1	282,686	266,759
	Net defined benefit liability - compensated leave absences		13,983	15,215
	Total employee benefit liability		296,669	281,974
	Net defined benefit asset - pension	12.2	40,205	30,189
12.1	Net defined benefit liability - gratuity			
	The Company operates an unfunded gratuity scheme for its eligible employees.			
	<i>Movement in net defined benefit liability - gratuity</i>			
	Balance at 01 July		266,759	249,266
	Charge for the year	12.1.2	44,692	34,846
	Experience adjustments on defined benefit liability	12.1.3	(9,278)	38,025
	Benefits paid		(19,487)	(55,378)
	Balance at 30 June	12.1.1	282,686	266,759
12.1.1	Reconciliation of liability recognised in the statement of financial position			
	Present value of defined benefit obligation		282,686	266,759
	Net defined benefit liability		282,686	266,759

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

12.1.2 Charge to profit or loss	Note	2022 (Rs.'000)	2021 (Rs.'000)
Current service cost		19,381	16,317
Interest cost		25,311	18,529
	12.1.2.1	<u>44,692</u>	<u>34,846</u>
12.1.2.1 Expense is recognized in the following line items in profit or loss:			
Cost of sales		33,224	20,121
Selling and distribution expenses		4,444	3,770
Administrative expenses		7,025	10,955
		<u>44,692</u>	<u>34,846</u>
12.1.3 Charge / (credit) to other comprehensive income			
		2022 (Rs.'000)	2021 (Rs.'000)
Actuarial losses / (gains) from changes in financial assumptions		769	353
Experience adjustments on defined benefit liability		(10,047)	37,672
		<u>(9,278)</u>	<u>38,025</u>

12.1.4 Key actuarial assumptions

The latest actuarial valuation was carried out, on 30 June 2022, using projected unit credit method with the following assumptions:

	Note	2022	2021
Discount rate used for interest cost in profit or loss		10.00%	8.50%
Discount rate used for reporting date liability		13.25%	10.00%
Salary increase used for reporting date liability			
Salary growth rate for 2022 and onwards		N/a	N/a
Date of next expected salary increase		01 July 2022	01 July 2021
Mortality rate	12.1.4.1	SLIC 2001-2005	SLIC 2001-2005
Withdrawal rates		Age - Based	Age - Based
Retirement assumption		Age 60	Age 60

12.1.4.1 Assumption regarding future mortality has been based on State Life Insurance Corporation (SLIC 2001-2005), ultimate mortality rate with 1 year setback as per recommendation of Pakistan Society of Actuaries (PSOA).

12.1.5 Sensitivity analysis

For a change of 100 basis points, present value of defined benefit liability at reporting date would have been as follows:

	2022 Increase (Rs.'000)	2022 Decrease (Rs.'000)	2021 Increase (Rs.'000)	2021 Decrease (Rs.'000)
Discount rate	<u>266,272</u>	<u>307,637</u>	240,654	281,196
Salary increase rate	<u>307,680</u>	<u>265,887</u>	281,235	240,269

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

12.1.6 The Company's expected charge for defined benefit liability - gratuity for the next year is Rs. 56.83 million.

12.1.7 Risks associated with defined benefit liability - gratuity

Final Salary Risk (linked to inflation risk)

The risk that the final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Salary Increase Risk

- Mortality risk

The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

- Withdrawal Risk

The risk of actual withdrawals experience is different from the assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

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12.1.8 Expected maturity profile

Following are the expected distribution and timing of benefit payments at the reporting date:

	2022 (Rs.'000)	2021 (Rs.'000)
Year 1	16,839	12,045
Year 2	33,385	26,321
Year 3	38,139	32,645
Year 4	46,752	36,363
Year 5	42,290	43,616
Year 6 to Year 10	205,288	154,031
Year 11 and beyond	2,585,039	1,462,944

12.1.9 Historical information

	2022 Present value of defined benefit liability (Rs.'000)
2022	282,686
2021	266,758
2020	249,266
2019	247,678
2018	242,426

12.1.10 Weighted average duration of defined benefit liability (years)

	2022	2021
	7	8

12.2 Net defined benefit asset pension

The Company operates a funded pension scheme for its eligible employees.

Movement in net defined benefit asset pension

	Note	2022 (Rs.'000)	2021 (Rs.'000)
Balance at 01 July		(30,189)	(15,334)
Charge for the year	12.2.4	(1,972)	(59)
Remeasurement gain recognized in other comprehensive income	12.2.6	(2,293)	(9,198)
Contributions by the Company		(5,751)	(5,598)
Balance at 30 June	12.2.1	(40,205)	(30,189)

12.2.1 The amount recognized in the statement of financial position is as follows

	Note	2022	2021
Present value of defined plan liability	12.2.2	40,531	40,874
Fair value of defined plan assets	12.2.3	(80,736)	(71,063)
Net defined benefit asset		(40,205)	(30,189)

12.2.2 The movement in the present value of defined plan liability is as follows

	2022	2021
Present value of defined benefit liability at 01 July	40,874	47,494
Current service cost	1,332	1,482
Interest cost	3,973	3,943
Benefits paid during the year	(2,254)	(2,207)
Remeasurement gain	(3,394)	(9,838)
Present value of net defined benefit liability at 30 June	40,531	40,874

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		2022 (Rs.'000)	2021 (Rs.'000)		
12.2.3 The movement in the fair value of defined plan assets is as follows	Note				
Fair value of plan assets at 01 July		71,063	62,829		
Contributions paid into the plan		5,751	5,598		
Expected return on plan assets		7,281	5,484		
Benefits paid by the plan		(2,258)	(2,207)		
Return on plan asset excluding interest income		(1,101)	(641)		
Fair value of plan assets at 30 June	12.2.5	<u>80,736</u>	<u>71,063</u>		
12.2.4 Expense recognized in profit or loss					
Current service cost		1,334	1,482		
Interest cost on defined benefit plan		(7,280)	3,943		
Interest income on plan assets		3,974	(5,484)		
		<u>(1,972)</u>	<u>(59)</u>		
12.2.5 Plan assets comprise of					
Units in open end funds		25,178	18,626		
Defence saving certificates		53,759	49,266		
Cash at banks		1,799	3,167		
		<u>80,736</u>	<u>71,059</u>		
12.2.6 Remeasurement gain recognized in other comprehensive income					
Actuarial gains from changes in financial assumptions		(9,269)	(4,724)		
Experience adjustments on defined benefit asset		5,875	(5,114)		
Remeasurement gain		1,101	640		
		<u>(2,293)</u>	<u>(9,198)</u>		
12.2.7 Key actuarial assumptions		<u>2022</u>	<u>2021</u>		
Discount rate used for interest cost in profit or loss		10.00%	8.50%		
Discount rate used for reporting date asset		13.25%	10.00%		
Salary increase used for reporting date asset		N/a	N/a		
Salary growth rate for 2022 and onwards		N/a	10.00%		
Next expected salary increase		01 August 2022	01 August 2021		
Mortality rate	12.2.8	SLIC 2001-2005	SLIC 2001-2005		
Withdrawal rates		Age - Based	Age - Based		
Retirement assumption		Age 60	Age 60		
12.2.8					
Assumption regarding future mortality has been based on State Life Insurance Corporation (SLIC 2001-2005), ultimate mortality rate with 1 year setback as per recommendation of Pakistan Society of Actuaries (PSOA).					
12.2.9					
The calculation of the defined benefit asset is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit asset / liability at the reporting date would have increased / decreased as a result of a change in respective assumptions by 100 basis points:					
		2022 Increase (Rs.'000)	2022 Decrease (Rs.'000)	2021 Increase (Rs.'000)	2021 Decrease (Rs.'000)
Discount rate		<u>37,026</u>	<u>44,639</u>	<u>36,455</u>	<u>46,194</u>
Salary increase rate		<u>42,046</u>	<u>39,147</u>	<u>42,961</u>	<u>38,977</u>

12.2.10 Risks associated with defined benefit asset - pension

Final Salary Risk (linked to inflation risk)

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

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Salary Increase Risk

- Mortality risk

The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

- Withdrawal Risk

The risk of actual withdrawals experience is different from the assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

Investment Risk

The risk of the investment underperforming and being not sufficient to meet the liabilities.

	2022	2021
12.2.11 Weighted average duration of defined benefit asset (years)	7	8

	Note	2022 (Rs.'000)	2021 (Rs.'000)
13 DEFERRED TAX LIABILITY - NET			
Deferred tax liability - net	13.1	547,977	401,352

13.1 Movement in deferred tax liability - net

	Net balance at 01 July	Recognized in		Net balance at 30 June
		Profit or loss (Note 39)	Other compre- hensive income	
		(Rs.'000)		
2022				
Taxable temporary differences				
Property, plant and equipment and intangible assets	226,790	72,421	-	299,211
Right of Use asset	5,265	(5,265)	-	-
Revaluation surplus on property, plant and equipment	269,682	(11,528)	119,160	377,314
Net defined benefit asset - pension	8,755	3,756	757	13,268
	510,492	59,384	119,917	689,793
Deductible temporary differences				
Loss allowance for ECL on trade debts	(331)	(332)	-	(663)
Net defined benefit liability - gratuity	(81,772)	(19,191)	3,062	(97,901)
Provision for inventories	(19,556)	(18,339)	-	(37,895)
Deferred Grant	-	-	-	-
Lease liabilities	(7,482)	2,125	-	(5,357)
	(109,141)	(35,737)	3,062	(141,816)
	401,351	23,647	122,979	547,977
2021				
Taxable temporary differences				
Property, plant and equipment and intangible assets	326,588	(99,798)	-	226,790
Right of Use asset	-	5,265	-	5,265
Revaluation surplus on property, plant and equipment	95,262	(30,407)	204,827	269,682
Net defined benefit asset - pension	4,446	6,976	(2,667)	8,755
	426,296	(117,964)	202,160	510,493
Deductible temporary differences				
Loss allowance for ECL on trade debts	(1,785)	1,454	-	(331)
Provision for Gas Infrastructure Development Cess	(74,088)	74,088	-	-
Net defined benefit liability - gratuity	(72,288)	(16,099)	11,027	(77,360)
Compensated absences	-	(4,412)	-	(4,412)
Provision for slow moving inventories	(15,670)	(3,886)	-	(19,556)
Lease liabilities	(32,602)	25,120	-	(7,482)
	(196,433)	76,265	11,027	(109,141)
	229,863	(41,699)	213,187	401,352

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14	TRADE AND OTHER PAYABLES	Note	2022 (Rs.'000)	2021 (Rs.'000)
	Payable to contractors and suppliers	14.4	498,562	260,393
	Accrued liabilities		161,501	151,893
	Security deposits	14.1	63,311	32,331
	Payable to Workers' Profit Participation Fund (WPPF)	14.2	127,902	110,551
	Payable to Workers' Welfare Fund (WWF)	14.3	79,452	35,582
	Provision for Gas Infrastructure Development Cess (GIDC)		-	138,901
	Provision for gas tariff differential	16.2	69,860	133,245
	Provision for water tax/charges	16.3	92,596	46,307
	Withholding tax payable		21,732	4,186
	Sales tax payable - net		113,330	150,649
	Export duty payable on pakistan made foreign liquor and beer		110,821	110,821
	Zila tax payable		6,818	6,818
	Unearned income		2,609	2,002
	Other payables		30,517	34,669
			1,379,011	1,218,348
14.1	Security deposits			
	Security deposits	14.1.1	63,311	32,331
14.1.1	These represent unutilizable amounts received as security deposits from dealers and suppliers of the Company. Out of this, an amount of Rs. 29.017 million (2021: Rs. 23.144 million) is kept in a separate bank account.			
14.2	Payable to Workers' Profit Participation Fund (WPPF)	Note	2022 (Rs.'000)	2021 (Rs.'000)
	Balance at 01 July		110,551	77,857
	Charge for the year	35	85,904	68,553
	Payments to the Fund during the year		(68,553)	(35,859)
	Balance at 30 June		127,902	110,551
14.3	Payable to Workers' Welfare Fund (WWF)			
	Balance at 01 July		35,582	18,497
	Charge for the year	35	43,870	32,536
	Adjustments claimed against income tax	29	-	(15,451)
	Balance at 30 June		79,452	35,582
14.4	Procurement during the year includes procurement of services amounting to Rs. 656.99 million (2021 : Rs. 191.24 million) subject to Provincial Sales Tax.			
15	CONTRACT LIABILITIES			
	Contract liabilities	15.1	295,986	202,616
15.1	These represent unused advances form customers against sale of goods.			
16	CONTINGENCIES AND COMMITMENTS			
(a)	Contingencies:			
16.1	Letter of guarantee issued by banks on behalf of the Company	16.1.1	112,942	102,577
16.1.1	These represent bank guarantee issued in the normal course of business to Sui Northern Gas Pipelines Limited ("SNGPL") amounting to Rs. 110.2 million (2021: Rs. 102.58 million) for commercial and industrial use of gas and bank guarantee issued to Oil and Gas Development Company Limited ("OGDCL") amounting to Rs. 2.7 million (2021: Nil) against supply of Murree Sparkettes water to OGDCL. Securities against these guarantees have been disclosed in note 30.5(e) to these financial statements.			

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- 16.2 The Company has been paying sui gas industrial bills based on gas tariff at Rs. 488 per MMBTU and Rs. 573 per MMBTU for captive power meter, as compared to the bill raised by SNGPL at Rs. 600 per MMBTU due to the litigations along with the industry. In this respect, SNGPL raised demand amounting to Rs. 254.7 million, being original gas tariff differential amounting to Rs. 105.9 million, related sales tax amounting to Rs. 18 million and late payment surcharge amounting to Rs. 130.8 million.

The Company has recognised provision amounting to Rs. 123.9 million, being the original gas tariff differential and related sales tax out of which Rs. 54 million has been paid during the year, while the Company has also paid under protest, Rs. 59.8 million in respect of late payment surcharge as the subject matter has been referred by the Peshawar High Court to the Oil and Gas Regulatory Authority ("OGRA") for decision. The matter is still pending with the OGRA for decision. The management of the Company is confident that the eventual decision will be in favour of the Company.

- 16.3 The Company, along-with several other bottling / beverage companies, is involved in litigation arising from a suo moto notice of the Honorable Supreme Court of Pakistan (case no 26 of 2018) regarding use of ground / surface water. The Company alongwith beverage industry is contesting this decision of Honorable Supreme Court and has filed a review petition through its legal counsel.

The Punjab Water Act, 2019 was promulgated with effect from 13 December 2019. Based on legal consultation, the Company has recognised liability amounting to Rs. 68.270 million for water consumed at Rawalpindi, Punjab and Rs. 0.038 million at Lahore, Punjab with effect from 13 December 2019 at the rate of Rs. 0.25 per litre of sales made till 30 June 2022. Company has also paid 2.5 million to Punjab authorities against water tax provision during the year.

