ANNUAL REPORT 2020

MURREE BREWERY COMPANY LIMITED

Excellence Award in Financial & Corporate Performance,

Top 25 (Public Listed) Companies Award 2017 Presented by Pakistan Stock Exchange to Murree Brewery Co. Ltd.

MBCL Finance & Corporate Team:-

Left to right: Mr. Arsalan Shaikh , Mr. Malik Saqib, Mr. Isphanyar Bhandara, Mr. Mazhar Iqbal, Mr. Waqar Ahmad

M. Compliance, HIA, CEO, CFO, Co. Secy

Estd. 1860

Annual Report 2020

Murree Brewery Company Limited

CONTENTS

Estd. 1860

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

PRINCIPAL OFFICERS

Chief Financial Officer	Mr. Mazhar Iqbal
Company Secretary	Ch. Waqar A. Kahloon
Head of Internal Audit	Malik Saqib
Deputy General Manager (Brewery Division)	Mr. Fakher-e-Mahmood
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 & RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION AND NOMINATION COMMITTEE

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

AUDITORS

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

ESTABLISHED 1860

CORPORATE INFORMATION

REGISTERED OFFICE

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

FACTORIES

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

(2) (i) **Tops Food & Beverages,**
3-National Park Road, Rawalpindi
Tel: 051-5567041-47, Fax 051-5565451

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

(3) **Murree Sparklette**
Plot No. 102, Phase-III, Industrial Estate
Hattar, **District Haripur** (K.P.K.)

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

DISTRIBUTION OFFICES

(i) Tops Food & Beverages,
121/3, Industrial Estate, Kot Lakhpat,
Lahore. (Tel: 042-5117501)

(ii) Aziz Chowk Pindi Bypass,
Galla Sonica Industry,
G.T Road, **Gujranwala** (Tele: 055-3891571)

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

(iv) Mohallah Noorpura,
Bahawalpur Bypass Road, **Multan**
Ph: 061-4232064
Mob: 0345-8697704

(v) 104/B, Near Winter Time,
Small Industries Estate, **Sahiwal**
Mob: 0335-5611125
0321-6954001

(vi) Rati Gali, Ayoubia Road, **Murree**
Mob: 0335-5111047

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

SHARE REGISTRAR

CDC Share Registrar Services Limited
CDC House 99-B, Block 'B' S.M.C.H.S, Main
Shahra-e-Faisal Karachi-74400
Tel: +92(21)111-111-500
Fax: +92(21)34326053 Email: info@cdcpak.com

LEGAL ADVISORS

(i) Hamid Law Associates
409-410, Alfalah Building,
Shahrah-e-Quaid-e-Azam,
Lahore. Tel: 042-6301601

(ii) Mr. Umar Abdullah (Advocate)
Chaudhary Law Associates
Advocate High Court
Flats No. 5 & 6, 1st Floor, MCOOP Centre,
1, Mozang Road, Lahore.
Cell # 0300-8438877-0345-8412222

(iii) Mr. Muhammad Ilyas Shaikh
House No. 37, Street No. 02, Monalla
Phase 5, Bahria Town, Islamabad.

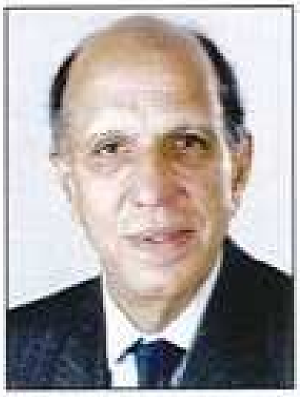
TAX ADVISOR

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

CORPORATE ADVISOR

RSI Corporate Advisory
First Floor, Plot No. 02, Central Commercial
Area (CCA), Block-T, Phase -2, Defence
Housing Authority, Lahore Cantt Pakistan
Tel: +92 42 357 47 504
Website: www.[illegible]

Board of Directors



Ch. Mueen Afzal

Chairman – Non Executive Director

Ch. Mueen Afzalafter 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, apart from being Chairman of the Board of Murree Brewery Company Ltd, member of Audit and Risk Management Committee and HR & Remuneration and Nomination Committee. He was Chairman of the Board of Pakistan Tobacco Company and currently is the Chairman of Akzo Nobel Pakistan.

He is a founder director of the Pakistan Centre of Philanthropy and on the Board of Beaconhouse, National University and of the Karachi Board of Leadership. He is also on the advisory board of Wolfson College, Oxford University in the UK.

Mr. Isphanyar M. Bhandara

CEO/Director - Executive Director

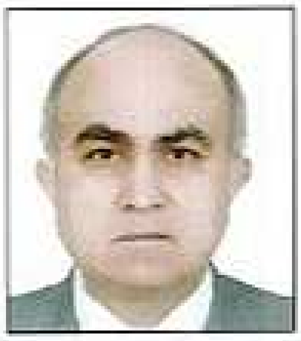
Mr. Isphanyar M. Bhandara started his family business, Murree Brewery Co. Ltd. Rawalpindi, one of the oldest public limited companies of the sub-continent in 1997.

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.



Mr. Aamir H. Shirazi

Non-Executive Director

Mr. Aamir H. Shirazi graduated in Economics from USA and completed his OPM from Harvard Business School. He has over 30 years of rich experience to his credit. He was the Chief Executive of Atlas Honda Limited for over ten years before becoming President of the Atlas Group in July 2000.

He has also been associated with the following institutions:

- Member Board of Directors, Lahore Stock Exchange
- Member Board of Governors, LUMS, Lahore
- Member Board of Governors, Aitchison College, Lahore
- Member Board of Directors, Engineering Development Board
- Member Syndicate, University of Engineering & Technology, Lahore

Mr. Shirazi has been the Honorary Consul General of Japan, Lahore since 2002.

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 24 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 2015-16. He is an Honorary Consul General of Greece in Lahore since 2007.

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 53years 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; Advisor, Investment Climate Reforms Unit, Government of Punjab; and Evaluator, Investment Evaluation Unit, The World Bank Group.

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

Ms. Jahanara Sajjad Ahmad

Independent Director

Ms. Jahanara Sajjad Ahmad, FCA is a fellow member of the Institute of Chartered Accountants of Pakistan. She has over 25 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 Gorayal 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 Global board room Corporate Governance Awards, which Dubai Parks won and helped position the Company as the market leader in terms of governance framework and disposition.

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 and overseeing [illegible] of the work of the Task Forces throughout the MENA region.

Prior to joining Hawkamah, she was Director Securities Market Division of 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, overseeing 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.

Jahanara has also worked with Morison Stoneham Chartered Accountants in London from [illegible] to the Brush 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: implications for better corporate governance of state owned enterprises", published by the OECD.

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

MURREE BREWERY COMPANY LIMITED

3-NATIONAL PARK ROAD RAWALPINDI, PAKISTAN

NOTICE OF 153rd ANNUAL GENERAL MEETING

Notice is hereby given that the 153rd Annual General Meeting of the Company (AGM) will be held at its Registered Office 3-National Park Road, Rawalpindi on Thursday, October 22, 2020 at 10:00 a.m. to transact the following business:

1. To receive, consider and adopt the audited financial statements of the Company together with the Directors' and Auditor's Reports for the year ended June 30, 2020 and Chairman's Review Report.

2. To approve the payment of final cash dividend of 50% i.e. Rs. 5/- per share of Rs. 10/- each, as recommended by the Board of Directors. This is in addition to the interim dividends of 200% i.e. Rs. 20/- per share already declared and paid to the shareholders, thus, making a total cash dividend of 250% i.e. Rs. 25/- per share for the year ended June 30, 2020.

3. To appoint Auditors of the Company and to fix their remuneration. The members are hereby notified that the Audit and 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.

BY ORDER OF THE BOARD

Rawalpindi
October 01, 2020

Ch. Waqar A. Kahloon
Company Secretary

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 16, 2020 to October 22, 2020 (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 15, 2020 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.

FOR APPOINTING PROXIES:

i. A member may appoint any member of the Company (u/s 137 (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 shareholders are requested to consolidate their attendance by proxies to avoid large gatherings. The shareholders can email the Company at email: generalmeetings@murreebrewery.com or WhatsApp at 0321-5000000 their comments / suggestions, if any. 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, 2020 along with Directors and Auditors Report, Chairman 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 DIVIDEND THROUGH BANK ACCOUNT OF THE SHAREHOLDER:
In accordance with the section 242 of the Companies Act, 2017, cash dividend can only be paid through electronic mode directly into the respective bank account designated by the entitled shareholder. Shareholders are requested to provide their bank account details (IBAN format) directly to our share registrar (for physical shares) or to their respective participant / broker (for CDS shares) as the case may be. The subject form is available at Company's website i.e. **www.murreebrewery.com**. In case of unavailability of IBAN, the Company would be constrained to withhold dividend in accordance with the Companies (Distribution of Dividends) Regulations, 2017.

CONSENT FOR VIDEO CONFERENCE FACILITY:
Pursuant to the provisions of the Companies Act, 2017, if the Company receives demand of members residing in a city who hold 10% or more shareholding of total paid-up capital to participate in the meeting through video conference at least 7 days prior to the date of the meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility, please fill the following form and submit to the registered address of the Company at least seven (07) days before the date of the meeting.

I/ We, ____________ of _______, being a member of Murree Brewery Company Limited, holder of _______ Ordinary Shares as per Registered Folio No. / CDC A/C No. / Sub A/c No. ______ hereby opt for video conference facility at ____.

Signature of member

CHAIRMAN'S REVIEW

I am pleased to present the 153rd Annual Report of the Company for the year ended June 30, 2020 to our valued shareholders.

The Board performed its duties and responsibilities diligently by effectively guiding the Company in its strategic affairs. The Board also played an important role in overseeing the management's performance and focusing on major risk areas. The Board was fully involved in the budgeting and strategic planning processes. The Board also remained committed to ensure high standards of Corporate Governance to preserve and maintain stakeholders' value.

The Board has outsourced the internal audit function to M/s EY Ford Rhodes, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company. Internal audit reports are presented to the Board Audit Committee on a quarterly basis emphasized the Internal Control Processes and addressed potential risks to the Company.

As required under the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board carried out its self-evaluation, to ensure that the Board's overall performance and effectiveness is measured against expectations in the context of the objective set for the Company. The Board evaluated performance of its committees in relation to the discharge of their responsibilities set out in the respective terms of reference. The Company is fully compliant with the requirements of Directors' Training under the Code.

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.

Going forward, global uncertainty caused by the COVID-19 pandemic will continue to pose a risk to the Company's profitability. It is unclear as to how market dynamics will evolve in the coming year and given this uncertainty the Board of Directors and Management will remain focused on making efforts to improve shareholders' value through internal efficiency enhancement and cost cutting measures while building on the Company's existing strengths.

Ch. Mueen Afzal
Chairman
Rawalpindi September 25, 2020

DIRECTORS' REPORT
For the year ended June 30, 2020

The Directors are pleased to present their report together with the audited financial statements for the year ended June 30, 2020.

BUSINESS REVIEW OF THE COMPANY

Murree Brewery has completed 160 years of continuous operations and is one of the oldest companies quoted on the Pakistan Stock Exchange (PSX). Its profits have decreased. However, the company continues to expand its production capacity to meet future demands.

The company continues with its policies, to add value to shareholders, to invest in its people and processes and to improve the quality of its products.

FINANCIAL PERFORMANCE

i. **Overall Financial Overview & Highlights**

						Rs. in million
Sales revenue (Net)	decreased by	11.1 %	from	10,121	to	8,997
Gross Profit	decreased by	20.2 %	from	2,885	to	2,301
Profit before Taxation	decreased by	37.6 %	from	1,662	to	1,038
Profit after Taxation	decreased by	44.2 %	from	1,223	to	682
Earnings per share	decreased by	44.2 %	from	Rs.44.21	to	Rs.24.64

The profit before and after tax has decreased due to COVID-19 pandemic which affected all divisions as per results given as follows:

ii. Divisional Operating Results

The results of our divisions were:

a. Liquor Division

	2020 Rs. in million	%	2019 Rs. in million	%
Sales exclusive of applicable taxes	6,847		7,814	
Cost of sales	(5,126)	(74.9)	(5,903)	(75.5)
Gross profit	1,720	25.1	1,911	24.5
Operating profit	932	13.6	1,030	13.2

b. Glass Division

	2020 Rs. in million	%	2019 Rs. in million	%
Sales exclusive of applicable taxes	1,411		1,723	
Cost of sales	(1,120)	(79.4)	(1,082)	(62.8)
Gross profit	290	20.6	641	37.2
Operating profit	65	4.6	605	35.1
Glass Containers sales	27,064	Metric Tons	35,522	Metric Tons

c. Tops Division

	2020 Rs. in million	%	2019 Rs. in million	%
Sales exclusive of applicable taxes	2,549		2,828	
Cost of sales	(2,258)	(88.6)	(2,495)	(88.2)
Gross profit	291	11.4	333	11.8
Operating (Loss)	(218)	(8.6)	(117)	(4.1)

IMPORTANT ISSUES:

i. **Gas Infrastructure Development Cess (GIDC):**
The honorable Supreme Court of Pakistan has decided the matter of GIDC in favor of the Government on August 13, 2020. The Company along with other companies has decided to file a review petition. However, we have fully provided for the contingent liability of Rs. 255 million in our accounts.

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.

FINAL DIVIDEND

The Board of Directors of the company has recommended a final cash dividend of Rs. 5 per share for the year ended June 30, 2020 bringing the full year payout to Rs. 25 per share (250% - previous year 300%). This shall be subject to the approval of Shareholders at their meeting scheduled on October 22, 2020.

