

<b>CONTENTS</b>	<b>Page</b>
Vision & Mission Statements	1
Company Information	2-3
Directors' Report	4-5
Balance Sheet	6
Profit & Loss Account	7-8
Statement of Comprehensive Income	9
Cash Flow Statement	10
Statement of Changes in Equity	11
Notes of The Financial Statements	12-17

## **VISION STATEMENT**

Our office is in the market

## **MISSION STATEMENT**

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

**C**ontinuous improvement

**A**lignment of our missions & goals

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

**E**ducate one another

# MURREE BREWERY COMPANY LIMITED

ESTABLISHED 1860

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Chairman	Mr. Khurram Muzaffar
Chief Executive Officer	Mr. Isphanyar M. Bhandara
Directors	Ch. Mueen Afzal
	Mr. Aamir H. Sherazi
	Mrs. Goshi M. Bhandara
	Lt. Gen (R) Zarrar Azim
	Mr. Osman Khalid Waheed

### PRINCIPAL OFFICERS

Company Secretary	Mr. M. Zaffar Iqbal
Chief Financial Officer	Mr. Mazhar Iqbal
Head Internal Audit	Mr. Malik Saqib Gul Nawaz
General Manager (Brewery Division)	Mr. Mohammad Javed
Business Manager (Murree Glass)	Mr. Arshad Zaheer
Plant Manager ( / / )	Mr. Zaka ud Din
General Manager (Tops)	Mr. Talat Yaqoob
Factory Manager (Murree Sparkletts)	Mr. Fayyaz Ahmad

### AUDIT COMMITTEE

Lt. Gen ® Zarrar Azim	(Chairman)
Ch. Mueen Afzal	(Member)
Mrs. Goshi M. Bhandara	(Member)
Mr. Khurram Muzaffar	(Member)

### HUMAN RESOURCE AND REMUNERATION COMMITTEE

Ch. Mueen Afzal	(Chairman)
Mrs. Goshi M. Bhandara	(Member)
Mr. Khurram Muzaffar	(Member)

### AUDITORS

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

### PRINCIPAL BANKERS

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

# MURREE BREWERY COMPANY LIMITED

ESTABLISHED 1860

## CORPORATE INFORMATION

### REGISTERED OFFICE

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

- (iv) Mohallah Noorpura,  
Bahawalpur Bypass Road, **Multan**  
Ph: 061-4232964  
Mob: 0313-7313234
- (v) 164/B, Near Winter Time,  
Small Industries Estate, **Sahiwal**  
Mob: 0335-5611125  
0321-6954001

### FACTORIES

- (1) **Murree Brewery Company Limited**  
National Park Road, Rawalpindi  
Tel: 051-5567041-47, Fax 051-5584420
- (2) (a) **Tops Food & Beverages.**  
National Park Road, Rawalpindi  
Tel: 051-5567041-47, Fax 051-5565461
- (b) Plot No. 14/1, Phase III, Industrial Estate,  
Hattar, **District Haripur (K.P.K)**  
Tel: 0995-617013, 617493, 617494
- (3) **Murree Sparkletts**  
Plot, No. 10/2, Phase-III, Industrial Estate,  
Hattar, **District Haripur (K.P.K)**
- (4) **Murree Glass**  
Plot No. 24, Phase III, Industrial Estate,  
Hattar. **District Haripur (K.P.K)**  
Tel: 0995-617233, Fax: 0995-617188
- (vi) Ratti Gali, Ayoubia Road,  
**Murree**  
Mob: 0335-5111047
- (vii) Plot No. 28-B Small  
Industrial Estate Opp.  
Siddique Kantawala Main  
Lahore Road, **Sargodha**

### 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, 1<sup>st</sup> Floor, MICCOP Centre,  
1. Mozang Road, Lahore.  
Cell # 0300-8430877-0345-8412222

### DISTRIBUTION OFFICES

- (i) Tops Food & Beverages,  
121/3, Industrial Estate, Kot Lakhpat,  
**Lahore.**(Tel: 042-5117501)
- (ii) Aziz Chowk Pindi Bypass,  
Galla Sonica Industry,  
G.T Road, **Gujranwala** (Tele: 055-3891571)
- (iii) Mansoor Abad  
Near Sant Sing Railway Gate  
Jumra Road, **Faisalabad**  
Tele: (041-8522182 & 2420580)

### TAX ADVISOR

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

# MURREE BREWERY COMPANY LIMITED

## DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors present their report alongwith un-audited financial statements for the third quarter and nine months to 31<sup>st</sup> March, 2016.