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. 26.785 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 30 June 2022. The Company believes that the validation of the orders and/or actions of the Government of Khyber Pakhtunkhwa and related agencies prior to promulgation of the aforesaid Act are not supported by any legislation, and therefore are considered illegal. In this respect, the Company has filed a petition before the Peshawar High Court which is pending adjudication.

The Company has not recognised any provision for water consumed prior to enactment of the Punjab Water Act, 2019 and the Khyber Pakhtunkhwa Water Act, 2020 amounting to approximately Rs. 23.481 million and Rs. 15.924 million respectively.

- 16.4 Tax returns up to and including Tax Year 2021 have been filed. The tax authorities amended the assessments from time to time and the assessment orders were contested by the Company before the appellate forum. As of date, the re-assessments for the Tax Years 2013, 2014, 2015, 2018 and 2019 made by the tax authorities, mainly in the matter of additions to income, disallowance of expenses and tax credits; are under appeal and are pending decision by the Commissioner Inland Revenue (Appeals). The total amount of exposure involved is Rs 9,700.58 million. The Company's management is confident of a favorable resolution of these matters and hence no provision has been made in these financial statements.
- 16.5 The tax authority has framed an order to recover tax allegedly not/short withheld by the Company from payments made under various heads of accounts for the Tax Year 2018. The tax authority has also ordered to charge default surcharge. Through the said order, tax demand of Rs. 176.24 million has been raised. Being aggrieved with the said order, the Company has filed an appeal before the Commissioner (Appeals), which is pending disposal till to-date. The Company's management is confident of a favorable resolution of these matters and hence no provision has been made in these financial statements.
- 16.6 In respect of tax years from 2017 to 2020, the Additional Commissioner, Punjab revenue Authority ("PRA") has raised a demand amounting to Rs 80.63 million against alleged non-withholding of tax on services procured by the Company. The Company has filed appeal to the Commissioner, PRA, which is pending disposal till to date. Management believes that the above matter will be decided in favor of the Company.
- 16.7 In June 2020, the taxation officer issued order in remand under section 25 and 72B of the Sales Tax Act, 1990 for the period July 2012 to June 2013 majorly on account of unreconciled input tax of the Company with the output tax of suppliers, Non withholding of sales tax on advertisement services, Sales tax payable on by product. The total amount of exposure involved is Rs 75.684 million. The Company has filed appeal before the Commissioner Inland Revenue (Appeals) and has obtained stay against recovery measures. The Company's management is confident of a favorable resolution of these matters and hence no provision has been made in these financial statements

(b)	Commitments:	Note	2022	2021
			(Rs.'000)	(Rs.'000)
	Outstanding letter of credits including capital expenditure	16.7	1,146,159	401,317
	Capital expenditure contracts			
	- Machinery		313,735	-
	- Others		832,424	401,317
			1,146,159	401,317
16.7	For details of security against Letter of Credits, refer to note 30.5 (b), (c) and (d).			
17	PROPERTY, PLANT AND EQUIPMENT			
	Operating fixed assets	17.1	6,581,182	6,355,066
	Capital work in progress (CWIP)	17.2	82,142	-
			6,663,324	6,355,066

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17.1 Operating fixed assets

	Owned				Leased	Total	
	Freehold land (Note 17.1.1 & 17.1.2)	Buildings on freehold land (Note 17.1.2)	Plant, machinery and equipment (Note 17.1.2)	Furniture, fixtures, computers and equipment (Note 17.1.2)	Motor vehicles		Leasehold land (Note 17.1.2)
	(Rs. '000)						
Balance at 01 July 2020	2,765,600	530,362	3,361,136	46,470	120,546	42,505	6,866,619
Additions	-	28,721	155,247	1,597	9,969	-	195,534
Transfers from right of use assets (note 18)	-	-	355,380	-	-	-	355,380
Revaluation surplus	405,982	111,504	594,795	-	-	33,695	1,145,976
Transfers from CWIP (note 17.2)	-	760	137	-	-	-	897
Disposals	-	-	(70,137)	-	(11,196)	-	(81,333)
Balance at 30 June 2021	3,171,582	671,347	4,396,558	48,067	119,319	76,200	8,483,073
Balance at 01 July 2021	3,171,582	671,347	4,396,558	48,067	119,319	76,200	8,483,073
Additions	-	44,204	51,139	1,280	42,456	-	139,079
Transfers from right of use assets (note 18)	-	-	-	-	1,879	-	1,879
Revaluation surplus	186,800	72,238	196,685	-	-	6,350	462,073
Disposals	-	-	(1,727)	(709)	(27,773)	-	(30,209)
Balance at 30 June 2022	3,358,382	787,789	4,642,655	48,638	135,881	82,550	9,055,895
Balance at 01 July 2020	-	196,773	1,370,439	42,254	100,693	-	1,710,159
Depreciation (note 17.1.3)	-	43,788	333,755	1,402	10,394	-	389,339
Transfers from Right of Use assets	-	-	89,241	-	-	-	89,241
Disposals	-	-	(55,123)	-	(5,609)	-	(60,732)
Balance at 30 June 2021	-	240,561	1,738,312	43,656	105,478	-	2,128,007
Balance at 30 June 2021	-	240,561	1,738,312	43,656	105,478	-	2,128,007
Depreciation (note 17.1.3)	-	43,918	318,652	2,040	4,837	-	369,447
Transfers from Right of use assets	-	-	(1,051)	(616)	(22,953)	-	(24,620)
Disposals	-	-	-	-	-	-	-
Balance at 30 June 2022	-	284,479	2,055,913	45,080	89,241	-	2,474,713
Carrying amounts							
At 30 June 2021	3,171,582	430,786	2,658,246	4,411	13,841	76,200	6,355,066
At 30 June 2022	3,358,382	503,310	2,586,742	3,558	46,640	82,550	6,581,182
Depreciation rates per annum	-	5-10%	10-20%	10-33%	20%	-	-

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17.1.1 Land includes 2 kanals and 3 marlas in possession of Military Estate Office (MEO), Army Housing Colony for construction of a housing colony. This has been stated at 2002 revalued amount in these financial statements which amounts to Rs. 2.52 million. The Company had filed a case against MEO for this unauthorized occupation. The court of Civil Judge, Rawalpindi has decreed against MEO for vacating the land. However, the execution of the court decree is in process at the reporting date.

17.1.2 Surplus on revaluation of property, plant and equipment

The latest revaluation of the Company's land, buildings, plant and machinery was made on 30 June 2022 by an independent valuer resulting in net surplus of Rs.462.07 million (2021: Rs. 1,145.98 million).

Had there been no revaluations, related figures of the revalued assets would have been as follows:

	Cost (Rs.'000)	Accumulated depreciation (Rs.'000)	Written down value (Rs.'000)
Land	120,138	-	120,138
Buildings	505,216	(162,896)	342,320
Plant, machinery and equipment	3,577,832	(1,810,114)	1,767,718
	4,203,186	(1,973,010)	2,230,176
2022			
2021	4,109,235	(1,928,935)	2,180,300

17.1.3 Depreciation charge has been allocated as follows:

	Note	2022 (Rs.'000)	2021 (Rs.'000)
Cost of sales	32	356,459	370,914
Selling and distribution expenses	33	1,792	2,864
Administrative expenses	34	11,196	15,074
		369,447	388,852

17.1.4 Based on the revaluation carried out at 30 June 2022, the forced sales value of the land, building and plant, machinery and equipment is Rs. 2,924.79 million (2021: Rs. 2,760.61 million), Rs. 403.67 million (2021: Rs. 344.63 million) and Rs. 1,938.45 million (Rs. 1,993.68 million) respectively.

17.1.5 Particulars of immovable fixed assets (i.e. land and building) in the name of the Company are as follows:

Location	Usage of Immovable property	Total Area of land (Acres)	Total Covered Area (Sq. Ft)
a) Murree Brewery Estate, 3 National Park Road, Rawalpindi	Corporate office and manufacturing facility	29.45	382,225
b) Murree Glass Factory, 24, Phase 3, Industrial Estate, Hattar, District Harripur, KPK	Manufacturing facility	3.00	54,531
c) Plot 31/2, Industrial Estate, Hattar, District Harripur, KPK	Warehouse	2.00	36,354
d) Plot 13/4, Industrial Estate, Hattar, District Harripur, KPK	Warehouse	1.00	18,177
e) Plot 121/3 Township Industrial Area, Lahore	Manufacturing facility, warehouse and office	0.38	4,215
f) Tops Factory, Plot 14/1, Phase-III, Industrial Estate Hattar, District Haripur, KPK	Manufacturing facility	2	33,316
g) Khasra no. 178, Khewat no. 87, Khatooni no. 94, Mauza Lohiyanwala, Tehsil and District Gujranwala	Warehouse	0.26	8,213
h) Plot 10/2, Phase-III, Industrial Estate Hattar, District Haripur, KPK	Manufacturing facility	2	18,454

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17.1.6 Detail of disposals of operating fixed assets

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

Description	Cost / revalued amount	Carrying value	Sale proceeds	Gain	Purchasers	Relation with Company / Director	Mode of Disposal
(Rs. '000)							
Vehicles							
Honda Civic	2,739	734	1,612	878	Mr. Khalid Akbar	Employee	As per Company's policy
Suzuki Wagon R	1,260	505	758	253	Mr. Ghulam Fareed	Employee	As per Company's policy
Honda City	2,158	866	1,295	429	Mr. Rizwan Arshad	Employee	As per Company's policy
Honda BRV	2,446	981	1,471	490	Mr. Muhammad Shafique	Employee	As per Company's policy
Honda Civic	3,620	1,451	2,178	727	Mr. Tanveer H Kazmi	Employee/KMP	As per Company's policy
Aggregate value of other items with individual book value not exceeding Rs. 500,000	17,986	1,052	22,692	21,640	Multiple persons	None	Tender
2022	30,209	5,589	30,007	24,418	Also refer note 36		
2021	81,334	20,600	26,065	5,465	Also refer note 36		

17.2 Capital work in progress (CWIP)	Note	2022 (Rs.'000)	2021 (Rs.'000)
Balance at 01 July		-	760
Additions		82,142	137
		82,142	897
<i>Transferred to operating fixed assets:</i>			
Buildings on freehold land	17.1	-	(760)
Plant, machinery and equipment	17.1	-	(137)
		-	(897)
Balance at 30 June (representing civil works and machinery not commissioned)		82,142	-
18 RIGHT OF USE ASSETS		2022	2021
<u>COST</u>	Note	(Rs.'000)	(Rs.'000)
Balance at 01 July		63,193	412,879
Additions		-	5,694
Transfer to property, plant and equipment	17.1	(1,879)	(355,380)
Disposals		(1,886)	-
Balance at 30 June		59,428	63,193
<u>DEPRECIATION</u>			
Balance at 01 July		37,557	90,320
Charge for the year	18.1	7,944	36,478
On transfer to property, plant and equipment		(3,765)	(89,241)
Balance at 30 June		41,736	37,557
Carrying amount		17,692	25,636
Rate of depreciation per annum (%)		10% to 20%	10% to 20%

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

			2022 (Rs.'000)	2021 (Rs.'000)
18.1	Depreciation charge has been allocated as follows:	Note		
	Cost of sales	32	719	36,091
	Selling and distribution expenses	33	4,601	4,601
	Administrative expenses	34	2,624	3,269
			7,944	43,961
18.2	As of the reporting date, right of use assets consist of leased premises and vehicles.			
19	INTANGIBLE ASSET			
	Computer software	19.1	263	782
19.1	Reconciliation of carrying amounts			
	Cost			
	Balance at 01 July		2,595	2,595
	Balance at 30 June		2,595	2,595
	Accumulated amortization			
	Balance at 01 July		1,813	1,294
	Amortization	34	519	519
	Balance at 30 June		2,332	1,813
	Carrying value			
			263	782
	Rate of amortization per annum		20%	20%
19.2	Amortization charge for the year has been allocated to administrative expenses.			
20	ADVANCES FOR CAPITAL EXPENDITURES			
	Advances for civil works		48,398	7,064
	Advances for purchase of fixed assets		-	35,414
			48,398	42,478
21	INVESTMENT PROPERTIES			
21.1	Reconciliation of carrying amount:			
		Note	2022 (Rs.'000)	2021 (Rs.'000)
	Balance at 01 July		397,886	358,627
	Change in fair value	36	113,241	39,259
	Balance at 30 June	21.1.1	511,127	397,886
21.1.1	The investment property represents lands and buildings held for capital appreciation and to earn rental income. On 30 June 2022, an exercise was carried out by an independent valuer to ascertain the fair value of investment property. The price of land of the investment property is assessed based on market research carried out in the area where the property is situated. The fair value of the property is based on independent valuer's judgment about average prices prevalent on the said date and has been prepared on openly available / provided information after making relevant inquiries from the market. Changes in fair value are recognized as gains in profit or loss and included in 'other income'. All gains are unrealized.			
21.2	Particulars of investment property of the Company and the forced sale values are as follows:			
	Location	Area Sq. Fts	Forced Sale value (Rs.'000)	
1)	Plot 121/3, Township Industrial Area, Lahore	8,115	224,098	
2)	Office Suite 509, 5th Floor, Islamabad Stock Exchange Tower, Blue Area, Islamabad	1,348	36,666	
3)	Office 411, Fourth Floor, The Forum, Block 9, Clifton, Karachi	1,038	28,234	
4)	NBP Building, Murree Brewery Estate, National Park Road, Rawalpindi	1,487	4,925	
5)	House no. 20, Street no. 37, Sector F-7/1, Islamabad	5,999	126,530	
			420,453	

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

21.3 Measurement of fair values

21.3.1 Fair value hierarchy

The fair value of investment property was determined by external independent valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The fair value measurement of the investment property has been categorised as a Level 2.

21.3.2 Since the values have been determined by external independent valuer and inputs are unobservable, sensitivity analysis has not been presented.

		Note	2022 (Rs.'000)	2021 (Rs.'000)
22	LONG TERM ADVANCES - SECURED			
	To employees		18,407	19,621
	Less: Due within one year, shown under current assets	27	(5,927)	(5,673)
			12,480	13,948

22.1 These advances carry interest at 11% (2021: 11%) per annum and are repayable in periods up to three years. These advances have been given in accordance with the Company's policy for the purchase of vehicle. These advances are secured against the ownership of vehicle.

23 LONG TERM INVESTMENTS

Amortised cost

	Pakistan Investment Bonds (PIBs)	23.1	511,459	514,466
--	----------------------------------	------	---------	---------

23.1 This represents investment in Pakistan Investment Bonds (PIBs) having face value of Rs. 500 million (2021: Rs. 500 million). These PIBs carry a coupon rate of 8.75% (2021: 8.75%) per annum with profit payable on a half yearly basis. The maturity date of PIBs is 21 April 2026.