RISK AND UNCERTAINTIES

The Company's main risk in the short term is the possibility of a business lockdown in a second wave of the coronavirus pandemic.

PATTERN OF SHAREHOLDING

The total number of Company's shareholders as at June 30, 2020 was 1,254 against 1,245 on June 30, 2019. The pattern of shareholding as on June 30, 2020 and its disclosure is annexed.

EARNINGSPER SHARE

Earnings per share for the year ended June 30, 2020 is Rs.24.64 as against Rs.44.21 of preceding year.

INTERNAL AUDIT AND CONTROL

The internal audit function has been outsourced to M/s EY Ford Rhodes, Chartered Accountants a renowned firm and Head of Internal Audit has been appointed to coordinate with them, who reports to the Audit Committee.

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 : Seven
b. Female : One

Category	Name of Director
i. Independent Directors	Lt. Gen (Retd.) Zarrar Azim Prof. Khalid Aziz Mirza Mr. Shahbaz Haider Agha
ii. Other Non-executive Directors	Mr. Khurram Muzaffar Ch. Mueen Afzal Mr. Aamir H. Shirazi Mrs. Goshi M. Bhandara
iii. Executive Director	Mr. Isphanyar M. Bhandara

COMMITTEES OF THE BOARD

i. Audit Committee

The Audit Committee performed its functions under the Code of Corporate Governance and comprises of two independent directors and two other non-executive directors. One of the independent directors is the chairman.

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

(Audit Committee has also acted as Risk Management Committee.)

ii. HR & Remuneration Committee:

The HR & Remuneration Committee constituted under the Code of Corporate Governance comprises of two independent directors and two other non-executive directors. One of the independent directors is the chairman.

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

(HR and Remuneration Committee has also acted as Nomination Committee.)

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Directors state that:

a. The financial statements for the year ended June 30, 2020 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, 2020, except as disclosed in the financial statements.
h. The directors who have to take training or seek exemption are within the prescribed limits.
i. There has been no material departure from the best practices of Corporate Governance as detailed in the listing regulations.
j. Key operating and financial data of the last six years in summarized form are annexed.
k. The value of the un-audited Provident Fund and un-audited Pension Fund investment at June 30, 2020 was Rs. 133.5 million (2019: Rs. 120.01 million) and Rs. 62.8 million (2019: Rs. 55.6 million) respectively.
l. Board of Directors:
At the Extraordinary General Meeting held on July 24, 2020, eight directors were unanimously elected on the completion of the term of the existing directors for the next term of three years. Board appreciated the services of outgoing Directors and also welcomed the new members on the Board.
m. During the year 2019-20, five (05) Board meetings, four (04) Audit Committee meetings and one (01) Human Resource and Remuneration Committee meeting were held.

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

Name of Director	Board of Directors	Audit Committee	HR& R Committee
Mr. Khurram Muzaffar	4/5	3/4	1/1
Mr. Isphanyar M. Bhandara	5/5	04 (by invitation)	01 (by invitation)
Ch. Mueen Afzal	5/5	4/4	-
Mr. Aamir H. Shirazi	2/5	-	-
Mrs. Goshi M. Bhandara	2/5	-	0/1
Lt. Gen (Retd.) Zarrar Azim	4/5	3/4	1/1
Prof. Khalid Aziz Mirza	4/5	3/4	-
Mr. Shahbaz Haider Agha	5/5	-	1/1

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

STATEMENT OF COMPLIANCE

The company has fully complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019. A statement to this effect is annexed with this report.

CORPORATE SOCIAL RESPONSIBILITY

Murree Brewery Company is one of Pakistan's oldest companies and it 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 is giving donations to charitable institutions, hospitals and trusts. During the year 2019-20, the Company has donated Rs.3.64 million to various welfare organizations.

The Company continues to give the use of its property to Association for Special Persons (DARAKHSHAN). Presently 74 disabled women are getting training in this vocational school for helping destitute handicapped women located in the Rawalpindi area 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 also bears the cost of utilities and maintenance.

Eco-friendly re-usable shopping bags were distributed by Murree Brewery to support the initiative of the government in doing away with the plastic bags.

The Company has supported Government's initiative of tree plantation by planting trees on its property.

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

Our aim is to continue our involvement and contribution to such noble causes in the future as well.

ENVIRONMENT, QUALITY, HEALTH & SAFETY MANAGEMENT SYSTEM

The management is strongly committed to sustainable Environmental & Quality Management which has been recognized by the society and independent certification authorities. The Company supports environmental issues and promotes greater environmental responsibilities and has achieved Certification of ISO-9001:2008 and OHSAS 18001:2007. The Company continues to test the emissions and effluents through laboratories approved by Pakistan Environment Protection Agency.

The Company ensures that every employee or contractor works under the safest possible conditions. There is no child labour.

CONTRIBUTION TO NATIONAL EXCHEQUER

Your company contributed a sum of Rs. 4,489 million (previous year Rs. 5,038 million) to the Government exchequer on account of duties and taxes.

DIRECTORS' REMUNERATION

As per the requirements of the Code of Corporate Governance, 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 different 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# 41 to the financial statements for the year ended June 30, 2020.

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 have approved the related party transactions as per policy.

COLLECTIVE BARGAINING AGENT (CBA) AGREEMENT

The Company has finalized settlement with CBA with effect from July 1, 2019 to June 30, 2021. This back to back settlement ensures a satisfied work force which is so important for continued productivity.

AUDITORS

Statutory Audit of the Company for the financial year ended June 30, 2020 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 Listed Companies (Code of Corporate Governance) Regulations, 2019. 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 year 2020-21. The Board proposes their appointment as Auditors for the financial year ending June 30, 2021 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 22, 2020.

EXTERNAL FACTORS

The year 2020 has been a challenging year for the Company. The COVID-19 pandemic has, with alarming speed, delivered a global economic shock of enormous magnitude, leading to steep recessions in many countries. Pakistan was no exception.

The pandemic built a devastating blow to Pakistan's socioeconomic fabric and its public health system. The country's economy had to deal with multiple challenges of the pandemic, coming on top of a macroeconomic adjustment program supported by the IMF.

In this challenging environment, the Company will continue to endeavor to keep costs low, to enhance revenues and to deliver value to its shareholders. It will provide an appropriate response to the changing dynamics in the market.

OUTLOOK

In the current economic environment, the management is fully committed to addressing the future potential of the business and will continue to fulfill consumers' needs with high quality products, challenges and to delivering maximum possible shareholders' value.

APPRECIATION

The Board would like to record its appreciation of the management team together with the other employees for their work and loyalty to the Company. The Board also extends its gratitude to all business stakeholders, Government Authorities and shareholders for their support in achieving the company's objectives.

ON BEHALF OF THE BOARD

Isphanyar M. Bhandara
Chief Executive Officer

Pervaiz Akhtar
Director

Rawalpindi September 25, 2020

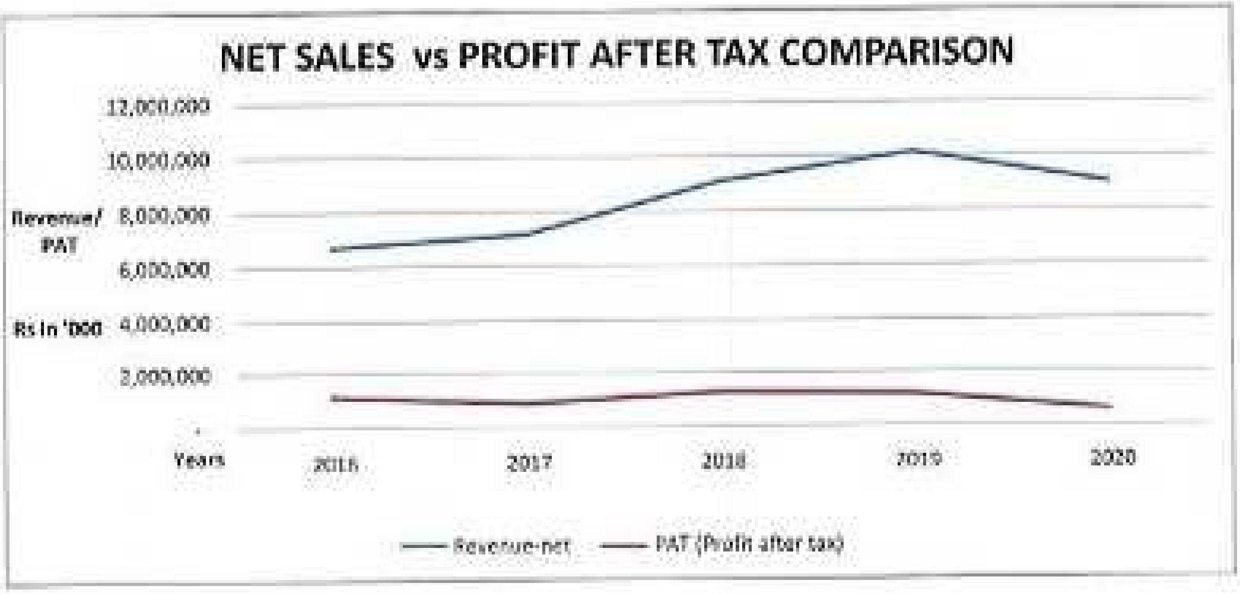
Murree Brewery Company Limited

SIX YEARS AT A GLANCE

RS. "MILLION"

S #	PARTICULARS	2020	2019	2018	2017	2016	2015
1	PAID UP CAPITAL	276.6	276.6	230.5	230.5	230.5	230.5
2	RESERVE & SURPLUS	9,888.7	10,335.4	9,457.0	8,786.0	8,128.5	7,172.5
3	FIXED ASSETS (LESS DEPRECIATION)	5,457.3	5,395.3	4,937.3	4,653.3	3,942.9	3,566.0
4	NET SALES	8,230.8	13,121.5	9,839.6	7,188.6	6,637.3	6,025.3
5	COST OF SALES	5,999.4	7,536.0	6,238.4	4,873.8	4,418.0	3,923.1
6	GROSS PROFIT	2,231.5	5,585.5	2,868.3	2,314.8	2,215.3	2,102.2
7	PROFIT BEFORE TAX	1,037.3	1,667.8	1,825.8	1,318.4	1,565.7	1,456.8
8	CASH DIVIDEND %	200	300	300	200	230	65
9	STOCK DIVIDEND %	-	-	20%	-		-
10	RETURN ON EQUITY %	9.8%	13.0%	13.7%	13.6%	23.7%	22.9%
11	BREAK UP VALUE OF SHARE OF RS. 10 EACH	365.8	382.4	430.7	392.4	359.3	308.3
12	EARNINGS PER SHARE (E.P.S)	24.6	44.2	46.8	38.3	36.8	45.2
13	P/E Ratio	27.3	16.8	19.3	25.0	19.3	25.1


EARNING PER SHARE vs CASH DIVIDEND COMPARISON
EPS / DIVIDEND
Rs / share
60
50
40
30
20
10
0
2015
2016
2017
2018
2019
2020
YEARS
EARNING PER SHARE (Rs)
Dividend (Rs)


NET SALES vs PROFIT AFTER TAX COMPARISON
Revenue/ PAT
Rs in '000
12,000,000
10,000,000
8,000,000
6,000,000
4,000,000
2,000,000
-
Years
2016
2017
2018
2019
2020
Revenue-net
PAT (Profit after tax)

Murree Brewery Company Limited

STATEMENT OF FINANCIAL POSITION

	2020 Rs.	%	2019 Rs.	%	[illegible] Rs.	%	[illegible] Rs.	%	[illegible] Rs.	%	[illegible] Rs.
EQUITY AND LIABILITIES											
EQUITY											
Share Capital	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Capital Reserve	30,681	0.3	30,681	0.3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Contingency Reserve	-	-	-	-	-	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
General Reserve	-	-	-	-	-	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Reserve for Capital Expenditure	-	-	-	-	-	-	[illegible]	[illegible]	-	-	-
Unappropriated profit	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Surplus on revaluation of assets	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NON - CURRENT ASSETS											
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Deferred taxation	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CURRENT LIABILITIES											
[illegible]											
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Trade and other payables	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Contract liabilities	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-	-	-	-	-
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-	-	-	-	-
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-	-	-	-	-
Provision for taxation	-	-	-	-	-	-	-	-	-	-	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NON - CURRENT ASSETS											
Property, plant and equipment	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Right of use assets	[illegible]	[illegible]	-								
Intangible assets	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]			-		-
Advances for capital expenditure	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-	-
Investment property	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Long term advances	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Long term investments	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-
Long term deposits	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Employees' Benefits	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]					
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CURRENT ASSETS											
Stock in trade	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Trade debts - unsecured	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Advances, prepayments and other receivables	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Short term investment	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Advance tax	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cash and bank balances	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Murree Brewery Company Limited

STATEMENT OF PROFIT & LOSS

	2020 Rs.	20 vs 19 %	2019 Rs.	19 vs 18 %	2018 Rs.	18 vs 17 %	2017 Rs.	17 vs 16 %	2016 Rs.	16 vs 15 %	2015 Rs.	15 vs 14 %	2014 Rs.
Sales (Net)	[illegible]	[illegible]	10,121,281	11.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cost of Sales	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gross Profit	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Distribution Cost	[illegible]	[illegible]	[illegible]	42.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Administrative Expenses	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other Expenses	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other Income	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Impairment loss on trade debts	[illegible]	[illegible]	441	[illegible]	[illegible]								
Operating Profit	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finance Cost	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finance Income	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]						
Net Profit before taxation	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Provision for taxation	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Net profit after taxation	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