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

- Turnover Rs.6,904million increased by 21.9%.
- Gross profit Rs.1,618million increased by 4.8%.
- Operating profit Rs.1,063million decreased by 1.4%
- Profit before tax Rs.1,149million decreased by 3.6%
- Profit after tax Rs. 852million increased by 4.9%
- Earning per share was Rs.36.97 against Rs.35.23 in the previous year.

Although there has been a substantial increase in turnover there has been a decrease in profit before tax and a small increase in profit after tax.

The main factors affecting the results for the 9 months group profit are

1. The Collective Bargaining Agent ( CBA ) settlement for two years from 1<sup>st</sup> July 2015 which increased administrative, manufacturing and distribution costs in all divisions.
2. Still Head Duty imposed by the Punjab Government from 1<sup>st</sup> July, 2015 on exports of alcoholic products to other provinces mentioned in detail in the company's Annual Report 2015 affecting the liquor division continues in force reducing nine months quantitative sales. There is no such duty on exports of alcoholic products to other provinces on the breweries in Sindh and Baluchistan. Our legal advisors have stated the company has a very strong case for relief. A writ petition has been filed in the Lahore High Court and representations have been made at the highest level to the Punjab Government.

Additionally there is a contingent liability on the imposition of Gas Development Infrastructure Cess (GIDC) by the Federal Government along with other organizations the most recent being the textile sector in Pakistan. The Islamabad High Court has ordered a stay on the imposition of the cess and the company expects a ruling in its favour. The liability amounts to Rs.103.4million upto 31<sup>st</sup> March, 2016 which has not been charged in the accounts.

The result of both these cases are awaited.

**MURREE BREWERY COMPANY LIMITED**  
**DIRECTORS' REPORT TO THE SHAREHOLDERS**

The new furnace went in to production in August 2015 and produces about 34 metric tons of additional glass per day and we have executed many orders for outside parties. This investment of nearly Rs.500million has an excellent payout.

**Tops Division**

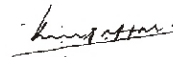
There has been a marginal reduction in the loss by the increase in sales in the third quarter.

**Out look**

Efforts are continuing to increase sales, control costs to optimize the profitability of the company. Discriminatory taxes such as the Still Head Duty imposed by the Punjab Government adversely affect the company's profitability and give an unfair advantage to our competitors in Sindh and Baluchistan. Such taxes coupled with terrorism across the country and energy shortages discourage foreign inflows of capital and can also dissuade local businesses from incurring additional investments.

The Board would like to express its appreciation for the commitment and hard work of all employees support of our customers, stakeholders and Government departments in our operations.

Rawalpindi  
Date: 25<sup>th</sup> April, 2016

  
Chairman



**MURREE BREWERY**  
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

**COMPANY LIMITED**  
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016

	Liquor Division			Glass Division		
	Quarter ended	Nine months ended		Quarter ended	Nine months ended	
31 Mar 16	31 Mar 15	31 Mar 16	31 Mar 15	31 Mar 16	31 Mar 15	31 Mar 15
(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)

**TURNOVER**

Third party sales - net  
Inter divisional sales

1,963,864	1,575,362	5,351,747	4,502,415	61,935	-	103,418
82,824	60,998	285,193	215,969	287,363	229,551	667,939
2,046,688	1,636,360	5,636,940	4,718,384	349,297	229,551	771,356
(802,997)	(485,837)	(2,135,407)	(1,367,142)	(9,000)	-	(15,027)
1,243,690	1,150,523	3,501,532	3,351,242	340,298	229,551	756,330