24 LONG TERM DEPOSITS

	Long term deposits	24.1	39,482	38,066
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24.1 These represent deposits maintained with the utility companies. These are unsecured, interest free and refundable on termination of services.

25 INVENTORIES

Stores, spare parts and loose tools

	Stores		213,426	180,279
	Spare parts and loose tools		70,845	64,542
			284,271	244,821

Stock in trade

	Raw material		1,694,828	1,243,687
	Work in process		161,313	130,916
	Stock under maturation - WIP	25.1	201,811	167,939
	Finished goods		210,962	216,065
			2,268,914	1,758,607

	Less: provision for slow moving inventories	25.2	(114,834)	(65,807)
			2,438,351	1,937,621

25.1 A substantial portion of malt whisky will not be sold within one year because of the duration of the aging process. All malt whisky is classified as stock under maturation and is included in current assets, although portion of such inventories may be aged for periods greater than one year which is the usual time period. Warehousing, insurance and other carrying charges applicable to malt whisky held for aging is included in inventory cost.

25.2 Movement in provision for slow moving inventories

	Balance at 01 July		65,807	54,043
	Provision for slow moving inventories	34	49,027	11,764
	Balance at 30 June		114,834	65,807

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Notes to the Financial Statements

For the year ended 30 June 2022

			2022 <u>(Rs.'000)</u>	2021 <u>(Rs.'000)</u>
26	TRADE DEBTS - Unsecured	Note		
	Considered good		15,019	31,372
	Considered doubtful		2,008	1,141
			<u>17,027</u>	<u>32,513</u>
	Less: loss allowance for expected credit losses	26.1	<u>(2,008)</u>	<u>(1,141)</u>
			<u>15,019</u>	<u>31,372</u>
26.1	Loss allowance for expected credit losses			
	Balance at 01 July		1,141	6,154
	Allowance/(reversal) for expected credit loss		867	(5,013)
	Balance at 30 June		<u>2,008</u>	<u>1,141</u>
26.2	The age analysis of trade debts, at the reporting date, is as follows:			
	Past due			
	-up to 3 months		15,522	31,443
	-up to 3 to 6 months		1,505	190
	-up to 6 to 12 months		-	880
			<u>17,027</u>	<u>32,513</u>
27	ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
	Advances to employees - unsecured		85	696
	Current portion of long term advances - secured	22	5,927	5,673
	Advances to suppliers - unsecured		279,670	186,843
	Prepayments		21,503	4,671
	Interest accrued		8,413	9,786
	Other receivables		886	577
			<u>316,484</u>	<u>208,246</u>
28	SHORT TERM INVESTMENTS			
	<i>Investments at fair value through profit or loss</i>			
	Shares of listed companies		28	6
	Mutual funds	28.1	1,976,413	1,993,768
			<u>1,976,441</u>	<u>1,993,774</u>
28.1	These represent funds invested in 108.43 million (2021: 125.55 million) units of various mutual funds having market value ranging from Rs.9.65 to Rs. 507.51 (2021: Rs.9.66 to Rs. 505.88) per unit.			
29	(PROVISION FOR INCOME TAX - NET) / ADVANCE TAX - NET			
	Advance income tax (net) at 01 July		255,339	372,106
	Provision for tax - current	39	(875,672)	(418,086)
	Income tax paid during the year		495,306	316,770
	Income tax adjusted against Workers' Welfare Fund	14.3	-	(15,451)
	(Provision for income tax - net) / Advance tax (net) at 30 June		<u>(125,027)</u>	<u>255,339</u>

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

	Note	2022 (Rs.'000)	2021 (Rs.'000)
30 CASH AND BANK BALANCES			
Cash in hand		8,820	10,992
Banking instrument in hand	30.1	100,000	100,000
Cash at banks:			
- local currency current accounts		995,682	722,686
- local currency deposit accounts	30.2	1,401,746	1,314,709
- foreign currency deposit account	30.3	2,980	49,401
		2,400,408	2,086,796
	30.4	2,509,228	2,197,788

30.1 These represent call deposit receipts in the name of the Company.

30.2 These carry interest ranging from 6.65% to 13.00% (2021: 3% to 6.25%) per annum.

30.3 This carries interest at the rate of 1.00% (2021: 0.25%) per annum.

30.4 This includes cash margin amounting to Rs. 100 million (2021: Rs. 100 million) with Askari Bank as security against letter of guarantee facilities.

30.5 Financing facilities

At the reporting date, the Company had following funded and unfunded finance facilities available from scheduled banks:

- (a) Running finance facility amounting to Rs. 35 million (2021: Rs. 35 million) from Bank Alfalah Limited, Rawalpindi. This facility is available till 30 September 2022 which is in process of further renewal till 30 September 2023. This carries mark up at the rate of 6 months' KIBOR plus 1% (2021: 6 months' KIBOR plus 1%) per annum. Principal is payable on expiry or on demand whichever is earlier. It is secured against present and future current assets of the Company registered with Securities and Exchange Commission of Pakistan amounting to Rs. 75 million (2021: Rs. 75 million).
- (b) Facilities of letters of guarantee and letters of credit amounting to Rs. 10 million (2021: Rs. 10 million) and Rs. 450 million (2021: Rs. 450 million) from Bank Alfalah Limited respectively were available. Facilities of letters of guarantee and letters of credit are secured against present and future assets of the Company and lien on import documents respectively.
- (c) Facilities of letters of guarantee, shipping guarantee and letters of credit amounting to Rs. 100 million (2021: Rs. 100 million), Rs. 50 million (2021: Rs. 50 million) and Rs. 200 million (2021: Rs. 200 million) from Askari Bank Limited respectively are available to the Company till 31 October 2022. Facilities of letters of guarantee and shipping guarantee are secured against 100% cash margin and lien on import documents.
- (d) Facility of letter of credit amounting to Rs. 300 million (2021: Rs 300 million) is available from Allied Bank Limited. This facility is available till 31 December 2022. This facility is secured against lien over valid import documents.
- (e) Facility of letter of credit amounting to Rs. 500 million (2021: Rs. 200 million) and letter of guarantee of Rs 150 million (2021: Rs. 100 million) was available from United Bank Limited and are available to the Company till 30 June 2023. This facility is secured against lien over valid import documents and 100% cash margin or lien on deposit/UBL Funds (lien will be accepted in low risk money market funds).

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

		2022 (Rs.'000)	2021 (Rs.'000)
31 NET TURNOVER	Note		
Turnover	31.1	20,252,774	16,087,879
Sales tax		(3,206,609)	(2,541,128)
Federal and provincial excise duty		(1,146,328)	(1,426,991)
Trade discounts		(653,261)	(432,471)
Sales returns		(12,258)	-
Revenue from contracts with customers		15,234,318	11,687,289
31.1 Disaggregation of local and international sales			
Local sales	31.2	15,205,071	11,678,507
Export sales		29,247	8,782
		15,234,318	11,687,289
31.2 Disaggregation of revenue from contracts with customers			
In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.			
		2022 (Rs.'000)	2021 (Rs.'000)
<i>Primary geographical markets</i>			
Punjab		6,299,682	4,529,543
Sindh		5,347,757	4,088,394
Khyber Pakhtunkhwa		1,708,744	1,477,796
Balochistan		1,241,929	1,116,326
Islamabad Capital Territory		534,596	354,778
Others		101,610	120,452
		15,234,318	11,687,289
<i>Major products/service lines</i>			
Pakistan Made Foreign Liquor (PMFL)		4,816,366	3,518,744
Beer		2,745,041	2,375,503
Non alcoholic beverages and products		4,310,719	3,346,861
Tetrapak juices		1,558,751	1,128,974
Juices Non Returnable		540,610	332,746
Sparklets bottled drinking water		946,433	546,612
Glass products		203,411	324,855
Others		112,987	112,994
		15,234,318	11,687,289
<i>Timing of revenue recognition</i>			
Products transferred at a point in time		15,234,318	11,687,289
31.3	Revenue amounting to Rs. 202.616 million (2021: Rs. 109.842 million) included in the opening contract liability balance has been recognized during the year.		
32 COST OF SALES	Note	2022 (Rs.'000)	2021 (Rs.'000)
Raw materials consumed	32.1	8,778,406	6,177,966
Stores and spares consumed		234,010	193,784
Fuel and power		952,239	762,772
Salaries, wages and other benefits	32.2	707,989	577,602
Repairs and maintenance		133,326	117,843
Depreciation	17.1.3	356,459	370,914
Depreciation- Right of Use Asset	18.1	719	36,091
Cost to fulfil a contract - transportation		440,296	316,143
Other manufacturing expenses		149,725	117,058
		11,753,169	8,670,173
Work in process including stock under maturation			
Opening stock at 01 July		298,855	250,380
Closing stock at 30 June		(363,124)	(298,855)
		(64,269)	(48,475)
Cost of goods manufactured			
Finished goods			
Opening stock at 01 July		216,065	304,686
Closing stock at 30 June		(210,962)	(216,065)
		5,103	88,621
		11,694,003	8,710,319
32.1 Raw materials consumed			
Opening stock at 01 July		1,243,687	1,153,133
Purchases		9,229,547	6,268,520
Closing stock at 30 June		(1,694,828)	(1,243,687)
		8,778,406	6,177,966
32.2	This includes staff retirement benefits amounting to Rs. 33.22 million (2021: Rs. 20.12 million).		

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

33	SELLING AND DISTRIBUTION EXPENSES	Note	2022 (Rs.'000)	2021 (Rs.'000)
	Salaries, wages and other benefits	33.1	185,623	154,171
	Advertisement and publicity		84,715	71,834
	Selling expenses		265,241	210,148
	Incremental cost of obtaining a contract - sales commission		104,324	91,373
	Samples		11,685	11,663
	Sales promotion		18,526	13,455
	Freight		114,249	84,524
	Depreciation- property, plant and equipment	17.1.3	1,792	2,864
	Depreciation- right of use asset	18.1	4,601	4,601
	Service charges and commission to D.P. Edulji & Co. (Private) Limited, a related party	46	207,096	141,686
	Rent of vehicles		-	36,197
	Others		167,371	86,691
			1,165,223	909,207
33.1	This includes staff retirement benefits amounting to Rs. 4.44 million (2021: Rs. 3.77 million).			
34	ADMINISTRATIVE EXPENSES			
	Salaries, wages and other benefits	34.1	343,469	269,486
	Travelling and conveyance		10,674	6,100
	Printing and stationery		11,847	10,435
	Repairs and maintenance		17,372	17,149
	Fuel and power		33,137	38,919
	Directors' fees and travelling		6,843	7,234
	Communication		9,038	7,942
	Entertainment		10,386	6,847
	Legal and professional		9,986	12,849
	Security		22,637	21,009
	Donations	34.2	3,585	4,120
	Provision for slow moving inventories	25.2	43,671	11,765
	Insurance		7,971	8,408
	Rent, rates and taxes		10,481	10,765
	Depreciation- property plant & equipment	17.1.3	11,196	15,074
	Depreciation- right of use asset	18.1	2,624	3,269
	Amortization	19.1	519	519
	Others		4,620	17,691
			560,056	469,581
34.1	This includes staff retirement benefits amounting to Rs. 7.02 million (2021: Rs. 10.95 million).			
34.2	Donations include Rs. 1.50 million (2021: Rs. 1.50 million) paid to Bhandara Foundation, located at 10 Commercial Building, Shahrah-e-Quaid-i-Azam, Lahore, in which Chief Executive Officer of the Company is a Trustee.			
35	OTHER EXPENSES	Note	2022 (Rs.'000)	2021 (Rs.'000)
	Workers' Profit Participation Fund (WPPF)	14.2	85,904	68,553
	Workers' Welfare Fund (WWF)	14.3	43,870	32,536
	Provision for gas tariff differential		22,745	133,245
	Auditors' remuneration	35.1	5,455	2,299
	Other certifications		480	793
	Internal audit fee		1,800	1,732
			160,254	239,158

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For the year ended 30 June 2022

		2022 (Rs.'000)	2021 (Rs.'000)
35.1 Auditors' remuneration	Note		
Audit services			
Annual audit fee		1,375	1,250
Half yearly audit fee		357	325
Certification for regulatory purposes		520	420
Out of pocket expenses		655	304
		<u>2,907</u>	<u>2,299</u>
Non audit services			
Tax services		2,548	-
		<u>2,548</u>	<u>-</u>
		<u>5,455</u>	<u>2,299</u>
35.2	Other expenses are not directly attributable to segments. For details, refer note 4.20.		
36 OTHER INCOME			
Gain on disposal of operating fixed assets	17.1.6	24,418	5,465
Gain on remeasurement of investment property to fair value	21.1	113,241	39,259
Rental income		14,023	12,149
Insurance claim		-	20
Others		28,684	24,340
		<u>180,366</u>	<u>81,233</u>
37 FINANCE COST			
Finance charge on leased assets		2,714	6,356
Bank charges		1,165	2,445
Bank guarantee commission		213	602
Interest on loans		15,517	20,109
		<u>19,609</u>	<u>29,512</u>

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Notes to the Financial Statements

For the year ended 30 June 2022

38 FINANCE INCOME	Note	2022 (Rs.'000)	2021 (Rs.'000)
Income from financial assets:			
Interest on advances		257	348
Interest on Pakistan Investment Bonds		40,962	40,761
Return on deposit accounts		131,346	80,180
Dividend income		175,365	114,651
Amortization of deferred grant		13,724	17,814
Interest on term deposit receipts		29	340
Unrealized gain on remeasurement of short term investments		4,172	734
Exchange (loss)/gain		12,901	(2,727)
		378,756	252,101
39 INCOME TAX EXPENSE			
39.1 Amounts recognized in profit or loss:			
Tax			
Current year		875,672	497,760
Prior year		-	(79,674)
	29	875,672	418,086
Deferred	13.1	23,648	(41,699)
Tax expense for the year		899,320	376,387
39.2 Reconciliation of tax charge for the year			
		2022 (Rs.'000)	2021 (Rs.'000)
Accounting profit before tax		2,193,428	1,667,859
Tax rate		29%	29%
Tax on accounting profit		636,094	483,679
Tax effect of income taxable at lower rates		(30,286)	(16,051)
Effect of change in rate		18,161	-
Prior year charge		-	(79,674)
Effect of zero rated income		(44,164)	(11,385)
Effect of super tax		239,721	-
Others		79,793	(182)
Tax expense for the year		899,320	376,387
39.3 The Government through Finance Act, 2022, introduced section 4C in Income Tax Ordinance, 2001, and imposed super tax at the rate of 10% on taxable income as defined in the said section, for tax year 2022.			
40 EARNINGS PER SHARE - BASIC AND DILUTED			
There is no dilutive effect on the basic earnings per share of the Company, which is based on:			
Net profit for the year (Rs.'000)		1,294,108	1,291,472
Weighted average number of shares (Numbers)		27,663,630	27,663,630
Earnings per share (Rupees)		46.78	46.68