VERTICAL ANALYSIS

	2020 Rs.	%	2019 Rs.	%	2018 Rs.	%	2017 Rs.	%	2016 Rs.	%	2015 Rs.	%	2014 Rs.
Sales	[illegible]	[illegible]	10,121,281	100.0	[illegible]	100.0	[illegible]	100.0	[illegible]	100.0	[illegible]	[illegible]	[illegible]
Cost of Sales	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gross Profit	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Distribution Cost	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Administrative Expenses	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other Expenses	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other Income	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Impairment loss on trade debts	[illegible]	[illegible]	441	[illegible]	[illegible]								
Operating Profit	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finance Cost	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finance Income	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]						
Profit before tax	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Provision for taxation	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Net profit after taxation	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Pattern of Shareholding
as at June 30, 2020

# Of Shareholders	Shareholdings' Slab			Total Shares Held
449	1	to	100	15,281
373	101	to	500	90,440
106	501	to	1000	75,653
171	1001	to	5000	385,890
63	5001	to	10000	446,132
19	10001	to	15000	232,925
18	15001	to	20000	311,610
10	20001	to	25000	221,951
4	25001	to	30000	113,308
4	30001	to	35000	125,064
3	35001	to	40000	112,582
3	45001	to	50000	142,057
2	50001	to	55000	102,240
2	55001	to	60000	115,654
2	60001	to	65000	120,505
1	70001	to	75000	72,880
1	80001	to	85000	82,925
2	85001	to	90000	177,598
1	105001	to	110000	106,600
1	145001	to	150000	146,884
1	155001	to	160000	156,487
1	195001	to	200000	200,000
1	215001	to	220000	215,320
1	290001	to	295000	291,696
1	315001	to	320000	319,441
1	420001	to	425000	420,232
1	455001	to	460000	457,040
1	465001	to	470000	466,503
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	860001	to	865000	862,149
1	1000001	to	1005000	1,000,074
1	1300001	to	1305000	1,304,360
1	1700001	to	1705000	1,701,527
1	4030001	to	4035000	4,030,810
1	4145001	to	4150000	4,146,240
1	6350001	to	6355000	6,350,325
1254				27,663,630

Murree Brewery Company Limited

Pattern of Shareholding
as at June 30, 2020

Categories of Shareholders		Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children				
MR. ISPHANYAR M. BHANDARA		2	4,649,283	16.83
MS. MEHERZEH M. BHANDARA		2	1,143,047	4.12
MRS. JASMINE BHANDARA		2	334,321	1.21
MR. JAMSHED MINOO BHANDARA, MRS. GOSHI M BHANDARA & MR. ISPHANYAR M BHANDARA		2	1,999,775	7.21
MRS. NASREEN MUZAFFAR		1	14,008	0.05
MRS. GOSHI M BHANDARA		1	1,000,674	3.62
MR. SHAHBAZ HAIDER AGHA		1	2,174	0.01
MR. AAMIR H. SHIRAZI		1	3,084	0.01
LT. GEN. (R) ZARRAR AZIM		1	2,205	0.01
MR. KHURRAM MUZAFFAR/NASIM MUZAFFAR		1	4,602	0.02
COL. MUJEEB AFZAL		1	3,802	0.01
PROF. KHALID AZIZ MIRZA		1	3,202	0.01
Associated Companies, undertakings and related parties				
D.P. EDULJI & COMPANY (PVT) LIMITED		2	4,882,558	17.69
Executives		1	12	0.00
Public Sector Companies and Corporations		2	787	0.00
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds		4	100,132	0.36
Mutual Funds				
CDC - TRUSTEE AKD INDEX TRACKER FUND		1	3,682	0.01
General Public				
	a. Local	1167	3798444	13.88
	b. Foreign	28	1272099	4.60
Foreign Companies		7	8108332	29.33
Others		26	64087	0.23
	Totals	1224	27,663,638	100.00

Share holders holding 10% or more	Shares Held	Percentage
KINGSWAY FUND-FRONTIER CONSUMER FRANCHISES, KOTORA	7,604,995	27.47
D.P. EDULJI & COMPANY (PVT) LIMITED	4,882,558	17.69
MR. ISPHANYAR M. BHANDARA	4,649,283	16.84

Murree Brewery Company Limited

Pattern of Shareholding
as at June 30, 2020

S.No.	Folio #	Name of shareholder	Number of shares	Per %
Directors and their spouse(s) and minor children				
1	90021	MR. ISPHANYAR M. BHANDARA	4,140,740	14.95
2	04705-63216	MR. ISPHANYAR M. BHANDARA	457,040	1.65
3	120080	MS. MINWOH M. BHANDARA	720,815	2.61
4	130013	MS. MINWOH M. BHANDARA & MRS. GOSHI M. BHANDARA	420,222	1.52
5	191023	MRS. JASMINE BHANDARA	310,441	1.16
6	04705-93029	MRS. JASMINE BHANDARA	14,770	0.05
7	261122	MR. JAMSHED MINOO BHANDARA, MRS. GOSHI M BHANDARA & MR. ISPHANYAR M BHANDARA	331,696	1.25
8	261126	MR. JAMSHED MINOO BHANDARA, MRS. GOSHI M BHANDARA & MR. ISPHANYAR M BHANDARA	1,701,527	6.15
9	190030	MRS. NASEEM MUZAFFAR	14,000	0.05
10	261123	MRS. GOSHI M. BHANDARA	1,000,874	3.52
11	00307-19051	MR. SHAHBAZ YASIN MALIK	2,178	0.01
12	03277-2966	MR. AAMIR H. SHIRAZI	3,094	0.01
13	03350-118700	LT. GEN. (R) ZARRAR AZIM	2,106	0.01
14	03459-2042	MR. KHURRAM MUZAFFAR NAEEM MUZAFFAR	4,840	0.02
15	03525-11800	CH. MUJEEB AFZAL	3,852	0.01
16	04804-27440	PROF. KHALID AZIZ MIRZA	1,200	0.00
		16	9,182,954	32.95
Associated companies, undertakings and related parties				
1	40025	D.P. EDULJI & COMPANY (PVT) LIMITED	4,030,510	14.57
2	03525-98507	D.P. EDULJI & COMPANY (PVT) LIMITED	862,149	3.12
		2	4,892,659	17.69
Executives				
1	261046	MR. SABIH UR REHMAN	12	0.00
		1	12	0.00
Public sector companies and corporations				
1	30012	M/S. INVESTMENT CORPORATION OF PAKISTAN	450	0.00
2	00083-36	IDBL (ICP UNIT)	352	0.00
		2	792	0.00
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds				
1	20043	M/S. BANK OF BAHAWALPUR LTD.	5,603	0.02
2	03277-3186	EFU GENERAL INSURANCE LIMITED	637,963	2.31
3	04127-77	MCB BANK LIMITED - TREASURY	11,241	0.04
4	10749-501	ADAMJEE LIFE ASSURANCE COMPANY LTD-IMF	200,001	0.72
		4	855,333	3.09
Mutual Funds				
1	06411-21	CDC - TRUSTEE AKD INDEX TRACKER FUND	3,098	0.01
		1	3,098	0.01
General Public Foreign				
1	10004	MR. AHMAD ABDUL REHMAN NOOR AHMAD	8,362	0.03
2	20019	MR C. C. GARBETT	2,438	0.01
3	50006	MR. IBRAHIM SALEE BERA	17,184	0.06
4	50009	MISS. E. M. WILSON	10,113	0.07
5	70033	DR. B. K. SANDAY	30,050	0.11
6	80017	MR. H. TR. GEVT KENSINGTON	8,560	0.03
7	80031	MR. H. LUND CHRISTIANSEN	60,473	0.22
8	90002	MISS. J. M. ST. GEORGE BRETT	2,424	0.01
9	90011	MR. I. H. R. MORS	1,574	0.01
10	100002	MR. J. C. BURRIDGE	25,617	0.09
11	100029	MR. J. M. KEECH	7,368	0.03
12	120083	MR. JOHN STUART OLIVER	2,012	0.01
13	130020	MRS. K. M. WILLIAMS	36,105	0.13
14	130022	MR. KASIM A. MOHAMMAD	5,072	0.02
15	120001	MISS. LUCY CHARLES	1,240	0.00
16	130004	MR. W. L. KIRBY	755	0.00
17	150006	MRS. M. M. LAIDLEY	82,823	0.30
18	150068	MR. M. A. MOGHAL	11,046	0.04
19	140014	MR. NAJMUDDIN MULLAH HAMAMAN	6,960	0.03
20	160015	MRS. P. SAWDAY	17,191	0.06
21	160036	MR. PETER JOHN SARGENT	441	0.00

Murree Brewery Company Limited

Pattern of Shareholding
as at June 30, 2020

CODE OF CONDUCT

Table Of contents

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.

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 it 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.

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.

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.

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 wok 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

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 Ir mation

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

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 30June 2020 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 2020.

KPMG Taseer Hadi & Co.
Chartered Accountants
Islamabad

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

Murree Brewery Company Limited
For the Year ended June 30, 2020

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 : Seven
    b) Female : One

2. The composition of the Board is as follows:

	Category	Names
a)	Independent directors	Lt. Gen. (Retd.) Zarrar Azim Prof. Khalid Aziz Mirza Mr. Shahbaz Haider Agha
b)	Non-Executive directors	Mr. Khurram Muzaffar Ch. Mueen Afzal Mr. Aamir H. Shirazi
c)	Executive director	Mr. Isphanyar M. Bhandara
d)	Female Non-Executive director	Mrs. Goshi M. Bhandara

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;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. 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. None of the directors attended any 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 Committee**

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

(Audit Committee has also acted as Risk Management Committee)

b) **HR and Remuneration Committee**

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

(HR and Remuneration Committee has also acted as Nomination Committee)

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly / half yearly / yearly) of the committee during the year 2019-20, were as per following:

Four (04) Audit Committee and one (01) Human Resource and Remuneration Committee.

15. The Board has outsourced the internal audit function to M/s EY Ford Rhodes, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;

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 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 other requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

ON BEHALF OF THE BOARD

ISPHANYAR M. BHANDARA	**PERVAIZ AKHTAR**
Chief Executive Officer	Director

Rawalpindi September 25, 2020

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 2020, 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 2020 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.

Following are the key audit matters:

S. No.	Key audit matter	How the matter was addressed in our audit
1	**The Company's exposure to contingencies** The Company is contesting significant legal cases in respect of water tax and gas tariff, details of which are disclosed in note 15 to the financial statements. Given the nature and amounts involved in these cases and the forums at which these are pending, the ultimate outcome and the resultant accounting in the financial statements is subject to significant judgement, which can change over time as new facts emerge and each legal case progresses, and therefore, we have identified this as a key audit matter.	Our audit procedures included the following: - obtaining understanding of the Company's processes and controls over contingencies through meetings with the management and review of the minutes of the Board of Directors and Board Audit Committee; - reading correspondence of the Company with relevant departments and the Company's external counsel, where applicable; - discussing matters with the relevant personnel of the Company; - circularising external confirmations, and assessing the replies received thereto, and - assessing the appropriateness of the related disclosures made in the annexed financial statements.
2	**Recognition of Revenue:** Refer notes 4.15 and 30 to the financial statements. The Company is engaged in the production and sale of alcoholic beer, Pakistan Made Foreign Liquor (PMFL), non-alcoholic beer, aerated water (non-	Our audit procedures to assess the recognition of revenue, amongst others, included the following: - obtaining an understanding of the process relating to recognition of revenue and testing the design, implementation and operating

S. No.	Key audit matter	How the matter was addressed in our audit
	alcoholic products), juices and food products, mineral water, glass bottles and jars. The Company recognized net revenue of Rs. 8,997 million for the year ended 30 June 2020. 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.	effectiveness 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 around 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 journal entries posted to revenue accounts during the year, which met certain specific risk-based criteria, with the relevant underlying documentation. - Consider the appropriateness of accounting policy for revenue recognition and comparing with the applicable accounting and reporting standards; and - Assessing the adequacy of disclosures related to revenue as required under applicable 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 2020, 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.

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 judgment and maintain professional skepticism 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 auditor's 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 auditor's 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.

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 Inam Ullah Kakra.