Less: Duties and taxes

**COST OF SALES**

Third party  
Inter divisional

(507,925)	(558,438)	(1,719,525)	(1,547,031)	(204,190)	(131,547)	(457,215)
(285,874)	(229,924)	(668,102)	(716,223)	-	-	-
(793,800)	(788,362)	(2,387,628)	(2,263,254)	(204,190)	(131,547)	(457,215)
449,891	362,161	1,113,905	1,087,988	136,107	98,005	299,114

**GROSS PROFIT**

Distribution cost  
Administrative expenses  
Finance cost

(59,896)	(53,208)	(175,794)	(169,124)	(2,114)	(711)	(4,156)
(49,017)	(41,836)	(141,472)	(123,215)	(9,189)	(5,375)	(23,414)
(237)	(357)	(521)	(1,837)	(80)	(5)	(155)
(109,149)	(95,401)	(317,786)	(294,176)	(11,383)	(6,091)	(27,725)
340,742	266,761	796,119	793,813	124,725	91,913	271,390

Other expenses

Other operating income

**NET PROFIT BEFORE TAXATION**


**TAXATION**

- Current year  
- Deferred

**NET PROFIT AFTER TAXATION**

**EARNINGS PER SHARE - BASIC AND DILUTED (Rupees) - Note 9**

The annexed notes form an integral part of this condensed interim financial information.  
This condensed interim financial information is being signed by two directors as the chief executive officer is out of country at the time of its approval.

  
**DIRECTOR**

	Tops Division			MBC		
	Quarter ended	Nine months ended		Quarter ended	Nine months ended	
31 Mar 16	31 Mar 15	31 Mar 16	31 Mar 15	31 Mar 16	31 Mar 15	31 Mar 15
(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)

452,477	367,768	1,449,140	1,159,064	2,478,276	1,943,131	6,904,305
6,903	9,512	20,126	25,575	-	-	-
459,380	377,280	1,469,266	1,184,639	2,478,276	1,943,131	6,904,305
(98,491)	(78,792)	(319,231)	(246,389)	(910,488)	(564,628)	(2,469,665)
360,889	298,488	1,150,035	938,250	1,567,788	1,378,502	4,434,640

(197,115)	(176,914)	(639,295)	(539,207)	(909,231)	(866,899)	(2,816,036)
(91,215)	(70,137)	(306,155)	(244,986)	-	-	-
(288,330)	(247,051)	(944,450)	(784,193)	(909,231)	(866,899)	(2,816,036)
72,558	51,437	205,584	154,057	658,557	511,604	1,618,604

(56,151)	(36,281)	(164,919)	(114,499)	(118,160)	(90,200)	(344,868)
(16,024)	(11,247)	(44,400)	(36,061)	(74,230)	(58,458)	(209,286)
(91)	(51)	(317)	(148)	(408)	(414)	(993)
(72,266)	(47,580)	(209,636)	(150,709)	(192,798)	(149,072)	(555,147)
293	3,858	(4,051)	3,349	465,759	362,532	1,063,457

(34,947) (29,100) (76,087) (80,245)

61,005 58,050 162,316 194,527

491,817 391,482 1,149,686 1,193,239

(140,692)	(131,200)	(302,182)	(401,805)
4,590	6,527	4,863	20,803
(136,102)	(124,673)	(297,319)	(381,002)
355,714	266,809	852,366	812,237

15.43 11.57 36.97 35.23

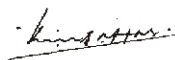
  
**DIRECTOR**



**MURREE BREWERY COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016**

	Quarter ended 31 Mar 16 (Rs. '000)	Quarter ended 31 Mar 15 (Rs. '000)	Nine months ended 31 Mar 16 (Rs. '000)	Nine months ended 31 Mar 15 (Rs. '000)
Profit after tax	355,714	266,809	852,366	812,237
<b>Other comprehensive income for the period</b>				
Experience adjustments on defined benefit obligation	(24,697)	(3,292)	(74,091)	(46,564)
Tax effect on experience adjustments	7,409	221	22,227	15,366
Total other comprehensive income	(17,288)	(3,071)	(51,864)	(31,198)
Total comprehensive income for the period	<u>338,426</u>	<u>263,738</u>	<u>800,502</u>	<u>781,039</u>

The annexed notes form an integral part of this condensed interim financial information.