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Notes to the Financial Statements For the year ended 30 June 2022

	2022 (Rs.'000)	2021 (Rs.'000)
41 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents for the purpose of statement of cash flows	2,509,228	2,197,788

41.1 Reconciliation of movements of liabilities to cash flows arising from financing activities

	Lease liabilities	Long term loan	Unpaid dividend and unclaimed dividend	Total
	(Rs.'000)			
Balance at 01 July 2020	112,420	-	130,443	242,863
<i>Changes from financing activities</i>				
Dividend paid	-	-	(713,451)	(713,451)
Receipt of loan	-	340,285	-	340,285
Repayment of Finance lease	(96,996)	-	-	(96,996)
Repayment of loan	-	(44,172)	-	(44,172)
Total changes from financing cash flows	(96,996)	296,113	(713,451)	(514,334)
<i>Other changes</i>				
Recognition of lease liability against ROU assets	-	-	-	-
Interest charges	6,356	19,450	-	25,806
Recognition of deferred grant	-	(34,397)	-	(34,397)
Lease additions	4,020	-	-	4,020
	10,376	(14,947)	-	(4,571)
Dividend declared	-	-	691,590	691,590
Total liability related changes	-	-	691,590	691,590
Balance at 30 June 2021	25,800	281,166	108,582	415,548
Balance at 30 June 2021	25,800	281,166	108,582	415,548
<i>Changes from financing activities</i>				
Dividend paid	-	-	(948,150)	(948,150)
Repayment of Finance lease	(12,281)	-	-	(12,281)
Repayment of loan	-	(171,935)	-	(171,935)
Total changes from financing cash flows	(12,281)	(171,935)	(948,150)	(1,132,366)
<i>Other changes</i>				
Interest charges	2,715	15,517	-	18,232
Recognition of deferred grant	-	-	-	-
Lease additions	-	-	-	-
	2,715	15,517	-	18,232
Dividend declared	-	-	968,226	968,226
Total liability related changes	-	-	968,226	968,226
Balance at 30 June 2022	16,234	124,748	128,658	269,640

42 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amounts charged for remuneration including benefits and perquisites, to chief executive officer, directors and executive were as follows:

	2022		2021	
	Chief Executive Officer	Executives	Chief Executive Officer	Executives
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Managerial remuneration	7,562	28,621	6,662	18,066
Medical benefit	933	2,699	858	1,918
Gratuity fund contribution	323	738	295	851
Provident fund contributions	463	1,088	400	965
House rent allowance	1,914	4,866	1,747	4,010
Bonus	7,725	16,132	7,056	11,088
Travelling expense	524	-	277	-
Compensated absences	367	311	355	708
	19,811	54,455	17,650	37,606
Number of persons	1	7	1	6

42.1 In addition to above free furnished accommodation is provided to the chief executive officer. Further, company-maintained vehicles are also provided to the chief executive officer and executives; the net book values of which are Rs. 40.25 million (2021: Rs. 10.99 million). Gratuity is payable to chief executive officer and executives in accordance with the terms of employment, while contribution for chief executive officer and executives in respect of gratuity and pension are based on actuarial valuation.

42.2 Directors of the Company were not paid any remuneration during the year except for the meeting fee of Rs.4,350,000 (2021: Rs. 5,400,000). Number of Directors at the reporting date were 8 (2021: 8).

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43 SEGMENT INFORMATION

43.1 Operating segments

The Company has three reportable segments, as described below, which are the Company's strategic business units. These strategic business units offer different products and are managed separately because of the requirement of different technologies and marketing strategies. These segments have been identified on the basis of business namely Liquor Division, Glass Division and Tops Division. The following summary describes the operations of each reportable segment:

<u>Reportable segments</u>	<u>Operations</u>
Liquor Division	Manufacturing and sale of alcoholic and non-alcoholic beverages
Tops Division	Manufacturing and sale of food products, juices and mineral water
Glass Division	Manufacturing and sale of glass bottles and jars

For each of the business unit, the audit committee, the Board of Directors and the Company's Chief Executive Officer (CEO) along with the Chief Financial Officer (CFO) reviews internal management reports on at least quarterly basis.

There are varying levels of integration between the three segments. This integration includes transfers of raw material and finished goods respectively. The accounting policies of the reportable segments are the same as described in note 4.20.

Performance is measured on segment profit before income tax, as included in the internal management reports that are reviewed by the Company's CEO along with the CFO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

43.2 Information about reportable segments

(a) The detail of utilization of the Company's assets and related liabilities of the reportable segments is as follows:

		Liquor Division	Glass Division	Tops Division	Corporate office	Total
		(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)
Assets	2022	11,144,474	1,092,855	2,754,601	108,023	15,099,953
	2021	7,919,819	631,402	2,263,291	3,228,145	14,042,657
Liabilities	2022	1,140,197	237,004	521,327	1,018,641	2,917,169
	2021	1,720,823	312,574	382,499	120,525	2,536,421

(i) Non current assets - additions

Property, plant and equipment	2022	92,553	4,566	41,960	-	139,079
	2021	166,815	1,064	27,655	-	195,534
Right of Use asset	2022	-	-	-	-	-
	2021	4,298	1,396	-	-	5,694

(ii) Other material items

External revenue	2022	14,210,908	237,991	5,803,876	-	20,252,775
	2021	11,477,744	380,080	4,230,055	-	16,087,879
Inter-segment revenue	2022	746,241	1,761,861	12,616	-	2,520,718
	2021	627,262	1,424,689	37,021	-	2,088,972
Other income	2022	92,997	6,925	80,444	-	180,366
	2021	28,520	8,318	44,395	-	81,233
Finance cost	2022	(16,913)	(178)	(2,518)	-	(19,609)
	2021	(22,115)	(1,218)	(6,179)	-	(29,512)
Finance income	2022	366,420	2,265	10,071	-	378,756
	2021	244,939	1,078	6,084	-	252,101
Net finance income	2022	349,507	2,087	7,553	-	359,147
	2021	222,824	(140)	(95)	-	222,589
Depreciation	2022	143,731	117,840	107,876	-	369,447
	2021	161,684	150,857	76,797	-	389,339

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(b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items are as under:

	2022 (Rs.'000)	2021 (Rs.'000)
(i) Revenues		
Total revenue for reportable segments	17,755,036	13,776,261
Elimination of inter-segment revenue	(2,520,718)	(2,088,972)
	15,234,318	11,687,289
(ii) Profit / (loss) before tax		
Total profit or loss for reportable segments	2,353,682	1,907,017
Unallocated amounts - Other expenses	(160,254)	(239,158)
	2,193,428	1,667,859
(iii) Assets		
Total assets for reportable segments	14,991,930	10,814,512
Other unallocated amounts	108,023	3,228,145
	15,099,953	14,042,657
(iv) Liabilities		
Total liabilities for reportable segments	1,898,528	2,415,896
Other unallocated amounts	1,018,641	120,525
	2,917,169	2,536,421
(c) Geographical segments		

All the assets of the Company are held in Pakistan and substantially all the revenues of the Company are generated in Pakistan.

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43.3 SEGMENT INFORMATION

	Liquor Division		Glass Division		Tops Division		Total	
	2022 (Rs. '000)	2021 (Rs. '000)	2022 (Rs. '000)	2021 (Rs. '000)	2022 (Rs. '000)	2021 (Rs. '000)	2022 (Rs. '000)	2021 (Rs. '000)
TURNOVER								
Third party turnover - gross	14,210,908	11,477,744	237,991	380,080	5,803,876	4,230,055	20,252,775	16,087,879
Less: trade discounts	(114,113)	(91,423)	-	-	(539,148)	(341,049)	(653,261)	(432,472)
Less: Sales return	-	-	-	-	(12,258)	-	(12,258)	-
Third party turnover - net	14,096,795	11,386,321	237,991	380,080	5,252,470	3,889,006	19,587,256	15,655,407
Inter division sales	746,241	627,262	1,761,861	1,424,689	12,616	37,021	-	-
Sales tax and excise duty	14,843,036	12,013,583	1,999,852	1,804,769	5,265,086	3,926,027	19,587,256	15,655,407
Revenue	(3,203,797)	(2,964,194)	(34,580)	(55,225)	(1,114,561)	(948,699)	(4,352,938)	(3,968,118)
	11,639,239	9,049,389	1,965,272	1,749,544	4,150,525	2,977,328	15,234,318	11,687,289
COST OF SALES								
Third parties	(7,516,831)	(5,498,632)	(1,450,370)	(1,333,621)	(2,726,802)	(1,878,066)	(11,694,003)	(8,710,319)
Inter division cost	(1,654,254)	(1,398,778)	-	-	(866,464)	(690,194)	-	-
	(9,171,085)	(6,897,410)	(1,450,370)	(1,333,621)	(3,593,266)	(2,568,260)	(11,694,003)	(8,710,319)
GROSS PROFIT	2,468,154	2,151,979	514,902	415,923	557,259	409,068	3,540,315	2,976,970
Selling and distribution expenses	(609,476)	(486,338)	(7,441)	(6,265)	(548,306)	(416,604)	(1,165,223)	(909,207)
Administrative expenses	(321,532)	(322,075)	(86,996)	(39,296)	(151,528)	(108,210)	(560,056)	(469,581)
Other expenses	-	-	-	-	-	-	(160,254)	(239,158)
Other income	92,997	28,520	6,925	8,318	80,444	44,395	180,366	81,233
Impairment loss on trade debts	-	-	-	-	(867)	5,013	(867)	5,013
Operating profit	1,630,143	1,372,086	427,390	378,680	(62,998)	(66,338)	1,834,281	1,445,270
Finance cost	(16,913)	(22,115)	(178)	(1,218)	(2,518)	(6,179)	(19,609)	(29,512)
Finance income	366,420	244,939	2,265	1,078	10,071	6,084	378,756	252,101
Net finance income	349,507	222,824	2,087	(140)	7,553	(95)	359,147	222,589
Profit/(loss) before tax	1,979,650	1,594,910	429,477	378,540	(55,445)	(66,433)	2,193,428	1,667,859

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44 FINANCIAL INSTRUMENTS

44.1 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

	30 June 2022	Note	Carrying amount			Fair value							
			Fair value through profit or loss	Amortized Cost	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total			
			(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)
Financial assets measured at fair value													
Short term investments		28	1,976,441	-	-	1,976,441	1,976,441	-	-	-	-	-	1,976,441
			1,976,441	-	-	1,976,441	1,976,441	-	-	-	-	-	1,976,441
Financial assets not measured at fair value													
Long term advances		22 and 44.4	-	12,480	-	-	12,480	-	-	-	-	-	-
Long term investments		23	-	511,459	-	-	511,459	-	-	-	-	-	-
Long term deposits		24 and 44.4	39,482	-	-	39,482	39,482	-	-	-	415,799	-	415,799
Trade debts		26 and 44.4	-	15,019	-	15,019	15,019	-	-	-	-	-	-
Advances and other receivables		27 & 44.2	-	15,311	-	15,311	15,311	-	-	-	-	-	-
Cash and bank balances		30 & 44.4	-	2,509,228	-	2,509,228	2,509,228	-	-	-	-	-	-
			39,482	3,063,497	-	3,102,979	3,102,979	-	-	-	415,799	-	415,799
Financial liabilities not measured at fair value													
Long term loan		11	-	-	124,748	124,748	124,748	-	-	-	-	-	-
Lease liabilities		10 & 44.4	-	-	16,234	16,234	16,234	-	-	-	-	-	-
Trade and other payables		14 & 44.3	-	-	1,044,249	1,044,249	1,044,249	-	-	-	-	-	-
Unpaid dividend		44.4	-	-	96,840	96,840	96,840	-	-	-	-	-	-
Unclaimed dividend		44.4	-	-	31,818	31,818	31,818	-	-	-	-	-	-
			-	-	1,313,889	1,313,889	1,313,889	-	-	-	-	-	-

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	30 June 2021	Note	Carrying amount		Fair value					
			Fair value through profit or loss	Amortized Cost	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
			(Rs.'000)		(Rs.'000)					
On-balance sheet financial instruments										
Financial assets measured at fair value										
Short term investments	1,993,774	28	1,993,774	-	-	1,993,774	-	-	-	1,993,774
Financial assets not measured at fair value										
Long term advances	-	22 and 44	-	13,948	-	13,948	-	-	-	-
Long term investments	-	23	-	514,466	-	514,466	-	-	-	502,377
Long term deposits	38,066		38,066	-	-	38,066	-	-	-	-
Trade debts	-	26 and 44.4	-	31,372	-	31,372	-	-	-	-
Advances and other receivables	-	27 & 44.2	-	16,732	-	16,732	-	-	-	-
Cash and bank balances	-	30 & 44.4	-	2,197,788	-	2,197,788	-	-	-	-
Financial liabilities not measured at fair value										
Long term loan	-	11	-	-	281,166	281,166	-	-	-	-
Lease liabilities	-	10 & 44.4	-	-	25,800	25,800	-	-	-	-
Trade and other payables	-	14 & 44.3	-	-	908,290	908,290	-	-	-	-
Unpaid dividend	-	44.4	-	-	76,003	76,003	-	-	-	-
Unclaimed dividend	-	44.4	-	-	32,579	32,579	-	-	-	-
44.2										
It excludes advances to suppliers.										
44.3										
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.										
44.4										
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.										

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44.5 FINANCIAL RISK MANAGEMENT

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

- Credit risk (Note 44.5.1)
- Liquidity risk (Note 44.5.2)
- Market risk (Note 44.5.3)

Risk management framework

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

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

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

44.5.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from trade debts, advances and deposits, interest accrued, other receivables, margin on letter of guarantee and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The Company's credit risk exposures is categorized under the following headings:

i. Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customers/dealers. The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment terms and conditions are offered. Credit limits are established for each customer, which are regularly reviewed and approved by the management. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

ii. Concentration of credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	Note	2022 (Rs.'000)	2021 (Rs.'000)
Long term advances	22 and 44.4	12,480	13,948
Long term investments	23	511,459	514,466
Long term deposits	24 and 44.4	39,482	38,066
Trade debts	26 and 44.4	15,019	31,372
Advances and other receivables	27	15,311	16,732
Bank balances	30 and 44.4	2,400,408	2,086,796
		<u>2,994,159</u>	<u>2,701,380</u>

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Geographically there is no concentration of credit risk at the reporting date (2021: Nil). The maximum exposure to credit risk for financial assets at the reporting date by type of counter party is as follows:

	2022 (Rs.'000)	2021 (Rs.'000)
From government institutions	511,459	514,466
Banks and financial institutions	2,400,408	2,086,796
Others	82,292	100,118
	2,994,159	2,701,380

	2022		2021	
	Gross (Rs.'000)	Impairment	Gross	Impairment

iii. Loss allowance for expected credit loss

The aging of trade debts at the reporting date is as follows:

Less than one year	17,027	(2,008)	32,513	(1,141)
	17,027	(2,008)	32,513	(1,141)

The movement in the allowance for impairment in respect of trade debts during the year is given in note 26.1:

The doubtful account in respect of trade debts are used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible; at that point the amount considered irrecoverable is written off against the financial asset directly.