KPMG Taseer Hadi & Co.
Chartered Accountants
Islamabad

Date:30 September 2020

Murree Brewery Company Limited

Statement of Financial Position
As at 30 June 2020

	Note	2020 (Rs.'000)	2019 (Rs.'000)
EQUITY			
Share capital and reserves			
Share capital	6	276,808	[illegible]
Capital reserve	7	38,481	[illegible]
Revenue reserves	8	6,785,175	[illegible]
Revaluation surplus on property, plant and equipment and ROU assets - net of tax	9	2,883,179	[illegible]
Total equity		9,983,672	[illegible]
LIABILITIES			
Loan liabilities (SBP Finance scheme liabilities)	10	22,591	[illegible]
Employee benefits	11	287,077	[illegible]
Deferred tax liability - net	12	229,043	[illegible]
Non-current liabilities		539,461	[illegible]
Trade and other payables	13	1,204,677	[illegible]
Contract liabilities	14	108,942	[illegible]
Current portion of Loan liabilities (SBP Finance scheme liabilities)	10	89,559	[illegible]
Unpaid dividend		75,343	[illegible]
Unclaimed dividend		56,909	[illegible]
Current liabilities		1,536,221	[illegible]
Total liabilities		2,094,627	[illegible]
Total equity and liabilities		12,048,294	[illegible]
Contingencies and commitments	15		

	Note	2020 (Rs.'000)	2019 (Rs.'000)
ASSETS			
Property, plant and equipment	16	5,157,220	[illegible]
Right of use assets	17	302,538	-
Intangible asset	18	1,381	[illegible]
Advances for capital expenditure	19	63,038	[illegible]
Investment properties	20	388,827	[illegible]
Long term advances	21	17,308	[illegible]
Long term investments	22	517,473	[illegible]
Long term deposits	23	35,754	[illegible]
Employee benefits	11	15,234	[illegible]
Non-current assets		6,537,369	[illegible]
Inventories	24	1,882,118	[illegible]
Trade debts	25	28,806	14,561
Advances, prepayments and other receivables	26	214,181	[illegible]
Short term investments	27	1,723,243	[illegible]
Advance tax - net	28	372,168	[illegible]
Cash and bank balances	29	1,305,329	[illegible]
Current assets		5,522,834	[illegible]
Total assets		12,043,294	[illegible]

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

Murree Brewery Company Limited

Statement of Profit or Loss
For the year ended 30 June 2020

	Note	2020 (Rs. '000)	2019 (Rs. '000)
TURNOVER - Net	30	8,996,909	8,121,245
COST OF SALES	31	(6,695,444)	(5,236,021)
GROSS PROFIT		2,301,465	2,885,260
Selling and distribution expenses	32	(870,114)	(1,077,379)
Administrative expenses	33	(507,148)	(396,842)
Other expenses	34	(273,018)	(116,612)
Other income	35	69,458	107,220
Impairment loss on trade debts	25.1	(3,117)	(441)
OPERATING PROFIT		717,526	1,401,355
Finance costs	36	(28,064)	(17,053)
Finance income	37	348,510	278,544
NET FINANCE INCOME		320,446	261,491
PROFIT BEFORE TAX		1,037,972	1,662,846
Income tax expense	38	(356,244)	(429,888)
PROFIT FOR THE YEAR		681,728	1,232,958

	Note	2020	2019
Earnings per share - basic and diluted (Rupees)	39	24.64	44.56

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

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE OFFICER	DIRECTOR

Murree Brewery Company Limited

Statement of Comprehensive Income
For the year ended 30 June 2020

	Note	2020 (Rs.'000)	2019 (Rs.'000)
Profit for the year		691,728	1,222,878
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurement on defined benefit plan liability - gratuity	15.1.3	17,403	[illegible]
Remeasurement on defined benefit plan cost - pension	15.2.6	(19,871)	[illegible]
Surplus on revaluation of property, plant and equipment and ROU assets		154,429	-
		151,961	[illegible]
Related tax		(44,068)	[illegible]
Other comprehensive income for the year - net of tax		107,893	[illegible]
Total comprehensive income for the year		799,621	[illegible]

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

Murree Brewery Company Limited

Statement of Changes in Equity

For the year ended 30 June 2020

	Share capital	Capital reserve	Revaluation surplus on property, plant and equipment - net of tax	General reserve	Contingency reserve	Unappropriated profits	Total equity
				Revenue reserves			
				(Rs '000)			
Balance at 01 July 2019	230,530	20,681	3,013,650	327,042	20,000	5,045,220	8,657,124
Adjustment on initial application of IFRS 9 - net of tax	-	-	-	-	-	(1,843)	(1,843)
Adjusted balance at 01 July 2019	230,530	20,681	3,013,650	327,042	20,000	5,043,380	8,655,281
Total comprehensive income for the year							
Profit for the year	-	-	-	-	-	1,222,838	1,222,838
Other comprehensive income for the year - net of tax	-	-	-	-	-	10,933	10,933
Total comprehensive income transferred to equity	-	-	-	-	-	1,233,772	1,233,772
Revaluation surplus on property, plant and equipment realised through incremental depreciation for the year - net of deferred tax (refer note 8)	-	-	(63,718)	-	-	63,718	-
Transferred from revaluation surplus on property, plant and equipment on disposal - net of deferred tax to retained earnings	-	-	(8,264)	-	-	8,264	-
	-	-	(71,982)	-	-	71,982	-
Increase in deferred tax liability due to change in tax rate (revaluation surplus)	-	-	(4,558)	-	-	-	(4,558)
Transactions with members recorded directly in equity							
Distribution to members							
Final cash dividend 30 June 2019 (Rs. 5 per share)	-	-	-	-	-	(115,265)	(115,265)
Bonus issue of shares (20% i.e. 1 share for every 5 shares held)	46,106	-	-	-	-	(46,106)	-
Interim cash dividend 20 June 2019 (Rs. 10 per share)	-	-	-	-	-	(276,636)	(276,636)
Interim cash dividend 30 June 2019 (Rs. 5 per share)	-	-	-	-	-	(138,318)	(138,318)
Interim cash dividend 30 June 2019 (Rs. 5 per share)	-	-	-	-	-	(138,318)	(138,318)
Total distribution to members	46,106	-	-	-	-	(714,643)	(668,537)
Balance at 30 June 2019	276,636	20,681	2,937,111	327,042	20,000	5,634,185	9,215,654

Chief Financial Officer

Chief Executive Officer

Director

Annual Report 2020

Murree Brewery Company Limited

Statement of Changes in Equity

For the year ended 30 June 2020

[illegible]

Statement of Cash Flow

For the year ended 30 June 2020

	Note	2020 (Rs. '000)	2019 (Rs. '000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		1,837,972	[illegible]
Adjustments for:			
Employee benefits - charge to profit or loss	11.1.2 & 11.2.4	42,023	[illegible]
Depreciation	16.1.3	421,495	[illegible]
Amortization	18.1	515	515
Provision/(reversal) for slow moving stores, spares & loose tools	33	15,425	[illegible]
Provision for WPPF	34	38,814	[illegible]
Provision for WWF	36	51,180	[illegible]
Provision for Gas Infrastructure Development Cess		288,474	-
[illegible]	36	(24,401)	[illegible]
Gain on disposal of property, plant and equipment	36	(3,888)	[illegible]
Provision for Deferred Grant loss	28.1	3,117	[illegible]
Finance cost	36	20,064	[illegible]
Return on deposit accounts	37	(120,268)	[illegible]
Interest on PIBs	37	(46,694)	[illegible]
Interest on advances	37	(411)	(400)
Dividend income	37	(102,141)	[illegible]
[illegible]	37	(2,018)	[illegible]
Gain on sale of investments	37	-	[illegible]
		445,876	[illegible]
Operating profit before working capital changes		2,434,048	[illegible]
Changes in:			
Inventories		(294,918)	[illegible]
Trade debts		(14,400)	[illegible]
Advances, prepayments and other receivables		241,777	(315,321)
Trade and other payables		233,813	[illegible]
Contract Liabilities		(11,248)	[illegible]
		192,947	[illegible]
Cash generated from operating activities		1,627,795	[illegible]
Finance cost paid		(21,836)	[illegible]
Employee benefits paid	11.1 & 11.2	(28,794)	[illegible]
WPPF paid	13.2	(93,896)	[illegible]
Income taxes paid	26	(450,888)	[illegible]
Net cash generated from operating activities		1,098,435	[illegible]
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(326,424)	[illegible]
Proceeds from disposal of property, plant and equipment	16.1.6	73,932	[illegible]
Advances for capital expenditure paid		(25,571)	[illegible]
Long term advances paid		(9,791)	[illegible]
Long term deposits paid		(4,645)	[illegible]
Redemption of long term investments		3,815	[illegible]
Acquisition of investments - net		(380,148)	[illegible]
Return on deposits received		191,473	[illegible]
Dividends received		102,141	[illegible]
Net cash used in investing activities		(499,265)	[illegible]
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment against lease liabilities		(113,597)	[illegible]
Dividend paid		(897,138)	[illegible]
Net cash used in financing activities		(870,137)	[illegible]
Net decrease in cash and cash equivalents		(239,124)	[illegible]
Cash and cash equivalents at beginning of the year		1,854,452	[illegible]
Cash and cash equivalents at end of the year	40	1,335,284	[illegible]

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

Notes to the Financial Statements

For the year ended 30 June 2020

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 Company's corporate office, manufacturing facilities and warehouses owned by the Company located in Rawalpindi, Hattar, Lahore and Gujranwala are disclosed in note 18.1.2. The addresses of the Company's other sales offices/ warehouses are as follows:

- Bath Gali, Awara Road, Murree.
- Mansoor Abad, near Steel Sing, railway gate, Jaranwala Road, Faisalabad.
- 104/B, near Water Tank, Small Industries Estate, Sialkot.
- 29-B, Small Industries Estate, Main Lahore Road, Sargodha.
- Mohallah Nauranu, Bahawalpur bypass road, Multan.

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.

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
Investments held for trading	Fair value
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.

Notes to the Financial Statements

For the year ended 30 June 2020

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 most significant effects on the amounts recognized in the financial statements are included in the following notes:

- Note 4.1 and 16 useful lives, residual values and depreciation method of property, plant and equipment
- Note 5 and 17 useful lives and depreciation method of right of use asset; and lease term and discount rate used to calculate lease liability.
- Note 4.2 and 18 useful lives, residual values and amortization method of intangible asset
- Note 4.3 and 20 fair value of investment property
- Note 4.4 and 24 provision for slow moving inventories
- Note 4.11 recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
- Note 4.13.3 and 11 measurement of defined benefit obligations: key actuarial assumptions
- Note 4.14 and 12 recognition of deferred tax liabilities and assets and estimation of income tax provisions
- Note 4.6 and 25 measurement of ECL allowance for trade debts
- Note 4.9 impairment loss of non financial assets other than inventories

Measurement of fair values

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 categorised 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).

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 categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Standards, interpretations and amendments to the approved accounting standards

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2020:

(i) Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

(ii) Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 1 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgements when preparing their general purpose financial statements in accordance with IFRS Standards.

(iii) On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallise. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 2020, unless the new guidance contains specific scope outs.

(iv) Interest Rate Benchmark Reform which amended IFRS 9, IAS 39 and IFRS 7 is applicable for annual financial periods beginning on or after 1 January 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published a report setting out its recommended reforms of some entity measures the cost of those items applying the measurement requirements of IAS 2. The standard 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.

- Annual Improvements to IFRS standards 2018-2020:

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

The above amendments are effective from annual period beginning on or after 01 July 2020 and are not likely to have an impact on 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, except for the changes as disclosed in note 5:

Accounting Policy

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 figures.
- Buildings are stated at revaluedamounts 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 equipments 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.

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.

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. 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.Land and capital work in progress are not depreciated. Rates of depreciation/estimated useful lives are mentioned in note 16.1 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.

4.2 Intangible asset

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 generally recognised in profit or loss based on the amortization rates as disclosed in note 18.1 to these financial statements.

Amortization 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.

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 based on normal capacity; and
- Work in process including stocks under maturation are valued at lower of cost and net realizable value.

Notes to the Financial Statements

For the year ended 30 June 2020

- Stocks under fermentation and work in process are valued at manufacturing cost which consists of direct material, labour and an appropriate share of production overheads based on normal operating capacity.

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.

4.5 Financial instruments

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

4.5.1 Financial asset

Classification

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.

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.

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.

Subsequent measurement

Financial assets at amortised cost	Measured at amortised cost using the effective interest method. The amortised 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 derecognition 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	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.

De-recognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

4.5.2 Financial liabilities

Financial liabilities are classified as measured at amortized 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 recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. Any gain / (loss) on the recognition and de-recognition of the financial assets and liabilities is included in the statement of profit or loss for the period in which it arises.

4.5.3 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.

4.6 Trade and other receivables

Trade and other receivables are initially stated 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 4.10.

Notes to the Financial Statements

For the year ended 30 June 2020

4.7 Trade and other payables

Trade and other payables are initially carried 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.

4.8 Dividend

Dividend distribution to the Company's members is recognized as a liability in the period in which the dividends are approved.

4.9 Impairment

4.9.1 Financial assets

The Company recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost, other than those due from the Government of Pakistan entities. 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. For recognition of impairment on financial assets due from the Government of Pakistan entities, the Company continues to apply the accounting policy as stated below.

4.9.2 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 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.

4.10 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.

4.11 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.

4.12 Share capital and dividends

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

4.13 Employee benefits

4.13.1 Shortterm 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.

4.13.2 Defined contribution plan – provident fund

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. The Company's contribution to the provident fund is expensed as the related service is provided.

4.13.3 Defined benefit plans

The Company operates the following 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.

4.14 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.

4.14.1 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.

4.14.2 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.

4.15 Revenue from contracts with customers

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

Notes to the Financial Statements

For the year ended 30 June 2020

	is collected from the customer and revenue is recognised at that point in time. 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.	
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 are allowed credit up to Rs. 300,000 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.

4.15.1 Investment property rental income

Rental income from investment property is recognised as 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. Rental income from other property is recognised as other income.

4.15.2 Transaction price allocated to remaining performance obligations

The Company applies the practical expedient as per paragraph 121 of IFRS 15 and does not disclose information about the remaining performance obligations that have original expected duration of one year or less.

4.15.3 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.

4.15.4 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.

4.15.5 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.

4.16 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.

4.17 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.

4.18 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.

4.19 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 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.

4.20 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.

4.21 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.

4.22 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.