\_\_\_\_\_  
**DIRECTOR**

9



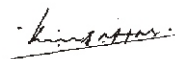
\_\_\_\_\_  
**DIRECTOR**

# MURREE BREWERY COMPANY LIMITED

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016

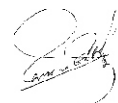
	31 MAR 16 (Rs. '000)	31 MAR 15 (Rs. '000)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	1,149,686	1,193,239
Adjustment for:		
Depreciation	174,360	126,485
Provision for staff retirement benefits	15,553	24,217
Profit on deposits	(115,034)	(143,996)
Dividend income	(7)	(3)
Finance cost	(993)	2,017
Unrealised gain on re-measurement of available for sale securities	(563)	(2,723)
Gain on disposal of Short term Investment	(95)	-
(Profit)/Loss on disposal of property, plant and equipment	9,854	(1,757)
	<u>83,076</u>	<u>4,239</u>
Operating profit before working capital changes	1,232,762	1,197,478
(Increase)/decrease :		
Increase in stores, spares and loose tools	(23,685)	(3,901)
Increase in stock in trade	(501,484)	(240,267)
Increase in trade debts	(71,215)	(11,213)
Increase in advances, receivables and prepayments	(80,219)	(5,407)
Increase in current liabilities	63,757	(42,511)
	<u>(612,846)</u>	<u>(303,299)</u>
	619,916	894,180
Finance cost paid	993	(1,841)
Staff retirement benefits paid	(9,931)	(10,991)
Income tax paid	(504,629)	(444,466)
<b>NET CASH (USED IN) OPERATING ACTIVITIES</b>	<b>106,349</b>	<b>436,882</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(155,394)	(289,184)
Purchase of Short term Investment	(81,000)	(7,078)
Proceeds of Short term Investment	15,700	-
Proceeds of property, plant and equipment	4,618	3,678
Long term deposits and advances	(2,856)	(3,500)
Dividend Received	7	3
Profit on deposits/dividend income	104,333	129,687
<b>NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES</b>	<b>(114,592)</b>	<b>(166,394)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Re-payment of finance leases	(2,093)	(1,937)
Dividend paid	(126,115)	(116,976)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(128,208)</b>	<b>(118,913)</b>
Net increase in cash and cash equivalents	(136,451)	151,575
Cash and cash equivalents at beginning of the period	3,013,619	2,524,830
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>2,877,168</b>	<b>2,676,405</b>

The annexed notes form an integral part of this condensed interim financial information.



**DIRECTOR**

10

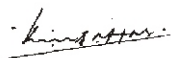


**DIRECTOR**

**MURREE BREWERY COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016**

	Share capital (Rs. '000)	Capital reserve (Rs. '000)	Contingency reserve (Rs. '000)	General reserve (Rs. '000)	Unappropriated profit (Rs. '000)	Total equity (Rs. '000)
Balance at 01 July 2014 - as previously reported	230,530	30,681	20,000	327,042	3,290,048	3,898,301
Total comprehensive income for the Nine months period ended 31 March 2015	-	-	-	-	781,039	781,039
Surplus on revaluation of property, plant and equipment realized through depreciation for the period - net of deferred tax	-	-	-	-	32,439	32,439
<i>Transaction with owners, recorded directly in equity</i>						
Final dividend for the year ended 30 June 2014 (Rs. 6.0 per share)	-	-	-	-	(138,318)	(138,318)
<b>Balance as at 31 March 2015</b>	<b>230,530</b>	<b>30,681</b>	<b>20,000</b>	<b>327,042</b>	<b>3,965,208</b>	<b>4,573,461</b>
Balance at 01 July 2015 - as previously reported	230,530	30,681	20,000	327,042	4,193,571	4,801,824
Total comprehensive income for the Nine months period ended 31 March 2016	-	-	-	-	800,502	800,502
Surplus on revaluation of property, plant and equipment realized through depreciation for the period - net of deferred tax	-	-	-	-	8,256	8,256
<i>Transaction with owners, recorded directly in equity</i>						
Final dividend for the year ended 30 June 2015 (Rs. 6.5 per share)	-	-	-	-	(149,845)	(149,845)
<b>Balance as at 31 March 2016</b>	<b>230,530</b>	<b>30,681</b>	<b>20,000</b>	<b>327,042</b>	<b>4,852,484</b>	<b>5,460,737</b>