The Company has no collateral in respect of financial assets exposed to credit risk. Based on past experience, management believes that except as already provided for in these financial statements, no further impairment is required to be recognized against any financial assets of the Company.

Credit quality of financial assets

The credit quality of company's financial assets have been assessed below by reference to external credit rating of counterparties determined by Moody's Investor Services Inc., Pakistan Credit Rating Agency Limited (PACRA) and JCR - VIS Credit Rating Company Limited (JCR - VIS). The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any default in meeting obligations.

An analysis of the credit quality of financial assets that are neither past due nor impaired is as follows:

		2022 (Rs.'000)	2021 (Rs.'000)
Long term advances			
Counterparties without external credit rating		12,480	13,948
Long term investments			
Counterparties with external credit rating	B-	511,459	514,466

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	Rating	2022 (Rs.'000)	2021 (Rs.'000)
Long term deposits			
Counterparties with external credit rating	AA+	4	4
Counterparties with external credit rating	AA	-	7,634
Counterparties with external credit rating	AA-	17,596	21,768
Counterparties with external credit rating	AAA	7,629	-
Counterparties without external credit rating		14,253	8,660
		39,482	38,066
Trade debts			
Counterparties with external credit rating	A1	6,220	4,648
Counterparties with external credit rating	AAA	848	1,532
Counterparties without external credit rating		9,959	26,333
		17,027	32,513
Advances and other receivables			
Counterparties with external credit rating		-	-
Counterparties without external credit rating		15,311	16,732
		15,311	16,732
Bank balances			
Counterparties with external credit rating	A1+	2,380,445	2,070,659
Counterparties with external credit rating	A-1	19,889	16,067
Counterparties with external credit rating	A-3	74	70
Counterparties without external credit rating		-	-
		2,400,408	2,086,796
		2,996,168	2,702,520

44.5.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to dynamic nature of the business. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to dynamic nature of the business. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The maturity profile of the Company's financial liabilities based on the contractual amounts is as follows:

	Carrying amount	Contractual cash flows	Maturity in less than 1 year	Maturity after one year and up to five years	Maturity after five years
Rupees					
2022					
Long term loan	124,748	128,090	128,090	-	-
Lease liabilities	16,234	18,254	9,792	8,462	-
Trade and other payables	1,044,249	1,044,249	1,044,249	-	-
Unpaid dividend	96,840	96,840	96,840	-	-
Unclaimed dividend	31,818	31,818	31,818	-	-
	1,313,889	1,319,251	1,310,789	8,462	-
	Carrying amount	Contractual cash flows	Maturity in less than 1 year	Maturity after one year and up to five years	Maturity after five years
Rupees					
2021					
Long term loan	281,166	300,026	171,936	128,090	-
Lease liabilities	25,800	28,627	12,237	16,390	-
Trade and other payables	908,290	908,290	908,290	-	-
Unpaid dividend	76,003	76,003	76,003	-	-
Unclaimed dividend	32,579	32,579	32,579	-	-
	1,323,838	1,345,525	1,201,045	144,480	-

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It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

The contractual cash flows relating to finance lease liabilities have been determined on the basis of expected mark up rates. The mark-up rates have been disclosed in note 10 to these financial statements.

44.5.3 Market risk

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

Foreign currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and other transactions and balances are denominated and the functional currency of the Company. The functional currency of the Company is Pakistan Rupee (PKR). The currency in which these transactions and balances are primarily denominated is US Dollars (USD). The Company's potential foreign currency exposure comprise:

- Transactional exposure in respect of non functional currency monetary items.
- Transactional exposure in respect of non functional currency expenditure and revenues.

i. Transactional exposure in respect of non functional currency monetary items

Monetary items, including financial assets and liabilities, denominated in currencies other than the functional currency of the Company are periodically restated to PKR equivalent, and the associated gain or loss is taken to the profit or loss. The foreign currency risk related to monetary items is managed as part of the risk management strategy.

ii. Transactional exposure in respect of non functional currency expenditure and revenues

Certain operating and capital expenditure is incurred by the Company in currencies other than the functional currency. Certain sales revenue is earned in currencies other than the functional currency of the Company. These currency risks are managed as part of overall risk management strategy. The Company does not enter into forward exchange contracts.

iii. Exposure to foreign currency risk on year end monetary balances

	2022		2021	
	Rs.	USD	Rs.	USD
	in '000		in '000	
Bank balances	2,980	15	49,401	314

The following significant exchange rates were applied during the year:

	Average rate		Reporting date rate	
	2022	2021	2022	2021
	Rs.		Rs.	
PKR per US Dollar	181.24	162.50	204.97	157.50

iv. Foreign currency sensitivity analysis

Following is the demonstration of the sensitivity to a reasonably possible change in exchange rate of USD applied to assets and liabilities as at the reporting date represented in foreign currency, with all other variables held constant, of the Company's profit before tax.

	2022 (Rs.'000)	2021 (Rs.'000)
Increase in 10% USD rate	298	4,940
Decrease in 10% USD rate	(298)	(4,940)

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Interest rate risk

The interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rates. The Company does not have liabilities at variable rates.

i. Exposure to interest rate risk

At the reporting date the interest rate profile of the Company's interest bearing financial instruments was as follows:

	Effective interest rate		Note	Carrying amounts	
	2022	2021		2022	2021
Interest rate risk	(%)	(%)		(Rs.'000)	(Rs.'000)
Fixed rate instruments					
Financial assets	0.25% to 11% per annum	0.25% to 12.62% per annum	22, 23 and 30	1,928,665	1,892,524
Financial liabilities	8.56% to 14.50% per annum	8.24% to 14.65% per annum	10	16,234	25,800
				<u>1,944,899</u>	<u>1,918,324</u>

ii. Fair value sensitivity analysis for fixed rate instruments

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

iii. Cash flow sensitivity analysis for variable rate instruments

There are no outstanding variable rate instruments at the reporting date (2021: Nil). Hence the Company is not exposed to any variable interest rate risk.

Other market price risk

The primary goal of the Company's investment strategy is to maximize investment returns on surplus funds. The Company adopts a policy of ensuring to minimize its price risk by investing in securities having sound market performance. Certain investments are designated as held for trading because their performance is actively monitored and these are managed on a fair value basis. Equity price risk arises from investments at fair value through profit or loss.

Sensitivity analysis – equity price risk

For quoted investments classified as FVTPL, 100 basis point increase in market price at reporting date would have increased profit by Rs. 19.76 million (2021: Rs. 19.94 million); an equal change in the opposite direction would have decreased profit by the same amount. The analysis is performed on the same basis for 2021 and assumes that all other variables remain the same.

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45 CAPACITY AND PRODUCTION	Note	Measurement basis	2022	2021
45.1 Liquor Division - Rawalpindi				
(a) Capacity of industrial unit				
Beer and Non Alcoholic Beverages (NAB)		Litres	54,762,240	54,762,240
Pakistan Made Foreign Liquor (PMFL)		Cases (2 B.G)	2,490,509	2,490,509
Non Alcoholic Products (NAP)		Litres	56,160,000	56,160,000
(b) Actual production				
Beer and Non Alcoholic Beverages (NAB)		Litres	28,043,937	25,268,800
Pakistan Made Foreign Liquor (PMFL)		Cases (2 B.G)	1,902,965	1,538,222
Non Alcoholic Products (NAP)	45.4	Litres	64,802,552	54,565,697
45.2 Tops Division				
(i) Rawalpindi				
(a) Capacity of industrial unit				
Tetra pack juices		Litres	33,580,000	33,580,000
(b) Actual production				
Tetra pack juices		Litres	21,859,741	18,636,235
(ii) Hattar				
(a) Capacity of industrial unit				
Food products		Cartons	375,000	375,000
Juice (NR & Ret)		Litres	4,500,000	4,500,000
Mineral water		Litres	30,424,000	30,424,000
Tetrapak juices		Litres	35,000,000	35,000,000
(b) Actual production				
Food products		Cartons	107,710	295,714
Juice (NR & Ret)	45.4	Litres	6,189,129	7,169,124
Mineral water	45.4	Litres	47,746,579	32,863,848
Tetrapak juices		Litres	8,814,326	6,722,645
45.3 Glass Division - Hattar				
(a) Melting capacity		M. Tons	40,150	40,150
(b) Actual production - Glass melted		M. Tons	30,318	31,109

45.4 Normal capacity is based on 26 working days per month with one shift of 8 hours per day. Actual production represents multiple shifts undertaken keeping in view the market demand.

45.5 The difference is due to the supply and seasonal demand of the market.

46 TRANSACTIONS 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. Balances with related parties are shown in note 6 to the financial statements. The transactions with related parties, other than those which are disclosed in note 17.1.6 and 41 to the financial statements, are as follows:

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

Name of Related Party	Nature of Relationship	Percentage of share holding	Nature of transactions during the year	2022 (Rs.'000)	2021 (Rs.'000)
1) D.P. Edulji & Company (Private) Limited	Associated company on account of common directorship	17.75%	Sales commission Services acquired Dividend paid	188,976 18,120 171,849	125,486 16,200 122,409
2) Kingsway Fund	Associated company	23.08%	Dividend paid	227,451	166,887
3) Board of directors	Directors	20.30%	Dividend paid	196,548	140,392
4) Directors' relatives	Directors' relatives	17.25%	Dividend paid	163,003	142,236
5) Staff retirement benefit plan Provident fund	Staff retirement funds	Nil	Contribution by the Company	8,783	8,299
6) Staff retirement benefit plan Pension fund	Staff retirement funds	Nil	Contribution by the Company	5,751	5,598
7) Bhandara Foundation	Chief executive officer acts as a Trustee	Nil	Donation paid	1,500	1,500
8) Atlas Asset Management	Associated company on account of common directorship	Nil	Receipt of Dividend on mutual funds Dividend reinvestment in mutual funds	18,007 15,306	11,146 9,474
9) Key Management Personnel	Key management personnel	Nil	Remuneration	65,818	47,785

46.1 Details of compensation to key management personnel comprising of chief executive officer, directors and executive is disclosed in note 42.

46.2 Following particulars relate to associated company, incorporated outside Pakistan, with whom the Company has entered into transactions during the year.

Particulars	Details
Name of associate	Kingsway Fund
Registered address	15 Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg
Country of incorporation	Grand Duchy of Luxembourg
Basis of association	Shareholder with significant influence
Aggregate percentage of shareholding	6,384,885 (23.08%) ordinary shares of Rs. 10 each

46.3 Following particulars relate to the directors, of the Company, and their relatives with whom the Company has entered into transactions during the year.

Name	Basis of relationship	Shares held in the Company	
		Numbers	Percentage
1) Mr. Isphanyar M. Bhandara	Chief Executive Officer (CEO)	4,603,280	16.64%
2) Ch. Mueen Afzal	Chairman	3,852	0.01%
3) Mrs. Goshi M. Bhandara	Director	1,000,074	3.62%
4) Mr. Pervaiz Akhter	Director	1,000	0.004%
5) Mr. Aamir Hussain Shirazi	Director	3,084	0.01%
6) Ms. Jahanara Sajjad Ahmad	Director	1,000	0.004%
7) Mr. Shahbaz Haider Agha	Director	2,178	0.01%
8) Mr. Khalid Aziz Mirza	Director	1,200	0.004%
9) Mrs. Jasmine Bhandara	Close family member of CEO	334,211	1.21%
10) Mr. Jamshed M. Bhandara	Close family member of CEO	2,795,687	10.11%
11) Mrs. Munizeh M. Bhandara	Close family member of CEO	1,141,047	4.12%
12) Mr. Zane Isphanyar Bhandara	Close family member of CEO	500,008	1.81%

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Notes to the Financial Statements

For the year ended 30 June 2022

47 EMPLOYEES PROVIDENT FUND TRUST

All the investments out of provident fund trust have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and conditions specified thereunder.

48 NUMBER OF EMPLOYEES

	<u>2022</u> (Number)	<u>2021</u> (Number)
Employees at year end	1,855	1,680
Average employees during the year	1,768	1,674

49 SUBSEQUENT EVENTS

The Board of Directors of the Company in the meeting held on 22nd September 2022 proposed final cash dividend of 100% i.e. Rs. 10/- per share (2021: 100% i.e. Rs 10/- per share). These financial statements do not reflect the proposed final dividend on ordinary shares as payable, which will be accounted for in the statement of changes in equity as an appropriation from the unappropriated profit in the year ending 30 June 2023.

50 GENERAL


50.1 Dividend payable to the Muslim shareholders is deemed to be appropriated from income arising from the Company's investments, non-alcoholic profits and rental income.

51 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 22nd September 2022.