5 CHANGE IN SIGNIFICANT ACCOUNTING POLICY - IFRS 16 'LEASES'

Following new standards, amendments or interpretations became effective from 01 July 2019, but they do not have a material effect on the Company's financial statements, except for IFRS 16 'Leases' the effect of which has been explained in the proceeding paragraphs.

a) IFRS 16 'Leases'
b) IFRIC 23 "Uncertainty over income tax treatments"

c) Amendment to IFRS 9 'Financial Instruments' – Prepayment Features with Negative Compensation
d) Amendment to IAS 28 'Investments in Associates and Joint Ventures' – Long Term Interests in Associates and Joint Ventures
e) Amendments to IAS 19 'Employee Benefits' - Plan Amendment, Curtailment or Settlement
f) Amendment to IFRS 3 'Business Combinations' – Definition of a Business
g) Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Company as a lessee, has recognized right of use assets representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies. The Company has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1 July 2019. Accordingly, the comparative information presented for year ended 30 June 2019 has not been restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below.

The Company assesses whether a contract is or contains a lease based on the new definition of lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease and non-lease component based on their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Company has elected not to separate non-lease components and will instead account for the lease and non-lease component as a single lease component.

As a Lessee

The Company leases many assets, including properties and vehicles. As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Company recognizes right of use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

However, the Company has elected not to recognize right-of-use assets and lease liabilities for some leases of short-term duration. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The carrying amounts of right of use assets are as below.	**Amount (Rs. 000)**
Balance as at 01 July 2019 (Finance leases)	286,239
Right of Use assets recognised on 01 July 2019	23,004
Right of Use assets as at 01 July 2019	309,243
Balance as at 30 June 2020	265,307

Significant accounting policies

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain measurements of the lease liability.

except for land, buildings, plant and machinery to which the Company has elected to apply the revaluation model. Depreciation is charged on straight line basis at rates as disclosed in note 17 to these financial statements. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company has applied judgement to determine the lease term for some lease contracts in which it is a lessee that includes renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

Impact on transition

On transition to IFRS 16, the Company recognized additional right of use assets and additional lease liabilities, recognizing the difference in retained earnings. The impact on transition is summarized below.

	At 01 July 2019 (Rs.000)
Right-of-use assets	23,004
Lease liabilities	23,004

When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate at 01 July 2019. The weighted-average rate applied is 14.65%.

	At 01 July 2019 (Rs.000)
Finance lease liabilities as at 30 June 2019	182,234
Operating leases recognised lease liabilities on 01 July 2019	23,004
Lease liabilities as at 01 July 2019	205,238

As a result of initially applying IFRS 16, in relation to the leases that were previously classified as operating leases, the Company recognized Rs 18,405805 of right-of-use assets and Rs. 20,579,054 of lease liability as at 30 June 2020.

Leases Policy applicable before 01 July 2019

Determining whether an arrangement contains a lease Policy applicable before 01 July 2019

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values.

If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

Leased assets-Policy applicable before 01 July 2019

Leases of property, plant and equipment that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Company's statement of financial position.

Depreciation on assets held under finance lease is charged in a manner consistent with that for depreciable assets which are owned by the Company.

Lease payments -Policy applicable before 01 July 2019

Payments made over operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Notes to the Financial Statements

For the year ended 30 June 2020

		Note	2020 (Rs '000)	2019 (Rs '000)
6	SHARE CAPITAL			
6.1	Authorised share capital	6.1.1	300,000	[illegible]

6.1.1 [illegible]

6.2 Issued, subscribed and paid up share capital

2020 Number	2019 Number		2020 (Rs '000)	2019 (Rs '000)
264,000	[illegible]	Ordinary shares of Rs. 10 each, fully paid in cash	2,640	[illegible]
27,398,820	[illegible]	Ordinary shares of Rs. 10 each, issued as bonus shares	273,988	[illegible]
27,662,820	[illegible]		276,628	[illegible]

6.2.1 [illegible]

6.3 [illegible]

6.4 Capital management

[illegible]

[illegible]

		Note	2020 (Rs '000)	2019 (Rs '000)
7	CAPITAL RESERVE			
	Capital reserve	7.1	33,651	[illegible]

7.1 [illegible]

		Note	2020	2019
8	REVENUE RESERVES			
	General reserve		327,042	[illegible]
	Contingency reserve		28,000	[illegible]
	Unappropriated profit	8.1	6,420,134	[illegible]
			6,775,176	[illegible]

8.1 [illegible]

		2020 (Rs '000)	2019 (Rs '000)
9	REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT AND ROU ASSETS - NET OF TAX		
	Balance at 01 July	[illegible]	[illegible]
	Surplus arising on revaluation during the year	[illegible]	
	Surplus on disposal of operating fixed assets	[illegible]	[illegible]
		[illegible]	[illegible]
	Transferred to equity in respect of incremental depreciation charged during the year		
	[illegible] of deferred tax liability	[illegible]	[illegible]
	Related deferred tax liability	[illegible]	[illegible]
		[illegible]	[illegible]
	Surplus on revaluation of property, plant and equipment at 30 June	[illegible]	[illegible]
	Related deferred tax liability:		
	On revaluation surplus at 01 July	[illegible]	[illegible]
	On revaluation surplus arising during the year	[illegible]	
	On change in tax rate	-	[illegible]
	On operating fixed assets disposed off during the year	[illegible]	[illegible]
	On incremental depreciation charged during the year	[illegible]	[illegible]
		[illegible]	[illegible]
	Balance at 30 June	[illegible]	[illegible]

9.1 [illegible]

10 LEASE LIABILITIES (2019: FINANCE LEASE LIABILITIES)

	2020 (Rs '000)	2019 (Rs '000)
[illegible]	112,420	[illegible]
Less: Current portion	(89,859)	[illegible]
Non-Current portion of lease liabilities	22,561	[illegible]

[illegible]

Balance at 01 July	289,230	-
[illegible]	7,370	-
Interest	10,495	-
[illegible]	(113,687)	-
Balance at 30 June	112,420	
Current portion of lease liabilities	(89,859)	-
Non-current portion of lease liabilities	22,561	-

[illegible]

	2020 (Rs '000)	2019 (Rs '000)
Less than one year	96,177	-
One to two years	10,687	-
Two to three years	6,498	-
Three to four years	7,849	-
Four to five years	-	-
More than five years	-	-
	127,288	-

10.1 [illegible]

10.2 [illegible]

11 EMPLOYEE BENEFITS

	Note	2020 (Rs '000)	2019 (Rs '000)
Net defined benefit liability - gratuity	11.1	243,268	[illegible]
[illegible]		19,711	[illegible]
Total employee benefit liability		267,977	[illegible]
[illegible]	11.2	14,934	[illegible]

11.1 Net defined benefit liability - gratuity

[illegible]

Movement in net defined benefit liability - gratuity			
Balance at 01 July		247,680	[illegible]
Charge for the year	11.1.2	50,073	[illegible]
[illegible]	11.1.3	(17,403)	[illegible]
Benefits paid		(31,821)	[illegible]
Balance at 30 June	11.1.1	249,268	[illegible]

11.1.1 Reconciliation of liability recognised in the statement of financial position

Present value of defined benefit obligation	249,268	[illegible]
Net defined benefit liability	243,268	[illegible]

Notes to the Financial Statements

For the year ended 30 June 2020

11.1.2 Charge to profit or loss

	Note	2020 (Rs.'000)	2019 (Rs.'000)
Current service cost		16,9[illegible]	15,311
Interest cost		33,085	28,448
	11.1.2.1	50,016	[illegible]

11.1.2.1 Expense is recognised in the following line items in profit or loss:

	2020	2019
Cost of sales	37,120	21,520
Selling and distribution expenses	7,025	4,946
Administrative expenses	4,9[illegible]	[illegible]
	50,016	[illegible]

11.1.3 Charge / (credit) to other comprehensive income

	2020 (Rs.'000)	2019 (Rs.'000)
Actuarial losses / (gains) from changes in financial assumptions	(1,123)	[illegible]
Experience adjustments on defined benefit liability	(16,280)	[illegible]
	(17,403)	[illegible]

11.1.4 Key actuarial assumptions.

The latest actuarial valuation was carried out on 30 June 2020, using projected unit credit method with the following assumptions:

	Note	2020	2019
Discount rate used for interest cost in profit or loss		14.25%	9.00%
Discount rate used for year end obligation		8.50%	14.25%
Salary increase used for year end obligation:			
Salary growth rate for 2021 and onwards		8.50%	14.25%
Date of next expected salary increase		01 July 2020	01 July 2019
Mortality rate	11.1.4.1	SLIC 2001-2005	SLIC 2001-2005
Withdrawal rates		Age - Based	Age - Based
Retirement assumption		Age 60	Age 60

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

11.1.5 Sensitivity analysis

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

	2020 Increase (Rs.'000)	2020 Decrease (Rs.'000)	2019 Increase (Rs.'000)	2019 Decrease (Rs.'000)
Discount rate	250,143	297,857	[illegible]	[illegible]
Salary increase rate	297,687	252,814	[illegible]	[illegible]

11.1.5.1 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.

11.1.6 The Company's expected charge for defined benefit liability - gratuity for the next year is Rs. [illegible] million.

11.1.7 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 from 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.

11.1.8 Expected maturity profile

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

	2020 (Rs.'000)	2019 (Rs.'000)
Year 1	10,358	35,442
Year 2	45,774	35,464
Year 3	28,885	50,318
Year 4	30,794	33,066
Year 5	29,675	37,859
Year 6 to Year 10	138,234	200,353
Year 11 and beyond	660,436	2,239,946

11.1.9 Historical information

	Present value of defined benefit liability (Rs.'000)	Net liability at reporting date (Rs.'000)
2020	248,266	
2019	247,678	247,678
2018	242,426	242,426
2017	182,959	182,959
2016	176,288	176,288

	2020	2019
11.1.10 Weighted average duration of defined benefit liability (years)	6	6

11.2 Net defined benefit asset pension

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

Movement in net defined benefit asset pension	Note	2020 (Rs.'000)	2019 (Rs.'000)
Balance at 01 July		(21,934)	(2,269)
Charge for the year	11.2.4	(7,588)	967
Remeasurement gain recognised in other comprehensive income	11.2.6	19,871	(15,432)
Contributions by the Company		(5,683)	(5,200)
Balance at 30 June	11.2.1	(15,334)	(21,934)

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

	Note	2020 (Rs.'000)	2019 (Rs.'000)
Present value of defined plan liability	11.2.2	47,492	33,692
Fair value of defined plan assets	11.2.3	(62,827)	(55,626)
Net defined benefit asset		(15,334)	(21,934)

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

	2020 (Rs.'000)	2019 (Rs.'000)
Present value of defined benefit liability at 01 July	33,692	44,457
Current service cost	3,110	1,765
Past service cost	(6,160)	-
Interest cost	4,893	3,917
Benefits paid during the year	(2,388)	(1,545)
Remeasurement gain	15,593	(14,162)
Present value of net defined benefit liability at 30 June	47,492	33,692

Notes to the Financial Statements

For the year ended 30 June 2020

11.2.3 The movement in the fair value of defined plan assets is as follows:

	Note	2020 (Rs.'000)	2019 (Rs.'000)
Fair value of plan assets at 01 July		55,826	46,177
Contributions paid into the plan		5,883	3,259
Expected return on plan assets		8,183	4,355
Benefits paid by the plan		(2,360)	(1,545)
Remeasurement (loss) / gain		(4,277)	1,540
Fair value of plan assets at 30 June	11.2.5	62,327	53,826

11.2.4 Expense recognized in profit or loss

	2020 (Rs.'000)	2019 (Rs.'000)
Current service cost	1,118	1,365
Interest cost on defined benefit plan	(8,183)	(4,355)
Gain on curtailment on plan settlement	(5,160)	-
Interest income on plan assets	4,633	3,537
	(7,598)	547

11.2.5 Plan assets comprise of

	2020 (Rs.'000)	2019 (Rs.'000)
Units in open end funds	18,710	13,251
Defence saving certificates	45,335	41,908
Cash at banks	775	663
	62,327	55,826

11.2.6 (Credit) / charge to other comprehensive income

	2020 (Rs.'000)	2019 (Rs.'000)
Actuarial gains from changes in financial assumptions	14,804	(11,591)
Experience adjustments on defined benefit asset	783	(611)
Remeasurement gain	4,273	(1,740)
	19,871	(13,942)

11.2.7 Key actuarial assumptions

	Note	2020	2019
Discount rate used for interest cost in profit or loss		14.25%	9.00%
Discount rate used for reporting date asset		8.50%	14.25%
Salary increase used for reporting date asset			
Salary growth rate for 2021 and onwards		8.50%	14.25%
Next expected salary increase		01 August 2020	01 August 2019
Mortality rate	11.2.8	SLIC 2001-2005	SLIC 2001-2005
Withdrawal rates		Age - Based	Age - Based
Retirement assumption		Age 60	Age 60

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

11.2.9 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.

	2020 Increase (Rs.'000)	2020 Decrease (Rs.'000)	2019 Increase (Rs.'000)	2019 Decrease (Rs.'000)
Discount rate	34,735	42,607	34,961	37,282
Salary increase rate	39,351	36,966	35,293	32,547

11.2.10 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.