The annexed notes form an integral part of this condensed interim financial information.



**DIRECTOR**

11



**DIRECTOR**

**MURREE BREWERY COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016**

**1 STATUS AND NATURE OF OPERATIONS**

Murree Brewery Company Limited ("the Company") was incorporated under the repealed Indian Companies Act (now the Companies Ordinance, 1984) in February 1861 as a public limited Company in Pakistan. Previously, the shares of the Company were quoted on Karachi, Lahore and Islamabad stock exchanges of Pakistan. However, due to integration of these Stock Exchanges into Pakistan Stock Exchange effective January 11, 2016 the shares of the Company are now quoted on Pakistan Stock Exchange. The registered office of the Company is situated at National Park Road in Rawalpindi. The Company is principally engaged in the manufacturing of alcoholic beer, non alcoholic beer, Pakistan Made Foreign Liquor (P.M.F.L), juices in tetra packs in Rawalpindi and food products, juices, mineral water, glass bottles and jars in Hattar. The Company is presently operating three divisions namely Liquor Division, Tops Division and Glass Division to carry out its principal activities.

**2 BASIS OF PREPARATION**

**2.1** This condensed interim financial information of the Company for the nine months period ended 31 March 2016 has been prepared in accordance with the requirements of the International Accounting Standard 34 – Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The disclosures in this condensed interim financial information do not include the information that reported for full annual audited financial statements and should therefore be read in conjunction with the annual audited financial statements for the year ended 30 June 2015. Comparative balance sheet is extracted from the annual audited financial statements as of 30 June 2014, whereas comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim financial information for the nine months period ended 31 March 2015.

**2.2** This condensed interim financial information is unaudited and is being submitted to the members as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Pakistan Stock Exchange Limited.

**2.3** Except for note 3.1, the accounting policies, significant judgments made in the application of accounting policies, key sources of estimations and the methods of computation adopted in preparation of this condensed interim financial information and financial risk management policy are the same as those applied in preparation of annual audited financial statements for the year ended 30 June 2015. IFRS 13 'Fair Value Measurement' became effective for the financial periods beginning on or after 1 January 2015. The effects of IFRS 13 'Fair Value Measurement' are disclosed in Note 3.1 and 11 of these condensed financial information.

**3 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE**

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2016 and are not expected to have any significant effect on condensed interim financial information of the Company:

- IAS 38 'Intangible Assets'	(effective 01 January 2016)
- IAS 16 'Property, Plant and Equipment'	(effective 01 January 2016)
- IAS 27 'Separate Financial Statement'	(effective 01 January 2016)
- IAS 28 'Investments in Associates and Joint Ventures'	(effective 01 January 2016)
- Amendments to IAS 41 'Agriculture'	(effective 01 January 2016)

Amendments to following standards as annual improvements cycle of 2012-2014. Most amendments will apply

- IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'
- IFRS 7 'Financial Instruments- Disclosures'
- IAS 19 'Employee Benefits'
- IAS 34 'Interim Financial Reporting'

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

**3.1** IFRS 13 Fair Value Measurement, consolidates the guidance on how to measure fair value, which was spread across various IFRS, into one comprehensive standard. It introduces the use of an exit price, as well as extensive disclosure requirements, particularly the inclusion of non-financial instruments into the fair value hierarchy. The application of IFRS 13 does not have an impact on the financial statements of the Company's except certain additional disclosures.