CHIEF FINANCIAL OFFICER



DIRECTOR



DIRECTOR

Murree Brewery Company Limited

قانونی آڈیٹرز

30 جون 2022 کو ختم شدہ مالی سال کیلئے کمپنی کا قانونی آڈٹ مکمل کر لیا گیا ہے اور آڈٹرز نے کمپنی کے مالیاتی گوشواروں پر آڈٹ رپورٹس اور ریگولیشنز سے گوشوارہ موافقت پر جائزہ رپورٹ جاری کر دی ہے۔ آڈیٹرز میسرز کے پی ایم جی ۲۲ شیر ہادی اینڈ کمپنی سالانہ اجلاس عام کے اختتام پر سیکڈوش ہو جائیں گے اور اہل ہونے کی وجہ سے انہوں نے سال 2022-23ء کیلئے خود کو دوبارہ مقرر کیلئے بھی پیش کر دیا ہے۔ آڈٹ اور رسک مینجمنٹ کمیٹی کی سفارش پر بورڈ نے 30 جون 2023 کو ختم ہونے والی مالی سال کیلئے ان کی بطور آڈیٹرز تقرری کی تجویز دی ہے۔ اس کی حتمی منظور 25 اکتوبر 2022ء کو منعقد ہونے والے شیئر ہولڈرز کے سالانہ اجلاس عام میں دی جائے گی۔

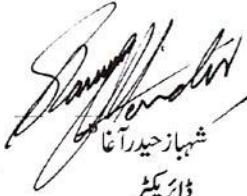
توقعات

اگرچہ کمپنی کو ایک مشکل معاشی ماحول میں، چینلینجوں کا سامنا کرنا پڑ رہا ہے لیکن کمپنی شیئر ہولڈرز کو زیادہ سے زیادہ منافع کی فراہمی کے ساتھ صارفین کی ضروریات کو پوری کرتی رہے گی۔

خدمات کا اعتراف

ہم کمپنی کے ملازمین کی مسلسل لگن اور کوششوں پر خوشی کا اظہار کرتے ہیں۔ ہمارے گاہکوں، سپلائرز، بینکرز، مشینوں، حصص یافتگان اور مختلف سرکاری محکموں کو ان کی مسلسل حمایت کے لئے بھی ہم ان کے ممنون ہیں۔

بورڈ کی جانب سے


شہباز حیدر آغا
ڈائریکٹر


چوہدری معین افضل
چیرمین

راولپنڈی، 22 ستمبر 2022ء

Murree Brewery Company Limited

انوائزمنٹ پرفیکشن ایجنسی سے منظور شدہ لیبارٹری کے ذریعے انوائز اور اثرات کا تجزیہ جاری رکھا ہوا ہے۔ کمپنی کی سرکاری لیبر کو پاکستان نیشنل لیبر اینڈ اینسٹیبلٹی ایسوسی ایشن نے ISO نے تسلیم کیا ہے۔ 17025:2017 پر تسلیم کیا ہے۔

پیشہ ورانہ صحت اور حفاظت

کمپنی اپنے ہر کارکن کو محفوظ اور صحت مند ماحول دینے کے لئے کوشاں ہے۔ اسی لئے اس نے HSE مینجمنٹ سسٹم تیار کیا ہے جو پیشہ ورانہ چیلوں اور بیماری کے واقعات کے حوالے سے کارکنان کی حفاظت اور کوئی بھی ہتا ہے۔ کمپنی کا منظم طریقہ کار پیشہ ورانہ حفاظت اور صحت کو اچھی طرح سے طے شدہ معیارات اور تقاضوں کے مطابق قائم کیا گیا ہے۔ کمپنی نے تمام ملازمین کے لئے ادارے کو محفوظ مقام بنانے کی غرض سے ہر جگہ حفاظتی آپریشنل کنٹرولز کے منظم طریقہ کو خطرات کے اندازہ لگا کر ترتیب دیا ہے۔ کنٹرولز کا مکمل نفاذ اس بات کو یقینی بناتا ہے کہ کمپنی اپنے تمام ملازمین کے لئے ایک محفوظ کام کی جگہ فراہم کر رہی ہے۔

توانائی کا تحفظ

قدرتی وسائل کو موثر اور بہترین انداز میں استعمال کرنے کے لئے کمپنی نے ویری ایبل فریکوئنسی ڈرائیو (وی ایف ڈی) نصب کی ہیں جس کے نتیجے میں بجلی کی بچت ہوئی ہے۔ کمپنی نے توانائی کے ذرائع کے تحفظ کے لئے اپنے تمام روایتی برقی آلات/مشینوں کو توانائی کے موثر آلات میں بھی تبدیل کر دیا ہے۔ مزید، کمپنی نے اپنے ہالوں میں GI ٹیٹ کے متبادل فائبر فلیٹس اور اسکاٹی فلیٹس کا استعمال کیا ہے جس کے باعث بجلی کے استعمال میں کمی لاکر تاریک جگہوں کو روشن کیا ہے۔ جس سے کام کرنے والی جگہوں میں قدرتی سورج کی روشنی آتی ہے۔

ماحولیاتی تحفظ کے اقدامات

کمپنی نے ٹھوس فضلہ کے انتظام (ریڈیوس، ریکورڈری سائیکل) کے 3 آر کو اپنایا ہے تاکہ کمپنی قدرتی وسائل کو زیادہ موثر طریقے سے منظم کر سکے اور ہر بلا فضلہ مواد کو بہتر انداز میں ضائع کر سکے۔ اس سلسلے میں کمپنی نے فلوئٹ ٹریٹمنٹ پلانٹ نصب کیا ہے جو کمپنی کے فضلہ کے پانی کو اس کے دوبارہ استعمال یا ماحول میں محفوظ ٹھکانے لگانے کے لیے ٹریٹ کرنے کے لیے ڈیزائن کیا گیا ہے۔ پینچا کمپنی نے اپنے فضلہ کے پانی کے ضیاع کو 45.6 فیصد سے کم کر کے 0 فیصد کر دیا ہے۔

کمپنی نے ماحولیاتی تحفظ کی پالیسی بھی تیار کی ہے جو درخت لگانے، آلودگی کی روک تھام، ماحولیاتی بیداری کے سیشن اور تربیت، پانی کے تحفظ اور انسانی صحت اور ماحولیات کے تحفظ کے لئے متعدد دیگر اقدامات کو فروغ دیتی ہے۔ مزید برآں، کمپنی نے ملک کی معاشی ترقی کو فروغ دینے کے لئے بہت سے پروگراموں کا اہتمام کیا ہے جن میں عالمی یوم ماحولیات، ڈینگی آگاہی مہم، پولو ٹورنٹ منٹ وغیرہ شامل ہیں۔

صارفین کے تحفظ کے اقدامات

کمپنی نے قابل اطلاق قوانین کے مطابق اپنی مصنوعات کی پیداوار اور فراہمی کے لئے مختلف حفاظتی پیرامیٹرز کو اپنایا اور نفاذ کیا ہے۔ یہ پیرامیٹرز نہ صرف اس کے کارکنوں کی حفاظت سے متعلق نہیں بلکہ صارفین کی حفاظت سے بھی منسلک ہیں۔ کمپنی نے اپنی مصنوعات کے بہترین معیار کو فروغ دینے کے لئے اپنی مصنوعات پر آگاہی ٹیکر کا لیبل لگا دیا ہے تاکہ بوتلوں میں غیر معیاری مواد بھرنے یا دوبارہ استعمال سے بچنے کے لئے، انہیں توڑا جاسکے۔

خصوصی افراد کے لئے روزگار

کمپنی بغیر کسی امتیاز کے ہر قسم کے افراد کے لئے مساوی روزگار کے مواقع کو فروغ دیتی ہے۔ فی الحال کمپنی میں مختلف جسمانی معذوریوں کے ساتھ 20 کارکنان/ عملے مازمت کرتے ہیں جو سرکاری حکام کی طرف سے مقرر کردہ کوہ سے زیادہ ہے۔

کاروباری اخلاقیات اور انسداد بدعنوانی کے اقدامات

کمپنی اپنے کاروبار کو سالمیت کے ساتھ اور اخلاقی طریقے کے اعلیٰ معیار کے مطابق اور ان قوانین/ قواعد و ضوابط کی تعمیل میں انجام دیتی ہے جو کمپنی کے آپریٹرز کو کنٹرول کرتے ہیں۔ اس سلسلے میں کمپنی نے کوڈ آف کنڈکٹ تیار اور نفاذ کیا ہے جس میں کاروباری اخلاقیات، شفافیت، منصفانہ پیشہ ورانہ مہارت، مفادات کا انکراؤ، کام کی جگہ پر ہراساں کرنے، مساوی مواقع کا ماحول وغیرہ شامل ہیں۔

مزید برآں، کمپنی نے ویل بلونگ پالیسی بھی تیار کی ہے اور اس کی منظوری دی ہے تاکہ افراد کو کسی بھی قسم کے معاملات کو ظاہر کرنے اور رپورٹ کرنے کی حوصلہ افزائی کی جاسکے جو ان کی رائے میں، کمپنی کو ممکنہ مالی یا ساکھ کے نقصان کا سبب بن سکتے ہیں۔ یہ پالیسی غلط کاموں، دھوکہ دہی، رشوت ستانی، امتیازی سلوک، بلیک میلنگ، چوری اور دیگر سرگرمیوں کو بھی کم کرتی ہے تاکہ بدعنوانی کے امکانات کو کم سے کم کیا جاسکے۔ تاہم، پالیسی کے مطابق کمپنی گناہ گار/مخلوط پر غور نہیں کرے گی۔

Murree Brewery Company Limited

انتظامیہ میں تبدیلیاں

رواں سال کے دوران چیف فنانس آفیسر کے استعفی اور کمپنی کے انٹرنل آڈٹ کے سربراہ کے وصال کے باعث ایگزیکٹو سطح کی دو عارضی اسامیاں پیدا ہوئیں۔ تاہم بورڈ کی منظوری سے کمپنی کی جانب سے نئے چیف فنانس آفیسر اور ہیڈ آف انٹرنل آڈٹ کا تقرر کیا گیا۔

بورڈ کو یقین ہے کہ نئی ٹیم کمپنی کی ترقی اور مستقبل کے امکانات کے لئے زیادہ جذبے اور لگن کے ساتھ کارکردگی کا مظاہرہ کرے گی۔

کارپوریٹ بریفنگ سیشن

کمپنی نے 22 اکتوبر 2021 کو اپنے رجسٹرڈ آفس میں کارپوریٹ بریفنگ سیشن کا انعقاد کیا جس میں کمپنی کی انتظامیہ نے شرکاء کو کمپنی کے آپریشن، مالی کارکردگی اور مستقبل کے امکانات کے بارے میں آگاہ کیا۔ سیشن میں سرمایہ کاروں اور دیگر اسٹیک ہولڈرز نے شرکت کی، اس کے بعد ایک سیر حاصل سوال و جواب سیشن ہوا۔

قومی خزانے میں معاونت

زیر جائزہ سال کے دوران، کمپنی ڈیوٹی اور ٹیکس کی مد میں 4,847 ملین روپے (گزشتہ سال یہ رقم 4,315 ملین روپے تھی) قومی خزانے میں جمع کروا چکی ہے۔

بیان مطابقت

کمپنی نے (کوڈ آف کارپوریٹ گورننس) ریگولیشنز کی شرائط کی مکمل پاسداری کی ہے۔ اس کو موثر بنانے کی غرض سے ایک بیان آس رپورٹ میں منسلک کر دیا گیا ہے۔

کارپوریٹ سماجی ذمہ داری

کمپنی بحیثیت سوشل کارپوریٹ شہری اپنی ذمہ داری پوری کرتی ہے۔ کمپنی ہمیشہ معاشرتی معاملات میں خاص دلچسپی لیتی ہے جس کا براہ راست کاروبار سے کوئی تعلق نہیں ہوتا۔ کمپنی رفاہی اداروں، ہسپتالوں اور خیراتی اداروں کو عطیات دیتی رہتی ہے۔ سال 2021-22 کے دوران کمپنی نے مختلف رفاہی تنظیموں کو 3.5 ملین روپے کی امدادی رقم دی ہے۔

کیونٹی سرمایہ کاری اور فلاح و بہبود کی اسکیمیں

کمپنی اپنی پراپرٹی کا استعمال معذور افراد کے لئے کام کرنے والی ایسوسی ایشن (درخشاں) کیلئے جاری رکھے ہوئے ہے۔ راولپنڈی کے علاقے میں معذور ضرورت مند خواتین کو خود مختار کمپیوٹر کے استعمال اور معاشرے کا کارآمد فرد بنانے کیلئے قائم و مکمل اسکول میں اس وقت 75 معذور خواتین ٹریننگ حاصل کر رہی ہیں۔ اس ادارے کی عمارت کمپنی کی جانب سے استعمال کے لئے بنا کسی معاوضے کے بالکل فری دی گئی ہے، اس کے ساتھ ساتھ فرنیچر، یوٹیلیٹی بلز اور مرمت کی ذمہ داری بھی کمپنی کے ذمہ ہے۔

پسماندہ طبقے کی فلاح و بہبود کے لئے اخراجات

کمپنی اپنے احاطے میں ایک سوشل سیکورٹی ڈیپنری چارج ہے۔ یہ کارکنان اور ان کے خاندانوں کے لئے علاج معالجے کی سہولیات فراہم کرتی ہے۔

کارپوریٹ خدمت خلق

کمپنی خدمت اور ایثار کے سلسلے کو اپنی پالیسیوں کا حصہ بناتے ہوئے اداروں کو امداد جاری رکھنے کا عزم رکھتی ہے۔

پاکستان میں سیلاب سے متاثرہ افراد کے لیے عطیات

2022 کے موسم گرما میں تباہ کن سیلاب کی وجہ سے لاکھوں افراد سیلاب سے بری طرح متاثر ہوئے جس کے نتیجے میں خوراک، رہائش، پانی اور ادویات کی قلت پیدا ہو گئی۔ اس سلسلے میں، کمپنی نے سیلاب سے متاثرہ افراد کے لئے مندرجہ ذیل امداد اور تعاون کیا:

• مری سٹارک لٹس کی 8,992 درجن بوتلیں (500 لیٹر)۔

• برقم کے جوڑے کے 1,100 پونٹس؛

• یہ اشیاء کمپنی کے ملازمین کی ایک دن کی تنخواہ کی شراکت کے بدلے خریدی گئیں، جس کے نتیجے میں 20 لاکھ روپے کی رقم جمع ہوئی۔

• یہ عطیات پاک فوج کے پاسان کلکیشن سینٹر اور پاک فضائیہ کے نورخان ہیں کے ذریعے تقسیم کیے گئے۔

ماحولیاتی، کوالٹی، صحت اور حفاظتی سسٹم

انتظامیہ، سوسائٹی اور خود مختار سرٹیفیکیشن اتھارٹیز کی جانب سے تسلیم شدہ پائیدار ماحولیات اینڈ کوالٹی مینجمنٹ پر بھرپور طریقے سے عمل پیرا ہے۔ کمپنی ماحولیات مسائل کی حمایت اور وسیع تر ماحولیات

ذمہ داریوں کو فروغ دیتی ہے اور اس سلسلے میں اس نے سرٹیفیکیشن آف ISO 9001:2015, 45001:2018, 14001:2015 بھی حاصل کر لی ہے۔ کمپنی نے پنجاب

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ایچ آر بی یو نیشن اور نوٹیشن کمیٹی	آڈٹ اور رسک مینجمنٹ کمیٹی	بورڈ آف ڈائریکٹرز	ڈائریکٹر کا نام
2/2	4/4	5/5	چوہدری معین افضل
2/2	دعوت پر 04	5/5	جناب اشمن یار ایم بھنڈرا
2/2	-	3/5	جناب عامر حسین شیرازی
-	0/4	1/5	بیکم گوٹی ایم بھنڈرا
2/2	4/4	5/5	پروفیسر خالد عزیز مرزا
-	4/4	5/5	جناب شہباز حیدر آغا
2/2	دعوت پر 01	5/5	جناب پرویز اختر
-	2/4	4/5	محترمہ جہاں آراء سجاد احمد