Notes to the Financial Statements

For the year ended 30 June 2020

Salary Increase Risk

- Mortality risk

[illegible]

- Withdrawal Risk

[illegible]

Investment Risk

[illegible]

	2020	2019
11.2.11 Weighted average duration of defined benefit obligation [illegible]	10	[illegible]

		Note	2020	2019
			(Rs. '000)	[illegible]
12	**DEFERRED TAX LIABILITY - NET**			
	Deferred tax liability - net	12.1	229,853	[illegible]

12.1 Movement in deferred tax liability - net

	Net balance at 01 July	Profit or loss (Note 29)	Recognised in other comprehensive income	Equity	Net balance at 30 June
			(Rs. '000)		
2020					
Taxable temporary differences					
Property, plant and equipment and intangible assets	326,105	40,150	-	-	366,558
Revaluation surplus on property, plant and equipment	66,428	(11,830)	45,756	-	95,357
Net defined benefit asset - pension	5,268	3,840	(3,752)	-	4,445
	398,284	32,991	38,021	-	466,290
Deductible temporary differences					
Loss allowance on [illegible]	(881)	(904)	-	-	(1,789)
Provision for [illegible] Development Cost	-	(74,088)			(74,088)
Net defined benefit liability - gratuity	(11,207)	(6,858)	5,947	-	(12,258)
Provision for slow moving [illegible]	(11,189)	(4,477)	-	-	(15,670)
Lease liabilities (IFRS 16 [illegible])	(90,048)	38,240	-	-	(52,882)
	(154,198)	(84,737)	8,817	-	(196,453)
	221,028	(15,734)	44,835	-	229,853
2019					
Taxable temporary differences					
Property, plant and equipment	[illegible]	[illegible]	-	-	[illegible]
Revaluation surplus on property, plant and equipment	[illegible]	[illegible]	-	[illegible]	[illegible]
Net defined benefit asset - pension	[illegible]	[illegible]	[illegible]	-	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Deductible temporary differences					
Loss allowance for [illegible]	-	[illegible]	-	-	[illegible]
Net defined benefit liability - gratuity	[illegible]	[illegible]	[illegible]	-	[illegible]
Provision for slow moving [illegible]	[illegible]	[illegible]	-	-	[illegible]
Finance lease liabilities	[illegible]	[illegible]	-	-	[illegible]
	[illegible]	[illegible]	[illegible]	-	[illegible]
Effect of adoption of IFRS 9	[illegible]	[illegible]	-	-	-
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Notes to the Financial Statements
For the year ended 30 June 2020

13 TRADE AND OTHER PAYABLES

	Note	2020 (Rs. '000)	2019 (Rs. '000)
Payable to contractors and suppliers		447,335	[illegible]
Accrued liabilities		72,012	[illegible]
Security deposits	13.1	27,031	22,525
Payable to Workers' (Profit) Participation Fund (WPPF)	13.2	77,857	130,853
Payable to Workers' Welfare Fund (WWF)	13.3	18,497	19,929
Provision for Gas Infrastructure Development Cess	34.1	255,474	-
Withholding tax payable		1,145	[illegible]
Sales tax payable - net		151,066	[illegible]
Excise duty payable		-	[illegible]
Export duty payable on PMFL and beer		110,821	[illegible]
Zila tax payable		6,818	[illegible]
Unearned income		2,354	[illegible]
Other payables		33,670	[illegible]
		1,204,077	[illegible]

13.1 Security deposits

	Note	2020 (Rs. '000)	2019 (Rs. '000)
Security deposits	13.1.1	27,031	22,525

13.1.1 These represent interest-free amounts received as security deposits from dealers and suppliers of the Company. Out of this an amount of Rs. 22.4 million (2019: Rs. 17.92 million) is kept in a separate bank account.

13.2 Payable to Workers' (Profit) Participation Fund (WPPF)

	Note	2020 (Rs. '000)	2019 (Rs. '000)
Balance at 01 July		130,853	[illegible]
Interest on funds utilised in the Company's business	36	11,088	
Charge for the year	34	35,814	[illegible]
Payments to the Fund during the year		(99,898)	[illegible]
Balance at 30 June		77,857	130,853

13.3 Payable to Workers' Welfare Fund (WWF)

	Note	2020 (Rs. '000)	2019 (Rs. '000)
Balance at 01 July		19,929	[illegible]
Charge for the year	34	21,183	[illegible]
Adjustments claimed against income tax	28	(22,615)	[illegible]
Balance at 30 June		18,497	19,929

14 CONTRACT LIABILITIES

	Note	2020 (Rs. '000)	2019 (Rs. '000)
Contract liabilities	14.1	109,542	[illegible]

14.1 These represent unearned advances from customers against sale of goods.

15 CONTINGENCIES AND COMMITMENTS

(a) Contingencies

	Note	2020 (Rs. '000)	2019 (Rs. '000)
15.1 Letter of guarantee issued by banks on behalf of the Company	15.1.1	119,011	[illegible]

15.1.1 These represent bank guarantees issued in the normal course of business to Sui Northern Gas Pipelines Limited ("SNGPL") for commercial and industrial use of gas. Securities against these guarantees have been disclosed in note 29.5 to these financial statements.

15.1.2 For details of security against bank guarantees, refer to note 29.5 [illegible] to these financial statements.

15.2 The Company is paying its gas (industrial) bills based on gas tariff at Rs. 488 per MMBTU and Rs. 573 per MMBTU for captive power concerns as compared to the bill raised by SNGPL at Rs. 600 per MMBTU. The Honorable Lahore High Court ("LHC"), in January 2018, set aside the demand of SNGPL at Rs. 600 per MMBTU and case was decided in favour of the Company. However, SNGPL preferred an appeal before the Supreme Court of Pakistan ("SCP") which is pending adjudication. The Company has not made provision of the difference in tariff which in aggregate amounts to Rs. 133.24 million (2019: Rs. 136.12 million) in financial statements as the management, based on legal consultation, is confident that the eventual decision will be in favour of the Company.

15.3 The Company, along with several other bottling / beverage companies, is contesting the case related to a suo moto notice of the Honorable Supreme Court of Pakistan (case no 26 of 2018) regarding use of ground / surface water. The Company has contested the decision of the Honorable Supreme Court and has filed a review petition through its legal counsel. Further, the Company has received notice from the Government of Khyber Pakhtunkhwa on account of water charges. The Company has filed writ petition in Peshawar High Court and the Court has granted stay order against recovery of billed amounts. The management, based on legal consultation, is confident that the eventual decision will be in favour of the Company.

15.4 For contingencies related to tax matters, refer note 35.

		Note	2020 (Rs.'000)	2019 (Rs.'000)
(b)	**Commitments:**			
	Outstanding letter of credits including capital expenditure	15.5	223,136	143,972
	Capital expenditure contracts			
	- Machinery		29,685	82,526
	Others		193,451	61,446

15.5 For details of security against Letter of Credits, refer to note 29.5 (b), (c) and (d).

16 PROPERTY, PLANT AND EQUIPMENT

	Note	2020	2019
Operating fixed assets	16.1	5,156,460	5,226,194
Capital work in progress (CWIP)	16.2	760	169,848
		5,157,220	5,396,042

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2020

16.1 Operating fixed assets

Reconciliation of carrying amounts

	Owned					Leased			
	Freehold land (Note 16.1.1 & 16.1.2)	Buildings on freehold land (Note 16.1.2)	Plant, machinery and equipment (Note 16.1.2)	Furniture, fixtures, computers and equipment	Motor vehicles	Leasehold land (Note 16.1.2)	Plant, machinery and equipment (Note 16.1.2)	Motor vehicles	Total
	(Rs '000)								
Balance at 01 July 2018	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]
Additions	-	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]
[illegible]	-	-	-	-	[illegible]	-	-	[illegible]	[illegible]
[illegible]	-	[illegible]	[illegible]	-	-	-	-	[illegible]	-
Disposals	-	-	[illegible]	[illegible]	[illegible]	-	-	-	[illegible]
Balance at 30 June 2019	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Balance as at 01 July 2019	2,738,113	498,856	2,830,426	24,150	118,657	42,565	296,128	60,069	6,611,881
[illegible]	-	-	-	-	-	-	(296,128)	(60,069)	[illegible]
Adjusted balance at 01 July 2019	2,738,130	483,856	2,930,326	24,155	118,656	42,565	-	-	6,255,728
Additions	26,401	21,227	109,886	-	2,965	-	-	-	204,418
Transfers from Right of Use assets	-	-	-	-	11,748	-	-	-	11,748
Reclassification of items	-	-	(22,383)	22,383	-	-	-	-	-
Revaluation surplus	-	-	87,177	-	-	-	-	-	87,177
Transfers from CWIP	-	15,151	220,613	-	-	-	-	-	231,694
Disposals	-	-	(7,753)	(73)	(9,769)	-	-	-	(17,548)
Balance at 30 June 2020	2,765,639	536,367	3,381,118	46,470	128,595	42,565	-	-	6,880,619
Accumulated Depreciation									
Balance at 01 July 2018	-	[illegible]	[illegible]	[illegible]	[illegible]	-	-	[illegible]	[illegible]
Depreciation (note 16.1.3)	-	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]
Disposals	-	-	[illegible]	[illegible]	[illegible]	-	-	-	[illegible]
Balance at 30 June 2019	-	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]
Balance at 01 July 2019	-	155,033	1,875,528	18,807	68,387	-	20,615	22,065	1,251,673
[illegible]	-	-	-	-	-	-	(20,615)	(22,065)	[illegible]
Adjusted balance at 01 July 2019	-	155,833	1,875,528	18,807	68,737	-	-	-	1,308,778
Transfers from Right of Use assets	-	-	-	-	4,711	-	-	-	4,711
Reclassification of items	-	-	(21,383)	21,183	-	-	-	-	-
Depreciation (note 16.1.3)	-	45,850	333,190	1,483	12,038	-	-	-	378,387
Disposals	-	-	(6,572)	(73)	(5,968)	-	-	-	(12,624)
Balance at 30 June 2020	-	190,723	1,223,428	42,251	100,683	-	-	-	1,370,182
Carrying amounts									
At 30 June 2019	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
At 30 June 2020	2,765,630	333,539	1,958,637	4,218	98,903	42,565	-	-	5,106,406
Depreciation rates per annum	-	[illegible]	[illegible]	[illegible]	[illegible]	-	10%	20%	

Notes to the Financial Statements

For the year ended 30 June 2020

16.1.1 [illegible]

16.1.2 **Surplus on revaluation of property, plant and equipment**

[illegible]

[illegible]

	Cost	Accumulated depreciation	Written down value
	(Rs.'000)	(Rs.'000)	(Rs.'000)
Land	120,738	-	120,738
Buildings	431,537	[illegible]	[illegible]
Plant, machinery and equipment	[illegible]	[illegible]	[illegible]
2020	[illegible]	[illegible]	[illegible]
2019	[illegible]	[illegible]	[illegible]

16.1.3 **Depreciation charge has been allocated as follows:**

	Note	2020 (Rs.'000)	2019 (Rs.'000)
Cost of sales	27	[illegible]	[illegible]
Selling and distribution expenses	32	[illegible]	[illegible]
Administrative expenses	33	[illegible]	[illegible]
		[illegible]	[illegible]

16.1.4 Based on the revaluation carried out on 30 June 2017, [illegible]

16.1.5 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, [illegible] National Park Road, Rawalpindi	Corporate office and manufacturing facility	[illegible]	[illegible]
b)	[illegible] Industrial [illegible] Haripur, KPK	Manufacturing facility	[illegible]	[illegible]
c)	[illegible] Industrial Estate, Hattar, District Haripur, KPK	Warehouse	[illegible]	[illegible]
d)	[illegible] Industrial Estate, Hattar, District Haripur, KPK	Warehouse	[illegible]	[illegible]
e)	[illegible]	Warehouse and office	[illegible]	[illegible]
f)	[illegible] Industrial Estate Hattar, District Haripur, KPK	Manufacturing facility	2	[illegible]
g)	[illegible]	Warehouse	[illegible]	[illegible]
h)	[illegible] Industrial Estate Hattar, District Haripur, KPK	Manufacturing facility	[illegible]	[illegible]

16.1.6 **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	Note	Cost / revalued amount	Carrying amount	Sale proceeds	(Loss) / gain	Purchasers	Relation with Company / Director
		(Rs. '000)					
Vehicles							
Toyota Corolla	16.1.6.1	1,842	1,160	1,800	640	Mr. Iftikhar Hussain	Employee
Toyota Corolla	16.1.6.1	1,856	577	1,850	1,273	Mr. Zakauddin	Employee
Honda City	16.1.6.1	1,870	706	1,122	416	Mr Saqib Gul Nawaz	Employee
Honda City	16.1.6.1	1,662	665	996	331	Mr. Fayyaz Ahmed	Employee
Suzuki Swift	16.1.6.1	1,417	960	1,168	208	Mr Syed Islam Ali	Employee
Aggregate value of other items with individual book value not exceeding Rs. 500,000		8,893	778	3,566	2,788	Multiple	
2020		**17,540**	**4,846**	**10,502**	**5,656**	Also refer note 35	
2019		47,983	16,884	12,250	(4,634)	Also refer note 35	

16.1.6.1 These disposals are made to employees of the Company as per the Company's policy.

16.2 **Capital work in progress (CWIP)**

	Note	2020 (Rs.'000)	2019 (Rs.'000)
Balance at 01 July		169,848	211,193
Additions		62,006	510,642
		231,854	721,835
Transferred to operating fixed assets:			
Buildings on freehold land	16.1	(10,181)	(39,565)
Plant, machinery and equipment	16.1	(220,913)	(512,422)
		(231,094)	(551,987)
Balance at 30 June	16.2.1	760	169,848