# MURREE BREWERY COMPANY LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016

### 4 CONTINGENCIES AND COMMITMENTS

There is no change in the contingencies and commitments of the Company as disclosed in the financial statements for the year ended 30 June 2015, except the following:

#### Contingencies:

- 4.1 The Company is contingently liable in respect of guarantees amounting to Rs. 47.03 million (30 June, 2015: Rs. 58.3 million) issued by banks on behalf of the Company in normal course of business.
- 4.2 Regarding Gas Infrastructure Development Cess (GIDC) the unpaid amount up to 31 March 2016 is Rs. 103.41 million (30 June 2015: Rs. 76 million), for details note # 12.2 to the financial statements for the year ended 30 June 2015 is referred.
- 4.3 Regarding the taxation, note 13 of this financial information is referred.

#### Commitments:

- 4.4 The Company has opened Letters of Credit for the import of machinery and inventory items valuing approximately Rs. 83.266 million (30 June 2015: Rs. 92.6 million).
- 4.5 The Company's capital commitments as at 31 March 2015 amounts to Rs. 3.89 million (30 June 2015: Rs. 7.6 million).

	Note	Nine months ended 31 March 2016 (Un-audited) (Rs. '000)	Year ended 30 June 2015 (Audited) (Rs. '000)
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>			
Opening balance		3,898,900	3,708,169
Additions during the period / year	5.1 & 5.2	164,909	372,627
		4,063,809	4,080,796
Disposals/Write offs during the period / year at book value		16,654	22,409
Depreciation charged during the period / year	5.2	174,360	159,487
		191,014	181,896
		3,872,795	3,898,900
<b>5.1 Additions during the period / year:</b>			
Land		-	40,036
Buildings		51,623	12,702
Plant and machinery		485,691	97,607
Furniture and fixtures		683	1,075
Motor vehicles		8,958	26,209
Capital work in progress		(382,046)	194,998
		164,909	372,627

- 5.2 Additions in and depreciation on property, plant and equipment during the nine months ended 31 March 2015 were Rs 289.184 million and Rs 126.485 million respectively.

### 6 INVESTMENT PROPERTY

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

### 7 Turnover

Turnover is net of discount & freight amounting to Rs. 126.934 million (31 March 2015: 95.752 million) for the nine months period ended 31 March 2016, as the Company's non alcoholic goods are sold on the delivered basis as per the market practices of the comparable industries.

# MURREE BREWERY COMPANY LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED 31 MARCH 2016

8 COST OF SALES	No	Nine Months Ended 31 March 2016			Nine Months Ended	
		Liquor (Rs. '000)	Glass (Rs. '000)	Tops (Rs. '000)	31 Mar 16 (Rs. '000)	31 Mar 15 (Rs. '000)
Raw material consumed		2,026,419	218,725	869,681	<b>3,114,825</b>	2,830,782
Stores and spares consumed		17,998	46,139	447	<b>64,585</b>	45,435
Fuel and power		131,881	124,669	19,734	<b>276,284</b>	259,434
Salaries, wages and other benefits		127,664	62,071	47,487	<b>237,222</b>	202,292
Repair and maintenance		22,730	31,352	13,559	<b>67,641</b>	58,679
Other manufacturing overhead		10,112	11,820	4,282	<b>26,214</b>	22,065
Depreciation		43,404	94,925	21,406	<b>159,734</b>	103,895
		2,380,209	589,701	976,596	<b>3,946,504</b>	3,522,582
<b>Work in process</b>						
Opening stock 01 July		337,721	-	4,047	<b>341,768</b>	346,092
Closing stock 31 March		(304,528)	(1,445)	(10,671)	<b>(316,644)</b>	(367,807)
		33,193	(1,445)	(6,624)	<b>25,124</b>	(21,715)
<b>Cost of goods manufactured</b>		2,413,403	588,257	969,974	<b>3,971,628</b>	3,500,867
Add: Opening stock of finished goods 01 July		44,059	960	54,827	<b>99,846</b>	97,583
Less: Closing stock of finished goods 31 March		(69,833)	(132,000)	(80,348)	<b>(282,181)</b>	(133,063)
		(25,773)	(131,040)	(25,521)	<b>(182,335)</b>	(35,480)
		2,387,630	457,217	944,452	<b>3,789,293</b>	3,465,386
Less: Interdivisional transfers		(668,102)	-	(305,155)	<b>(973,257)</b>	(961,208)
		1,719,525	457,215	639,295	<b>2,816,036</b>	2,504,178
<b>8.1 Raw material consumed</b>						
Opening stock of raw material 01 July		291,053	14,824	188,240	<b>494,117</b>	447,332
Purchases		2,361,727	217,839	870,815	<b>3,450,381</b>	3,013,852
		2,652,780	232,664	1,059,055	<b>3,944,498</b>	3,461,184
Less: Closing stock of raw material 31 March		(626,361)	(13,939)	(189,374)	<b>(829,674)</b>	(630,403)
		2,026,419	218,725	869,681	<b>3,114,825</b>	2,830,782