جو ممبران اجلاس میں شرکت نہیں کر سکتے تھے ان کو چھٹی دی گئی تھی

ڈائریکٹرز ٹریڈنگ پروگرام

سال کے دوران کمپنی کے ایک ڈائریکٹر نے پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس سے ڈائریکٹرز ٹریڈنگ پروگرام کے تحت کامیابی کے ساتھ سرٹیفیکیشن حاصل کیا ہے۔ 30 جون، 2022 تک، آٹھ میں سے چھ ڈائریکٹرز نے ڈائریکٹرز کے تربیتی پروگرام کے تحت سرٹیفیکیشن حاصل کر چکے تھے جبکہ باقی دو ڈائریکٹرز کو کمپنی کی طرف سے مستثنیٰ حاصل ہے۔ لہذا، کمپنی اب مکمل طور پر ریگولیشنز کے ریگولیشن نمبر 19 (1) کے مطابق عمل پیرا ہے۔

بورڈ کی کارکردگی کی تشخیص

گزشتہ برسوں میں کمپنی، اندرونی طور پر بورڈ کی کارکردگی کا جائزہ لیتی رہی تھی لیکن مالی سال 2021-22 کے لئے، کمپنی نے بورڈ آف ڈائریکٹرز، بورڈ کمیٹیوں اور چیف ایگزیکٹو آفیسر کی کارکردگی کا جائزہ لینے کے لئے میسرز فیمکو (FAMCO) ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کی خدمات حاصل کیں۔

بورڈ کی کارکردگی کی تشخیص کے نتائج، تالیف کے بعد، براہ راست چیئرمین کو جائزے کے لئے پیش کئے جاتے ہیں اور آنے والے بورڈ کے اگلے اجلاس میں تبادلہ خیال کے لئے پیش کیا جاتا ہے۔

بورڈ کی مجموعی کارکردگی بشمول کمپنی کے مقاصد کے حصول میں بورڈ کی جانب سے ادا کیے جانے والے کردار کو تسلیم کر دیا گیا۔

ڈائریکٹرز اور افسران کے معاوضہ کی پالیسی

کارپوریٹ گورننس کے قوانین کی ضروریات کے مطابق انفرادی ڈائریکٹرز کے معاوضے کے ہیکل کے تعین کیلئے عمومی اور شفاف طریقہ کار اختیار کیا جاتا ہے۔ کوئی بھی ڈائریکٹر اپنی تنخواہ کے فیصلے میں خود شامل نہیں ہوتا ہے۔

بورڈ ایگزیکٹو، ٹان ایگزیکٹو، اور آڈٹ ڈائریکٹرز جو کہ بورڈ اور مختلف کمیٹیوں کے اجلاس میں حصہ لیتے ہیں، ان کے معاوضے کا جائزہ لیتا ہے جو کہ بعد میں حصص داروں کے سامنے سالانہ عمومی اجلاس میں منظوری کے لئے پیش کیا جاتا ہے۔ 30 جون، 2022 کو ختم ہونے والے سال کے لئے چیف ایگزیکٹو آفیسر اور ڈائریکٹرز کا معاوضہ فنانشل سٹیٹمنٹ کے نوٹ نمبر 42 میں درج کیا گیا ہے۔

ایچ آر بی یو نیشن کمیٹی نے بورڈ کے افسران کے معاوضوں کی منظوری دے دی ہے۔

متعلقہ پارٹی ٹرانزیکشنز

کمپنیز ایکٹ 2017 کے سیکشن 208 اور کنٹینر (متعلقہ پارٹی ٹرانزیکشنز اینڈ منجمنٹس آف ریلیٹیو ریٹرنڈ) ریگولیشنز 2018 کے مطابق بورڈ آف ڈائریکٹرز نے بورڈ کی منظور شدہ پالیسی کے مطابق آڈٹ کمیٹی کی سفارشات پر متعلقہ پارٹی ٹرانزیکشنز کی منظوری دے دی ہے۔

حصص کی تجارت

زیر جائزہ سال کے دوران، بڑے حصص یافتگان کی طرف سے کمپنی کے حصص میں کمی گئی تمام ٹریڈنگ اسٹاک آپریشن کو تحریری طور پر مطلع کی گئی تھی۔ اس کے علاوہ، کسی بھی ڈائریکٹر، ایگزیکٹو اور ان کے شریک حیات اور تابع بچوں نے کمپنی کے حصص میں تجارت نہیں کی۔

Murree Brewery Company Limited

بورڈ کی کمیٹیز

i. آڈٹ اور رسک مینجمنٹ کمیٹی:

آڈٹ اور رسک مینجمنٹ کمیٹی اپنے افعال لٹھ کمپنیوں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 (ریگولیشنز) کے تحت انجام دیتی ہے اور یہ دونوں انگریزی، ڈائریکٹرز اور مین آزاد ڈائریکٹرز پر مشتمل ہے جس کی تفصیل درج ذیل ہے:

جناب شہباز حیدر آقا	-	(چیئرمین)
چوہدری معین افضل	-	(ممبر)
پروفیسر خالد عزیز مرزا	-	(ممبر)
تیکم گوٹی ایم جھنڈارا	-	(ممبر)
مختصر جہاں آراء جہاں احمد	-	(ممبر)

آڈٹ اور رسک مینجمنٹ کمیٹی کے چیئرمین ایک آزاد ڈائریکٹر ہیں۔

ii. ایچ آر اور ایجوکیشن اور نوٹیفیکیشن اور نوٹیفیکیشن کمیٹی

ایچ آر اور ایجوکیشن اور نوٹیفیکیشن کمیٹی کوڈ آف کارپوریٹ گورننس کے تحت تشکیل دی گئی ہے اور یہ دونوں انگریزی، ڈائریکٹرز اور دو آزاد ڈائریکٹرز پر مشتمل ہے جو درج ذیل ہے:

پروفیسر خالد عزیز مرزا	-	(چیئرمین)
چوہدری معین افضل	-	(ممبر)
جناب عامر حسین شیرازی	-	(ممبر)
جناب اسمن یار ایم جھنڈارا	-	(ممبر)
جناب پرویز اختر	-	(ممبر)

ایچ آر اور ایجوکیشن اور نوٹیفیکیشن کمیٹی کے چیئرمین بھی ایک آزاد ڈائریکٹر ہیں۔

کارپوریٹ اینڈ فنانشل رپورٹنگ فریم ورک پر بیان

ڈائریکٹرز کا کہنا ہے کہ:

- 30 جون 2022 کو ختم ہونے والے سال کیلئے فنانشل اسٹیٹمنٹس میں کمپنی انتظامیہ نے اپنے معاملات، آپریشنز کے نتائج، کیش فلوا اور معیار میں تبدیلیوں کو شفاف طور پر پیش کیا ہے۔
- کمپنی کے حسابات کی کتاب کو باقاعدہ مرتب کیا گیا ہے۔
- فنانشل اسٹیٹمنٹس کی تیاری میں اکاؤنٹنگ پالیسی کو باقاعدہ لاگو کیا گیا ہے اور اکاؤنٹنگ اسٹیٹمنٹس مناسب اور مشاورتی فیصلے پر مبنی ہیں۔
- فنانشل اسٹیٹمنٹس کی تیاری میں پاکستان میں قابل اطلاق انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز پر عمل کیا گیا ہے۔
- انٹرنل کنٹرول کا نظام مستحکم ہے جسے مؤثر طور پر لاگو کیا گیا ہے۔
- معاملات جاری رکھنے کے حوالے سے کمپنی کی صلاحیتیں کسی بھی شک سے بالاتر ہیں۔
- مالی گوشواروں میں بیان کردہ ادائیگیوں کے سوا 30 جون 2022 تک میکسر، محصولات اور بقایا چارجز کی مد میں کوئی قانونی ادائیگی نہیں ہے۔
- جیسا کہ لسٹنگ قوانین میں تفصیلی طور پر درج ہے کارپوریٹ گورننس کی بہترین پریکٹسز سے کوئی روگردانی نہیں کی گئی۔
- گزشتہ چھ سال کا اہم آپریٹنگ اینڈ فنانشل ڈیٹا خلاصے کی صورت میں منسلک ہے۔
- ان ڈیٹیز پر ویڈیو فنڈ اور ان ڈیٹیز پر فنڈ انویسٹمنٹ کی مالیت برطانیہ 30 جون 2022ء پر 158.899 ملین روپے (2021ء: 148.871 ملین روپے) اور 78.93 ملین روپے (2021ء: 71.06 ملین روپے) بالترتیب ہیں۔
- 2021-22ء سال کے دوران پانچ (05) بورڈ میٹنگز، چار (04) آڈٹ اینڈ رسک مینجمنٹ کمیٹی میٹنگز اور دو (02) ایچ آر اور ایجوکیشن اور نوٹیفیکیشن کمیٹی میٹنگز منعقد ہوئی ہیں۔

بورڈ اور اس کی کمیٹی کے ممبران کی حاضری درج ذیل کے مطابق رہی:

Murree Brewery Company Limited

حصص داری کا پیٹرن

30 جون 2022ء کے مطابق کمپنی کے شیئر ہولڈرز کی کل تعداد 30 جون 2021ء پر 1,223 کے مقابلے میں 1,226 تھی۔ شیئر ہولڈنگ پیٹرن کے مطابق 30 جون 2022ء اور اس کا افشاء (اعلان) منسلک کر دیا گیا ہے۔

منافع فی حصص (EPS)

30 جون 2022ء کو ترم شدہ سال کیلئے منافع فی حصص (EPS) پچھلے سال کے 46.68 روپے کے مقابلے میں 46.78 روپے ہے۔

انٹرنل آڈٹ اور کنٹرول

انٹرنل آڈٹ فنکشن میسرز اے ڈی اے ایم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس فرم سے آڈٹ سروس کیا گیا ہے، اور ان کے ساتھ ہیڈ آف انٹرنل آڈٹ کا تقرر کیا گیا ہے جو کہ آڈٹ فرم کے ساتھ معاوضت کرتا ہے اور وہ آڈٹ اور رسک مینجمنٹ کمیٹی کو پورنگ کرتا ہے۔

کمپنی کا رسک فریم ورک اور انٹرنل کنٹرول سسٹم

کمپنی کا خیال ہے کہ رسک مینجمنٹ، کمپنی کی مینجمنٹ کا ایک بنیادی جزو ہے اور اس وجہ سے رسک مینجمنٹ پروگرام تیار کیا ہے جو عمل، ڈھانچے اور ہدایات کی ایک سیریز پر مشتمل ہے جو کمپنی کو اس کے خطرات کی شناخت، تشخیص، نگرانی اور انتظام کرنے میں مدد کرتا ہے۔

مزید برآں، کمپنی نے اپنی روزمرہ کی ضروریات کی روشنی میں رسک مینجمنٹ پروگرام کی نگرانی اور انتظام کرنے کے لئے انتظامیہ کی ذمہ داری اور اختیار کو واضح طور پر بیان کیا ہے۔

مزید برآں، کمپنی نے رسک مینجمنٹ کمیٹی تشکیل دی ہے تاکہ مؤثر رسک مینجمنٹ اور اندرونی کنٹرول سسٹم اور عمل کو فروغ دیا جاسکے۔ کمپنی ممکنہ کاروباری خطرات کی نشاندہی اور ان سے نمٹنے میں رسک مینجمنٹ پروگرام کی تائید کے بارے میں بورڈ کو باقاعدگی سے رپورٹس فراہم کرتی ہے۔

بورڈ کی تشکیل

کمپنی بورڈ آف ڈائریکٹرز کی تشکیل اور اہلیت پر ریگولیشن کی ضروریات کی تکمیل کرتی ہے۔ ڈائریکٹرز کی کل تعداد آٹھ (08) ہے۔ بورڈ کی زمرے کے مطابق تشکیل درج ذیل ہے:

ا. مرد	:	چھ
ب. خاتون	:	دو
زمرہ	:	ڈائریکٹرز کے نام
i. آزاد ڈائریکٹرز	:	پروفیسر خالد عزیز مرزا جناب شہباز حیدر آغا جناب پرویز اختر محترمہ جہاں آراء سجاد احمد
ii. نان ایگزیکٹو ڈائریکٹرز	:	چوہدری معین افضل جناب عامر حسین شیرازی بیگم گوئی ایم بھنڈارا
iii. ایگزیکٹو ڈائریکٹر	:	جناب اسٹن یار ایم بھنڈارا
iv. خواتین ڈائریکٹرز	:	بیگم گوئی ایم بھنڈارا محترمہ جہاں آراء سجاد احمد

Murree Brewery Company Limited

ب. گلاس ڈویرٹن

(%) فیصد	2021ء روپے بلین میں	(%) فیصد	2022ء روپے بلین میں	
-	1,750	-	1,965	فروڈٹ آمدن (قابل اطلاق ٹیکسز کے علاوہ)
(76.2)	(1,334)	(73.8)	(1,450)	لاگت فروڈٹ
23.7	416	26.2	514	مجموعی منافع
21.6	378	21.7	427	عملی منافع
نیزک ٹن	32,161	نیزک ٹن	31,077	گلاس کنٹینرز کی فروڈٹ

ج. ٹاپلس ڈویرٹن

(%) فیصد	2021ء روپے بلین میں	(%) فیصد	2022ء روپے بلین میں	
-	2,977	-	4,151	فروڈٹ آمدن (قابل اطلاق ٹیکسز کے علاوہ)
(86.2)	(2,568)	(86.6)	(3,593)	لاگت فروڈٹ
13.7	409	13.4	557	مجموعی منافع
(2.4)	(66)	(1.5)	(62)	عملی نقصان

اہم مسائل

1. 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۔ کمپنیوں نے نظر ثانی کی درخواست دائر کی تھی لیکن سپریم کورٹ نے اپنے فیصلہ کو برقرار رکھا۔ کمپنی نے 30 جون 2020 کے مالیاتی گوشواروں میں GIDC اخراجات کے لئے پہلے ہی رقم مہیا کر دی تھی۔ GIDC کی قسطیں 25 اگست 2022 تک کل -/284,209,640 روپے میں ادا کی جا چکی ہیں۔

ii. تجارتی استعمال کیلئے پانی کے استعمال پر ٹیکس

سپریم کورٹ آف پاکستان نے سو موٹو 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 کو حتمی نہیں کیا جائے گا۔ یہ جاری کردہ حکم دسمبر 2018ء سے مؤثر تھا اور تمام صنعتوں پر لاگو ہے جو پاکستان میں پانی کا استعمال کرتے ہیں تاہم اس کیلئے قواعد اب تک جاری نہیں کیے گئے ہیں۔ کمپنی نے بیورج انڈسٹری کی طرح ایک نظر ثانی کی درخواست جمع کرادی ہے جو سپریم کورٹ میں زیر التواء ہے۔