16.2.1 Break-up of capital work in progress at the reporting date is as follows:

	2020	2019
Plant and machinery	-	169,283
Civil works	760	565
Others	760	169,848

Notes to the Financial Statements

For the year ended 30 June 2020

17 RIGHT OF USE ASSETS

	Note	2020 (Rs.'000)	2019 (Rs.'000)
COST			
Balance at 01 July		363,141	-
Additions		7,279	-
Transfer to Property, plant and equipment - Owned		(11,740)	-
Revaluation surplus		57,352	-
Disposals		(1,153)	-
Balance at 30 June		414,879	-
DEPRECIATION			
Balance at 01 July		58,898	-
Charge for the year	17.1	42,133	-
On transfer to Property, plant and equipment - Owned		(4,711)	-
On disposals		-	-
Balance at 30 June		96,320	-
Carrying amount		318,559	-
Rate of depreciation per annum (%)		10% to 20%	-

17.1 Depreciation charge has been allocated as follows:

	2020	2019
Cost of sales	35,640	-
Selling and distribution expenses	5,793	-
Administrative expenses	3,699	-
	45,132	-

18 INTANGIBLE ASSET

	Note	2020	2019
Computer software	18.1	1,301	[illegible]

18.1 Reconciliation of carrying amounts

	Note	2020	2019
Cost			
Balance at 01 July		2,595	[illegible]
Additions		-	-
Balance at 30 June		2,595	[illegible]
Accumulated amortisation			
Balance at 01 July		775	[illegible]
Amortisation	33	519	[illegible]
Balance at 30 June		1,294	[illegible]
Carrying value		1,301	[illegible]
Rate of amortisation per annum		20%	20%

18.2 [illegible]

19 ADVANCES FOR CAPITAL EXPENDITURES

	Note	2020 (Rs.'000)	2019 (Rs.'000)
Advances for civil works		48,566	[illegible]
Advances for purchase of fixed assets		35,473	[illegible]
		84,039	[illegible]

20 INVESTMENT PROPERTIES

20.1 Reconciliation of carrying amount:

	Note	2020 (Rs.'000)	2019 (Rs.'000)
Balance at 01 July		325,118	[illegible]
Additions during the year		9,030	-
Change in fair value	35	24,481	[illegible]
Balance at 30 June	20.1.1	358,629	325,118

Notes to the Financial Statements

For the year ended 30 June 2020

20.1.1 The investment property represents lands and buildings held for capital appreciation and to earn rental income. On 30 June 2020, 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 judgement about average prices prevalent on the valuation date and has been prepared on openly available / provided information after making relevant inquiries from the market. Changes in fair value are recognised as gains in profit or loss and included in 'other income'. All gains are unrealised.

20.2 Particulars of investment property of the Company and the forced sale values are as follows:

	Location	Area Sq. Fts	FSV Rs' (000)
1)	Plot 121/3, Township Industrial Area, Lahore	8,115	146,801
2)	Office Suite 509, 5th Floor, ISE Tower, Blue Area, Islamabad	1,348	31,518
3)	Office 411, Fourth Floor, The Forum, Block 9, Clifton, Karachi	1,038	24,781
4)	NRP Building, Murree Brewery Estate, National Park Road, Islamabad	1,487	3,923
5)	House no. 20, Street no. 37, Sector F-7/1, Islamabad	5,999	37,095
			[illegible]

20.3 Measurement of fair values

20.3.1 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.

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

21	**LONG TERM ADVANCES - SECURED**	Note	2020 (Rs.'000)	2019 (Rs.'000)
	To employees		24,722	12,901
	Less: Due within one year, shown under current assets	29	(6,636)	(1,596)
			17,086	11,305

21.1 These advances carry interest at 11% (2019: 11%) per annum and are repayable in periods up to three years. Loan extended to executives during the year was Nil (2019: 1.20 million). 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.

22	**LONG TERM INVESTMENTS**	Note	2020 (Rs.'000)	2019 (Rs.'000)
	Amortised cost			
	Pakistan Investment Bonds (PIBs)	22.1	517,473	520,488

22.1 This represents investment in Pakistan Investment Bonds (PIBs) having face value of Rs. 500 million (2019: Rs. 500 million). These PIBs carry a coupon rate of [illegible] (2019: [illegible]) per annum with profit payable on a half yearly basis. The maturity date of PIBs is 21 April 2026.

Notes to the Financial Statements

For the year ended 30 June 2020

		Note	2020 (Rs.'000)	2019 (Rs.'000)
23	**LONG TERM DEPOSITS**			
	Long term deposits	23.1	35,734	[illegible]

23.1 These represent deposits maintained with the utility companies. [illegible]

		Note	2020 (Rs.'000)	2019 (Rs.'000)
24	**INVENTORIES**			
	Stores, spare parts and loose tools			
	Stores		144,646	[illegible]
	Spare parts and loose tools		43,257	[illegible]
			187,903	[illegible]
	Stock in trade			
	Raw material		1,150,133	[illegible]
	Work in process		126,502	[illegible]
	Stock under maturation - WIP	24.1	124,809	[illegible]
	Finished goods		304,806	[illegible]
	Finished goods in transit		-	[illegible]
			[illegible]	[illegible]
	Less: provision for slow moving inventories	24.2	(54,043)	[illegible]
			1,862,119	[illegible]

24.1 A substantial portion of malt whisky will not be sold within one year because of the duration of the aging process. [illegible] included in inventory cost.

		Note	2020 (Rs.'000)	2019 (Rs.'000)
24.2	**Movement in provision for slow moving inventories**			
	Balance at 01 July		38,618	[illegible]
	Provision for slow moving inventories	33	15,425	[illegible]
	Balance at 30 June		54,043	[illegible]
25	**TRADE DEBTS - Unsecured**			
	Considered good		33,080	[illegible]
	Considered doubtful		-	-
			33,080	[illegible]
	Less: loss allowance for expected credit losses	25.1	8,154	[illegible]
			24,926	[illegible]
25.1	**Loss allowance for expected credit losses**			
	Balance at 01 July		5,037	[illegible]
	Effect of adoption as per IFRS 9			
	Life time expected credit loss		-	[illegible]
	Credit impaired trade debts		-	[illegible]
	Restated opening balance on initial application of IFRS 9		-	[illegible]
	Net remeasurement of loss allowance		3,117	[illegible]
	Credit impaired trade debts written off		-	-
	Balance at 30 June		8,154	[illegible]

Notes to the Financial Statements

For the year ended 30 June 2020

			2020	2019
25.2	The age analysis of trade debts, at the reporting date, is as follows:	Note	(Rs. '000)	(Rs. '000)
	Past due			
	- up to 3 months		14,273	14,812
	- up to 3 to 6 months		16,134	2,942
	- up to 6 to 12 months		1,203	5
	- more than one year		500	21
			32,080	17,880

26	**ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES**			
	Advances to employees - unsecured		2,038	21,299
	Current portion of long term advances - secured	21	3,636	3,555
	Advances to suppliers - unsecured		189,750	345,793
	Prepayments		8,870	14,627
	Interest accrued		9,260	11,229
	Other receivables		878	1,487
			214,381	455,956

27	**SHORT TERM INVESTMENTS**			
	Investments at fair value through profit or loss			
	Shares of listed companies		6	8
	Mutual funds	27.1	1,673,957	1,327,175
	Investment at amortised cost			
	Investment in TDR - USD	27.2	58,290	-
			1,732,253	1,327,183

27.1 These represent funds invested in 110.54 million (2019: 76.75 million) units of various mutual funds having market value ranging from Rs.5.08 to 505.26 (2019: Rs. 9.67 to 514.32) per unit.

27.2 This represents investment in foreign currency TDRs amounting to USD 350,000. These carry interest at the rate of 0.75% per annum.

			2020	2019
28	**ADVANCE TAX - NET**	Note	(Rs. '000)	(Rs. '000)
	Tax refundable at 01 July		317,882	185,095
	Provision for tax - current	38	(381,973)	(340,035)
	Income tax paid during the year		458,893	555,329
	Income tax adjusted against Workers' Welfare Fund	13.3	(22,616)	(26,557)
	Tax refundable at 30 June		372,186	317,882

Notes to the Financial Statements
For the year ended 30 June 2020

	Note	2020 (Rs.'000)	2019 (Rs.'000)
29 CASH AND BANK BALANCES			
Cash in hand		6,832	[illegible]
Cash in transit			[illegible]
Banking instruments in hand	29.1	60,000	[illegible]
Cash at banks:			
- local currency current accounts		603,328	[illegible]
- local currency deposit accounts	29.2	603,134	[illegible]
- foreign currency deposit accounts	29.3	1,865	[illegible]
		1,208,327	[illegible]
	29.4	[illegible]	[illegible]

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

29.2 These carry interest ranging from [illegible]% to [illegible]% (2019: [illegible]% to [illegible]%) per annum.

29.3 This carries interest at the rate of [illegible]% per annum (2019: [illegible]% per annum).

29.4 This includes cash margin amounting to Rs. 100 million and Rs. 25 million deposited with Askari Bank Limited and United Bank Limited as security against letter of guarantee facilities.

29.5 Financing facilities

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

(a) Running finance facility amounting to Rs. [illegible] million (2019: Rs. [illegible] million) from Bank Alfalah Limited, Rawalpindi. This facility was available till 30 June 2020 which has subsequently been renewed till 30 June 2021. This carries mark up at the rate of [illegible] month KIBOR plus [illegible]% (2019: [illegible] month KIBOR plus [illegible]%) 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. [illegible] million (2019: Rs. [illegible] million).

(b) Facilities of letters of guarantee and letters of credit amounting to Rs. [illegible] million (2019: Rs. [illegible] million) and Rs. [illegible] million (2019: Rs. [illegible] 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 (2019: Rs. 100 million), Rs. [illegible] million (2019: Rs. [illegible] million) and Rs. [illegible] million (2019: Rs. [illegible] million) from Askari Bank Limited respectively are available to the Company till 31 October 2020. Facilities of letters of guarantee, shipping guarantee and letters of credit are secured against 100% cash margin and lien on import documents.

(d) Facility of letter of credit amounting to Rs. [illegible] million (2019: Rs. [illegible] million) is available from Allied Bank Limited. This facility is available till 31 December 20[illegible]. This facility is secured against lien on valid import documents.

(e) Facility of letter of credit amounting to Rs. [illegible] million with sub-limit of letter of guarantee of Rs. 100 million (2019: Rs. [illegible] million) was available from United Bank Limited. This facility is secured against lien on valid import documents, [illegible] with UBL Funds and cash margin of Rs. 25 million.

Notes to the Financial Statements

For the year ended 30 June 2020

30 NET TURNOVER

	2020 (Rs.'000)	2019 (Rs.'000)
Revenue from contracts with customers		
Sales tax	13,650,344	[illegible]
Federal and provincial excise duty	(2,884,020)	[illegible]
Trade discounts	(1,095,549)	[illegible]
	(383,867)	[illegible]
	9,286,908	[illegible]

30.1 Disaggregation of revenue from contracts with customers

[illegible]

Primary geographical markets	Note	2020 (Rs.'000)	2019 (Rs.'000)
Punjab			
Sindh		4,877,818	[illegible]
Khyber Pakhtunkhwa		5,888,120	[illegible]
Balochistan		1,395,555	[illegible]
Islamabad Capital Territory		1,207,156	[illegible]
Others		717,456	[illegible]
[illegible]		132,887	[illegible]
	30.3	120,144	[illegible]
		13,650,388	[illegible]

Major products/service lines	Note	2020 (Rs.'000)	2019 (Rs.'000)
Pakistan Made Foreign Liquor (PMFL)			
Beer		5,181,783	[illegible]
Non alcoholic beverages and products		2,225,353	[illegible]
[illegible]		3,814,437	[illegible]
[illegible]		1,410,742	[illegible]
[illegible]		401,348	[illegible]
Other products		524,076	[illegible]
[illegible]		122,873	[illegible]
[illegible]		118,707	[illegible]
	30.3	120,188	[illegible]
		13,650,388	[illegible]

Timing of revenue recognition	2020 (Rs.'000)	2019 (Rs.'000)
Products transferred at a point in time	13,650,388	[illegible]

30.2 [illegible]

30.3 [illegible]

31 COST OF SALES

	Note	2020 (Rs.'000)	2019 (Rs.'000)
Raw materials consumed	31.1	4,612,000	[illegible]
Stores and spares consumed		105,838	[illegible]
Fuel and power		730,047	[illegible]
Salaries, wages and other benefits	31.2	574,725	[illegible]
Repairs and maintenance		118,000	[illegible]
Depreciation	16.1.2	387,660	[illegible]
Depreciation - Right of Use Asset	17.1	35,383	–
[illegible]		331,232	[illegible]
Other manufacturing expenses		71,342	[illegible]
		6,966,582	[illegible]
Work in process including stock under maturation			
Opening stock at 01 July		201,278	[illegible]
Closing stock at 30 June		(248,388)	[illegible]
		(48,150)	[illegible]
Cost of goods manufactured		6,917,400	[illegible]
Finished goods including goods in transit			
Opening stock at 01 July		152,872	[illegible]
Closing stock at 30 June		(284,886)	[illegible]
		(132,014)	[illegible]
		6,935,444	[illegible]

31.1 Raw materials consumed

	2020 (Rs.'000)	2019 (Rs.'000)
Opening stock at 01 July	1,032,009	[illegible]
Purchases	4,712,888	[illegible]
Closing stock at 30 June	(1,153,138)	[illegible]
	4,612,000	[illegible]

Notes to the Financial Statements

For the year ended 30 June 2020

31.1 This includes staff retirement benefits amounting to Rs. 27.12 million (2019: Rs. 23.57 million).

31.2 This includes services amounting to Rs. 11.34 million (2019: Rs. 8.40 million) paid to vendors subject to Provincial Sales Tax.