9 EARNINGS PER SHARE - BASIC AND DILUTED	Quarter Ended		Nine Months Ended	
	31 Mar 16	31 Mar 15	31 Mar 16	31 Mar 15
Net profit for the period - Rupees in ('000)	<b>355,714</b>	266,809	<b>852,366</b>	812,237
Weighted average number of shares - Numbers	<b>23,053,025</b>	23,053,025	<b>23,053,025</b>	23,053,025
Earnings per share - Rupees	<b>15.43</b>	<b>11.57</b>	<b>36.97</b>	<b>35.23</b>

There is no dilutive effect on the basic earnings per share of the Company.

### 10 ADDITIONAL INFORMATION ON DIVISIONS

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

		Liquor	Glass	Tops	Unallocated	Total
		Division (Rs. '000)	Division (Rs. '000)	Division (Rs. '000)	(Rs. '000)	(Rs. '000)
<b>Assets</b>						
	<b>31 March 2016</b>	<b>7,527,892</b>	816,941	871,236	23,301	<b>9,239,370</b>
	30 June 2015	6,928,667	698,561	808,358	43,873	8,479,459
<b>Liabilities</b>						
	<b>31 March 2016</b>	<b>8,904,571</b>	<b>73,924</b>	<b>159,665</b>	<b>101,210</b>	<b>9,239,370</b>
	30 June 2015	793,756	39,862	132,011	106,074	1,071,703
<b>Capital expenditure</b>						
	<b>31 March 2016</b>	<b>113,793</b>	<b>16,578</b>	<b>34,538</b>	-	<b>164,909</b>
	30 June 2015	157,848	186,205	28,574	-	372,627
<b>Depreciation</b>						
	<b>31 March 2016</b>	<b>52,202</b>	<b>95,002</b>	<b>27,157</b>	-	<b>174,360</b>
	30 June 2015	67,609	58,127	33,751	-	159,487

**MURREE BREWERY COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016**

**11 FAIR VALUE OF FINANCIAL INSTRUMENTS**

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. Consequently, differences can arise between carrying values and fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

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

On-balance sheet financial instruments	Note	Carrying amount			Fair value			
		Fair value through income statement	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Total
<b>31 December 2015</b>								
<b>Financial assets measured at fair value</b>								
Short term investments		80,028	-	-	80,028	80,028	-	80,028
<b>Financial assets not measured at fair value</b>								
Bank balances	11.1	-	2,877,168	-	2,877,168	-	-	2,877,168
Term deposit receipts		-	31,000	-	31,000	-	31,000	31,000
Advances and other receivables		-	42,637	-	42,637	-	-	42,637
Long term deposits		-	22,275	-	22,275	-	-	22,275
Trade debts		-	95,598	-	95,598	-	-	95,598
		-	3,068,678	-	3,068,678	-	-	3,068,678
<b>Financial liabilities not measured at fair value</b>								
Trade and other payables	11.1	-	368,514	-	368,514	-	-	368,514
Lease liabilities		-	8,382	-	8,382	-	-	8,382
		-	376,896	-	376,896	-	-	376,896