حتمی منافع منقسمہ

کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2022 کو ختم ہونے والے سال کیلئے 10 روپے فی حصص حتمی منافع منقسمہ جبکہ پورے سال کا 35 روپے فی حصص (350%، گزشتہ سال کے حساب سے ادا کی گئی کی سفارش کی ہے، جو 22 اکتوبر، 2022 کو منعقد ہونے والے اجلاس میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔

خطرہ وغیر یقینی کیفیات

قلیل مدت میں کمپنی کے اہم خطرات سوئی گیس کے بلوں کی شرح میں فرق کے لیے لیٹ مینٹ سرچارج (LPS) کی ادا کی گئی/طلب شامل ہیں۔ جس کی مائیت (تقریباً) 130 ملین روپے ہے۔ ٹیرف پرائیویٹ ایس کا معاملہ اوگرا کے پاس زیر سماعت ہے۔ کمپنی نے ایس این جی پی ایل کی جانب سے طلب کردہ 130 ملین روپے میں سے 59.8 ملین روپے ایل پی ایس کی مدت میں ادا کیے ہیں۔ اس کا تعلق پوری صنعت سے ہے۔

Murree Brewery Company Limited

ڈائریکٹرز کی رپورٹ

برائے 30 جون 2022ء کو ختم شدہ سال

بورڈ آف ڈائریکٹرز مری بروری کمپنی لمیٹڈ ("کمپنی") کی کارکردگی اور پیشرفت پر سالانہ رپورٹ برائے 30 جون 2022ء کو ختم شدہ سال بشمول آڈٹ شدہ مالیاتی گوشوارے اپنی رپورٹ پیش کرتے ہوئے مختصر محسوس کر رہے ہیں۔

کمپنی کا کاروباری جائزہ

مری بروری نے مسلسل آپریشن کے 162 سال مکمل کر لیے ہیں، اس کا شمار پاکستان اسٹاک ایکسچینج پر درج پرائی کمپنیز میں ہوتا ہے۔

کمپنی اپنی پالیسیوں کو جاری رکھے ہوئے ہے تاکہ شیر ہولڈرز کی سرمایہ کاری میں اضافہ ہو، تاکہ اپنے لوگوں اور عوامل پر سرمایہ کاری کرے اور تاکہ اپنی مصنوعات کے معیار کو بہتر بنایا جاسکے۔

مالیاتی کارکردگی

i. مجموعی مالیاتی جائزہ اور جھلکیاں:

روپے بلین میں	اضافہ %	محصولات فروخت (خالص)
15,234 سے 11,687	30 %	مجموعی منافع جات
3,540 سے 2,977	19 %	قبل از ٹیکس منافع
2,193 سے 1,668	31 %	بعد از ٹیکس منافع
1,294 سے 1,291	0.2 %	آمدن فی حصص
46.78 سے 46.78	0.2 %	

کمپنی کے بعد از ٹیکس منافع میں چیلنجنگ آپریٹنگ صورتحال کے باوجود اضافہ ہوا جو انتظامیہ کی لگن اور محنت کا ثبوت ہے۔

ii. شعبہ جاتی عملی نتائج

ہمارے شعبہ جات کے نتائج یہ ہے:

i. لیکور ڈویژن

(%) فیصد	2021ء روپے بلین میں	(%) فیصد	2022ء روپے بلین میں	
-	9,049	-	11,639	فروخت آمدن (قابل اطلاق ٹیکسز کے علاوہ)
(76.2)	(6,897)	(78.8)	(9,171)	لاگت فروخت
23.8	2,152	21.2	2,468	مجموعی منافع
15.2	1,372	14.0	1,630	عملی منافع

مری بروری کمپنی لمیٹڈ

3- نیشنل پارک روڈ راولپنڈی

چیئر مین کا جائزہ

میں کمپنی کے قابل قدر شیئر ہولڈرز کے سامنے 30 جون 2022ء کو ختم ہونے والے سال کیلئے کمپنی کی 155 ویں سالانہ رپورٹ پیش کرنے پر خوشی محسوس کر رہا ہوں۔

ذمہ داریوں کی بجا آوری میں، بورڈ نے تخصص یافتگان کی دلچسپی بڑھانے کے لئے کاروبار کو درپیش خطرات کی نشاندہی اور اس کی مجموعی کارکردگی سے متعلق ممکنہ مسائل کی پیش بینی کے لئے انتظامیہ کے ساتھ فعال طور پر اشتراک کے عمل کو جاری رکھا۔ بورڈ کمپنی کی حکمت عملی کی منصوبہ بندی کے عمل میں مکمل طور پر شامل رہا اور کارپوریٹ گورننس کے اعلیٰ معیار کو یقینی بنانے کے لئے بھی بورڈ پر عزم رہا۔ بورڈ کی کارکردگی 30 جون 2022ء کو ختم ہونے والے مالی سال کی سالانہ رپورٹ میں بھی ظاہر ہوتی ہے۔

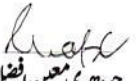
بورڈ نے کمپنی کے انٹرنل آڈٹ کو آڈٹ سروس کر کے 31-05-2022 کو میسرز بی ڈی او ابراہیم اینڈ کمپنی (M/s BDO Ebrahim & Co.) کی خدمات حاصل کیں۔ انٹرنل آڈٹ رپورٹس کو سہ ماہی بنیادوں پر بورڈ کی آڈٹ اینڈ رسک مینجمنٹ کمیٹی کے سامنے پیش کیا جاتا ہے۔ اور انٹرنل کنٹرول پروسیجر کے ساتھ ساتھ کمپنی کو لائق ممکنہ خطرات کا باقاعدگی سے جائزہ لیا جاتا ہے۔ بورڈ سبکدوش ہونے والے آڈیٹرز، ای وائی فورڈ رھوڈز (EY Ford Rhodes) کا انکی خدمات کے اعتراف میں شکریہ ادا کرنا چاہتا ہے۔

جیسا کہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشن 2019ء کے تحت مطلوب ہے، بورڈ نے M/s FAMCO Associates ایسوسی ایٹس کی مدد سے اپنی ذاتی کارکردگی کی جانچ کی تاکہ اس بات کو یقینی بنایا جاسکے کہ بورڈ کی مجموعی کارکردگی اور موثریت کمپنی کیلئے متعین کردہ مقصد کے تناظر میں توقعات کے مطابق ہے۔ تشخیص کے عمل کے دوران بورڈ کی ذیلی کمیٹیوں اور سی ای او کی کارکردگی کو بھی جانچا گیا۔ تمام موجودہ ڈائریکٹرز یا تو باضابطہ طور پر مستند ہیں یا مستثنیٰ ہیں۔ کمپنی، ریگولیشن کے مطابق مینجمنٹ اور عملے کی مطلوب تربیت پر پوری طرح عمل پیرا ہے۔

کمپنی کے بورڈ آف ڈائریکٹرز کو ایجنڈا اور معاون تحریری مواد بشمول اجماعی مواد بورڈ اور اس کی کمیٹی کے اجلاس سے قبل مناسب وقت میں وصول ہوا۔ بورڈ اپنی ذمہ داریوں کو مناسب طریقے سے پورا کرنے کیلئے اکثر عمل بیٹھنے کا اہتمام کرتا رہتا ہے۔ نان ایگزیکٹو اور آڈیٹرز کیلئے تمام کارروائیوں اور فیصلوں میں برابر کے شریک ہوتے ہیں۔

بورڈ کی جانب سے، میں فنانس، ٹیکسیشن اور کارپوریٹ کمپلائنس سے متعلق معاملات سے نمٹنے میں مینجمنٹ اور عملے کی تسلی بخش کارکردگی پر اپنے اطمینان کا اظہار کرتا ہوں۔

مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ رواں سال کے دوران ڈائریکٹرز نے ذمہ داری کے ساتھ اپنے فرائض سرانجام دیے اور کمپنی کی بائٹھ لائن صحت مند رہی۔


چودھری معین افضل
چیئر مین

راولپنڈی، 22 ستمبر 2022ء

PROXY FORM

[Section 137 of the Companies Act, 2017]

MURREE BREWERY COMPANY LIMITED

3-National Park Road, Rawalpindi



Estd. 1860

ANNUAL GENERAL MEETING

The Company Secretary
Murree Brewery Company Limited
3-National Park Road, Rawalpindi.

I / We _____ s/o or d/o or w/o _____ r/o _____
being a member of **Murree Brewery Company Limited** and holder of _____ ordinary shares as per
registered Folio / CDC Participant ID #. _____ and CDC Sub Account # / CDC Investor Account ID #
_____ hereby appoint Mr./Mrs. _____ s/o or d/o or w/o _____
CNIC# _____ r/o _____ having registered Folio / CDC Participant ID #.
_____ and CDC Sub Account # / CDC Investor Account ID #
_____ as my/our proxy to attend and vote on my/our behalf at the Annual General
Meeting of the Company to be held at **9:30 a.m. on Tuesday, October 25, 2022** at Registered Office, 3-National Park
Road, Rawalpindi or at any adjournment thereof.

Affix Rs. 5/-
Revenue Stamp

Signature of Member
(Signature should agree with the specimen
registered with the Company).

Dated this _____ day of October, 2022

Witnesses:

1)- Signature :	_____	2)- Signature :	_____
Name :	_____	Name :	_____
Address :	_____	Address :	_____
CNIC or Passport #	_____	CNIC or Passport #	_____

Important notes:

1. No person shall act as proxy unless he himself is member of the Company, except that a corporate entity may appoint a person who is not a member. Non-natural members must furnish board resolution / power of attorney with specimen signatures of proxy along with the proxy form.
2. Attested copies of the CNIC or the Passport of the member and the proxy shall be furnished with the proxy form. The proxy shall produce original CNIC or original passport at the time of the meeting.
3. Proxies in order to be effective must be received by the Company, Murree Brewery Company Limited., 3-National Park Road, Rawalpindi not less than forty-eight (48) hours (excluding non-working days) before the time for holding the meeting.
4. CDC Shareholders and their proxies are each requested to attach an attested photocopy of their Computerized National Identity Card (CNIC) or Passport with the proxy form before submission to the Company (Original CNIC / Passport is required to be produced at the time of the meeting).
5. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

**AFFIX
CORRECT
POSTAGE**

**The Company Secretary
Murree Brewery Co. Ltd.
3-National Park Road,
Rawalpindi.**

پراکسی فارم

کمپنیز ایکٹ 2017 کی شق 137

مری بروری کمپنی لمیٹڈ

3- نیشنل پارک روڈ، راولپنڈی

سالانہ اجلاس عام

کمپنی سیکریٹری

مری بروری کمپنی لمیٹڈ

3- نیشنل پارک روڈ، راولپنڈی

میں/ہم..... ولد..... رہائشی..... مری بروری کمپنی لمیٹڈ کا ممبر ہونے کے ناطے.....
 عمومی شیئرز کا حامل برطابق رجسٹرڈ فولیو/سی ڈی سی پارٹسپنٹ آئی ڈی نمبر..... اور سی ڈی سی سب اکاؤنٹ
 نمبر/سی ڈی سی انویسٹر اکاؤنٹ آئی ڈی نمبر..... کا تقرر کرتا ہوں جس کا رجسٹرڈ فولیو/سی ڈی سی پارٹسپنٹ آئی ڈی
 بلڈ/مخترم/محترمہ..... ولد..... رہائشی..... ہے۔ میرے/ہمارے پراکسی
 نمبر..... اور سی ڈی سی سب اکاؤنٹ نمبر/سی ڈی سی انویسٹر اکاؤنٹ آئی ڈی نمبر.....
 25 2022 ء کو رجسٹرڈ آفس بروز منگل بوقت 9:30 بجے صبح 3 نیشنل پارک روڈ، راولپنڈی میں منعقد ہونے والے سالانہ اجلاس عام یا کسی التواء کی صورت میں میری/ہماری جانب سے شرکت
 کرنے/عمل کرنے اور ہماری طرف سے ووٹ ڈالنے کی اجازت دی جائے۔

پانچ روپے کی مالیت کا ریونیو ٹکٹ

ممبر کے دستخط

بتاریخ..... اکتوبر، 2022

دستخط کمپنی کے ساتھ رجسٹرڈ نمونے جیسے ہونے چاہیے۔

گواہان:

1. دستخط:..... نام:.....
 2. دستخط:..... نام:.....
 پتہ:.....
 کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر:.....

اہم نوٹس:

- 1- کوئی بھی شخص اس وقت تک پراکسی کے طور پر کام نہیں کرے گا جب تک کہ وہ خود کمپنی کا ممبر نہ ہو، سوائے اس کے کہ ایک کارپوریٹ ادارہ ایسے شخص کی تقرری کر سکتا ہے جو ممبر نہیں ہے۔ ممبر نہ ہونے کی صورت میں ان کو پراکسی فارم کے ساتھ، بورڈ کی قرارداد/پاور آف اٹارنی (مختار نامہ) کی نقل کے ساتھ پراکسی کی نقل پر دستخط پیش کرنا ہوں گے۔
- 2- ممبر کمپیوٹرائزڈ شناختی کارڈ اور پاسپورٹ کی تصدیق شدہ کاپیاں پراکسی فارم کے ساتھ پیش کرے گا۔ اجلاس کے وقت پراکسی اصل CNIC یا اصل پاسپورٹ پر ہی تیا کی جائے گی۔
- 3- باقاعدہ مکمل اور دستخط شدہ پراکسی فارم اجلاس عام کے مقررہ وقت سے کم از کم 48 گھنٹے (چھٹی والے دنوں کو چھوڑ کر) قبل مری بروری کمپنی لمیٹڈ، 3- نیشنل پارک روڈ، راولپنڈی پر موصول ہو جانے چاہیں۔
- 4- سی ڈی سی شیئرز ہولڈرز اور ان کی پراکسیز سے ہر ایک سے درخواست ہے کہ وہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) کی تصدیق شدہ فوٹو کاپی کمپنی میں جمع کروانے سے پہلے پراکسی فارم کے ساتھ منسلک کریں (اصل CNIC/پاسپورٹ اجلاس کے طریقہ کار کے لئے ضروری ہے)۔
- 5- کاروباری ادارے کی صورت میں پراکسی فارم کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی (مختار نامہ)، نامزد شخص کے دستخط کے نمونے کے ساتھ اور پراکسی کے قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل بھی جمع کروانی ہوگی۔

GEA Westfalia Separator





MURREE BREWERY

ISO 9001, 14001, 45001 & HACCP Certified Company

3-National Park Road, Rawalpindi

www.murreebrewery.com