**MURREE BREWERY COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016**

On-balance sheet financial instruments	Note	Carrying amount			Fair value			
		Fair value through income statement	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Total
<b>Rupees in '000'</b>								
<b>30 June 2015</b>								
<b>Financial assets measured at fair value</b>								
Short term investments		33,173	-	-	33,173	33,173	-	33,173
<b>Financial assets not measured at fair value</b>								
	<b>11.1</b>							
Bank balances		-	3,013,619	-	3,013,619			
Trade debts		-	24,383	-	24,383			
Long term deposits		-	20,473	-	20,473			
Advances and other receivables		-	13,840	-	13,840			
Term deposit receipts		-	10,700	-	10,700	-	10,700	10,700
		-	3,083,015	-	3,083,015			
<b>Financial liabilities not measured at fair value</b>								
	<b>11.1</b>							
Trade and other payables		-	433,434	-	433,434			
Lease liabilities		-	1,360	-	1,360			
		-	434,794	-	434,794			

\* excluding provision for workers' welfare fund, workers' profit participation fund, sales tax payable, federal excise duty payable, export duty payable and withholding tax payable.

11.1 The Company has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.



**MURREE BREWERY COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE QUARTER ENDED 31 MARCH 2016**

**12 TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

Related parties comprise directors, key management personnel, major shareholders, entities over which the directors are able to exercise influence and employees' fund. Transactions and balances with the related parties for the period are as follows:

	<b>Nine Months Ended</b>	
	<b>31 Mar 16</b>	<b>31 Mar 15</b>
	<b>(Rs. '000)</b>	<b>(Rs. '000)</b>
<b>Transactions with associated companies under common directorship</b>		
Sales commission	<b>52,707</b>	52,960
Services acquired	<b>9,000</b>	9,000
Dividend paid	<b>59,320</b>	20,212
Share capital held	<b>91,263</b>	*91,263
Balance payable	<b>25,395</b>	*5,840
<b>Transactions with other related parties</b>		
Contribution to staff provident fund	<b>2,354</b>	1,629
Contribution to staff pension fund	<b>2,509</b>	2,447
Remuneration of the Key Management Personnel	<b>18,113</b>	16,725
Dividend paid	<b>30,965</b>	26,915
Share capital held by Directors	<b>62,256</b>	*62,256

\* Balance as at 30 June 2015

**13 TAXATION**

**13.1** Tax Assessments up to and including Year 2015 have been finalized, however, the tax authorities are empowered to reopen these assessments within five years from the end of the financial year in which the returns were filed.

**13.2** During the period, the Company was issued a show cause notice by the Assistant Commissioner Inland Revenue, LTU, Islamabad U/S 161/205 of Income Tax Ordinance 2001, in respect of tax year 2012 stating therein that the company made short deductions of withholding tax on account of payments made under various heads. In this regard, the Company submitted the detailed record to ACIR, however, the authority without providing an opportunity of being heard, the ACIR issued the Order vide dated 26th January 2016, creating demand of Rs. 51.12 million including the default surcharge thereof.

The Company has got the stay of the recovery from Islamabad High Court against this demand and an appeal has been filed before CIR (Appeals) on the ground the said demand is arbitrary, illegal & unlawful. The hearing of the case was fixed for April 19, 2016.

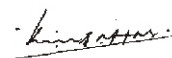
**14 DATE OF APPROVAL**

This condensed interim unaudited financial information were approved by the Board of Directors of the Company in their meeting held on 25th April, 2016. This condensed interim financial information is being signed by two directors as the chief executive officer is out of country at the time of the approval.

**15 General**

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

The annexed notes form an integral part of this condensed interim financial information.



\_\_\_\_\_  
**DIRECTOR**

17



\_\_\_\_\_  
**DIRECTOR**