32 SELLING AND DISTRIBUTION EXPENSES

	Note	2020 (Rs.'000)	2019 (Rs.'000)
Salaries, wages and other benefits	32.1	153,096	135,502
Advertisement and publicity		38,073	175,194
Selling expenses		351,826	265,534
Incremental cost of obtaining contracts - sales commission		35,142	137,206
Samples		15,084	22,425
Sales promotion		10,658	12,110
Freight		65,928	97,447
Depreciation- Property, Plant & Equipment	16.1.3	2,435	5,894
Depreciation- Right of Use Asset	17.1	5,702	-
Service charges and commission to G.F. Ebrahim & Co. (Private) Limited, a related party	45	123,589	198,118
Rent of vehicles		38,572	40,434
Others		42,110	46,697
		878,134	1,075,276

32.1 This includes staff retirement benefits amounting to Rs. 4.53 million (2019: Rs. 4.45 million).

33 ADMINISTRATIVE EXPENSES

	Note	2020 (Rs.'000)	2019 (Rs.'000)
Salaries, wages and other benefits	33.1	252,152	224,469
Travelling and conveyance		9,743	8,123
Printing and stationery		9,086	9,685
Repairs and maintenance		14,351	15,958
Fuel and power		17,421	18,269
Directors' fees and travelling		3,350	3,796
Communication		8,046	6,495
Entertainment		6,381	6,817
Legal and professional		13,324	12,185
Security		21,871	22,159
Donations	33.2	3,648	4,950
Provision/ (reversal) for slow moving inventories	24.2	15,405	(7,267)
Insurance		9,343	9,541
Rent, rates and taxes		73,925	15,958
Sundries		4,081	-
Depreciation- Property, Plant & Equipment	16.1.3	18,817	16,273
Depreciation- Right of Use Asset	17.1	2,065	-
Amortisation	18.1	578	519
Others		1,930	4,839
		587,540	395,542

33.1 This includes staff retirement benefits amounting to Rs. 9.05 million (2019: Rs. 8.84 million).

33.2 Donations include Rs. 1.20 million (2019: Rs. 1.50 million) paid to Ghazali Foundation, located at 10 Commercial Building, Shadman, Quaid-e-Azam, Lahore, in which Chief Executive Officer of the Company is a Trustee.

34 OTHER EXPENSES

	Note	2020 (Rs.'000)	2019 (Rs.'000)
Workers' Profit Participation Fund (WPPF)	13.2	35,814	38,534
Workers' Welfare Fund (WWF)	13.3	21,193	21,964
Provision for Gas Infrastructure Development Cess (GIDC)	34.1	211,835	-
Auditors' remuneration	34.2	1,849	1,889
Other certifications		545	1,472
Interest and fine		1,732	1,722
		273,018	136,695

Notes to the Financial Statements

For the year ended 30 June 2020

34.1 [illegible]

[illegible]

[illegible]

34.2 Auditors' remuneration	Note	2020 (Rs '000)	2019 (Rs '000)
Audit services			
Annual audit fee		1,000	[illegible]
Half yearly audit fee		233	212
Out of pocket expenses		[illegible]	[illegible]
		[illegible]	[illegible]
Non-audit services			
Certification for regulatory purposes		[illegible]	[illegible]
Out of pocket expenses		56	[illegible]
		397	[illegible]
		[illegible]	[illegible]

34.3 [illegible]

35 OTHER INCOME

	Note	2020 (Rs '000)	2019 (Rs '000)
Gain/(loss) on disposal of operating fixed assets	[illegible]	[illegible]	[illegible]
Gain on remeasurement of investment property to fair value	20.1	24,401	[illegible]
Rental income		18,587	[illegible]
Sale of by-products/scrap/waste		[illegible]	[illegible]
[illegible]		62	-
Others		[illegible]	[illegible]
		[illegible]	[illegible]

36 FINANCE COSTS

	Note	2020 (Rs '000)	2019 (Rs '000)
Finance charges on leased assets		12,431	[illegible]
Bank charges		[illegible]	[illegible]
Interest on Workers' Profits Participation Fund (WPPF)	18.2	[illegible]	-
Bank guarantee commission		[illegible]	[illegible]
		[illegible]	[illegible]

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2020

37 FINANCE INCOME

	2020 (Rs '000)	2019 (Rs '000)
Income from financial assets:		
Interest on advances	441	[illegible]
Interest on Pakistan Investment Bonds	40,834	[illegible]
Return on deposit accounts	128,388	[illegible]
Dividend income	182,141	[illegible]
Gain on sale of investments	-	[illegible]
Interest on TDR	12	-
Unrealized (loss) / gain on remeasurement of short term investments	2,979	[illegible]
Exchange gain - net	1,977	[illegible]
	348,510	[illegible]

38 INCOME TAX EXPENSE

38.1 Amounts recognized in profit or loss

	Note	2020 (Rs '000)	2019 (Rs '000)
Tax			
Current year		[illegible]	[illegible]
Prior year		61,427	[illegible]
	31	394,979	[illegible]
Deferred	12.1	(25,735)	[illegible]
Tax expense for the year		[illegible]	[illegible]

38.2 Reconciliation of tax charge for the year

	2020 (Rs '000)	2019 (Rs '000)
Accounting profit before tax	1,037,973	[illegible]
Tax rate	29%	29%
Tax on accounting profit	301,012	[illegible]
Tax effect of income taxable at lower rates	(25,569)	[illegible]
Prior year charge	61,427	[illegible]
Effect of super tax	-	[illegible]
Effect of change in tax rates	-	[illegible]
Effect of rebates	-	[illegible]
Others	[illegible]	[illegible]
Tax expense for the year	[illegible]	[illegible]

38.3 Tax returns up to and including tax year 2019 have been filed. [illegible]

38.4 [illegible]

[illegible]

39 EARNINGS PER SHARE - BASIC AND DILUTED

[illegible]	2020	2019
Net profit for the year (Rs '000)	[illegible]	[illegible]
Weighted average number of shares (Number)	27,663,030	[illegible]
Earnings per share (Rupees)	[illegible]	[illegible]

Notes to the Financial Statements

For the year ended 30 June 2020

40 CASH AND CASH EQUIVALENTS

	2020 (Rs. '000)	2019 (Rs. '000)
Cash and cash equivalents for the purpose of statement of cash flows	1,320,228	[illegible]

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

	Lease liabilities (2019: Finance lease liabilities)	Unpaid dividend and Unclaimed dividend	Total
		(Rs. '000)	
Balance at 01 July 2019	188,254	187,665	375,919
Changes from financing activities			
Dividend paid	-	(857,130)	(857,130)
Repayment of finance lease	(113,597)	-	(113,597)
Total changes from financing cash flows	(113,597)	(857,130)	(970,727)
Other changes			
Recognition of lease liability against right of use assets	23,044	-	23,044
Interest charges	13,461	-	13,461
Lease additions	7,278	-	7,278
	43,783	-	43,783
Dividend declared	-	825,908	825,908
Total liability related changes	-	825,908	825,908
Balance at 30 June 2020	112,450	155,443	267,893
Balance at 01 July 2018	[illegible]	[illegible]	[illegible]
Changes from financing activities			
Dividend paid		[illegible]	[illegible]
Repayment of finance lease liabilities	[illegible]	-	[illegible]
Total changes from financing cash flows	[illegible]	[illegible]	[illegible]
Other changes			
Lease additions	[illegible]	-	[illegible]
Dividend declared			
Total liability related changes	-	[illegible]	[illegible]
	-	[illegible]	[illegible]
Balance at 30 June 2019	[illegible]	[illegible]	[illegible]

41 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

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

	2020 Chief Executive Officer	2020 Executives	2019 Chief Executive Officer	2019 Executives
	Rs. '000		Rs. '000	
Managerial remuneration	5,825	14,875	5,100	8,464
Medical benefits	600	587	60	-
Gratuity fund contribution	228	597	210	590
Provident fund contribution	327	636	300	742
House rent allowance	-	-	1,233	7,279
Bonus	5,219	6,956	5,000	6,571
Travelling expenses	172		318	-
Compensated absences	224	75	-	-
	12,450	23,722	12,834	19,227
Number of persons	1	4	1	2

41.1 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 having net book value of vehicles Rs. [illegible] million (2019: Rs. [illegible] million). [illegible]

41.2 Directors of the Company were not paid any remuneration during the year except for the meeting fee of Rs. [illegible] (2019: Rs. [illegible]). [illegible]

Notes to the Financial Statements

For the year ended 30 June 2020

42 SEGMENT INFORMATION

42.1 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 activity namely Liquor Division, Glass Division and Tops Division. The following summary describes the operations of each reportable segment:

Reportable segments	Operations
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 4.21.

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.

42.2 Information about reportable segments

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

		Liquor Division (Rs.'000)	Glass Division (Rs.'000)	Tops Division (Rs.'000)	Corporate office (Rs.'000)	Total (Rs.'000)
Assets	**2020**	**6,358,681**	**779,857**	**2,273,845**	**2,628,156**	**12,040,234**
	2019	6,903,853	745,171	1,834,415	2,268,630	11,752,069
Liabilities	**2020**	**1,089,397**	**313,222**	**383,797**	**268,206**	**2,054,622**
	2019	674,649	37,455	264,076	529,971	1,726,151

(b) Other details of reportable segments are:

(i) **Non current assets - additions**

		Liquor Division (Rs.'000)	Glass Division (Rs.'000)	Tops Division (Rs.'000)	Corporate office (Rs.'000)	Total (Rs.'000)
Property, plant and equipment	**2020**	**294,375**	**130,424**	**70,713**	-	**495,512**
	2019	338,093	48,307	534,777	-	921,183
Right of Use asset	**2020**	**3,732**	**3,646**	-	-	**7,378**
	2019	-	-	-	-	-

(ii) **Other material items**

		Liquor Division (Rs.'000)	Glass Division (Rs.'000)	Tops Division (Rs.'000)	Corporate office (Rs.'000)	Total (Rs.'000)
External revenue - net	**2020**	**10,121,896**	**122,873**	**3,605,801**	-	**13,850,380**
	2019	11,513,447	117,960	3,934,566	-	15,567,980
Inter-segment revenue	**2020**	**476,534**	**1,305,800**	**27,143**	-	**1,809,477**
	2019	609,221	1,622,051	11,087	-	2,242,359
Other income	**2020**	**44,292**	**7,524**	**17,634**	-	**69,450**
	2019	67,105	7,179	32,936	-	107,220
Finance cost	**2020**	**13,816**	**236**	**14,012**	-	**28,064**
	2019	1,712	129	15,210	-	17,051
Finance income	**2020**	**341,753**	**120**	**6,637**	-	**348,510**
	2019	278,326	-	218	-	278,544
Net finance income	**2020**	**327,937**	**(116)**	**(7,375)**	-	**320,446**
	2019	276,611	(129)	(14,994)	-	261,491
Depreciation	**2020**	**151,652**	**144,946**	**125,503**	-	**421,495**
	2019	115,273	153,632	105,575	-	374,475

Notes to the Financial Statements

For the year ended 30 June 2020

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

		2020 (Rs '000)	2019 (Rs '000)
(i)	**Revenues**		
	Total revenue for reportable segments	15,559,846	17,811,329
	Elimination of inter-segment revenue	(1,800,477)	(1,243,599)
	Consolidated revenue	13,759,369	[illegible]
(ii)	**Profit / (loss) before tax**		
	Total profit or loss for reportable segments	1,099,095	1,779,773
	Unallocated amounts - Other expenses	(61,123)	(116,845)
	Net profit before tax	1,037,972	1,662,928
(iii)	**Assets**		
	Total assets for reportable segments	9,472,138	[illegible]
	Other unallocated amounts	2,871,156	[illegible]
	Consolidated total assets	12,343,294	[illegible]
(iv)	**Liabilities**		
	Total liabilities for reportable segments	1,786,416	[illegible]
	Other unallocated amounts	268,206	[illegible]
	Consolidated total liabilities	2,054,622	[illegible]

(c) **Geographical segments**

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

	Liquor Division		Glass Division		Tops Division		Total	
	2020 (Rs. '000)	2019 (Rs. '000)	2020 (Rs. '000)	2019 (Rs. '000)	2020 (Rs. '000)	2019 (Rs. '000)	2020 (Rs. '000)	2019 (Rs. '000)
43.2 TURNOVER								
Third party turnover - gross	10,121,696	11,515,447	122,872	117,962	3,605,881	3,934,548	13,850,369	15,567,290
Less: trade discounts	(83,735)	(75,000)	-	-	(283,157)	(329,170)	(363,892)	(408,739)
Third party turnover - net	10,046,961	11,440,447	122,872	117,962	3,322,664	3,605,378	13,486,477	15,158,551
Inter division sales	470,534	600,221	1,305,800	1,622,091	27,043	33,093	-	-
	10,517,495	12,040,668	1,428,672	1,740,053	3,349,767	3,638,471	13,486,477	[illegible]
Sales tax and excise duty	(3,670,679)	(4,231,117)	(17,853)	(17,148)	(801,036)	(790,384)	(4,489,568)	[illegible]
Revenue	6,846,816	7,809,551	1,410,819	1,722,905	2,548,731	2,848,087	8,996,909	10,121,381
COST OF SALES								
Third parties	(3,875,078)	(4,387,451)	(1,120,481)	(1,081,327)	(1,598,865)	[illegible]	(8,686,444)	(7,236,821)
Inter-division cost	(1,251,373)	(1,515,550)	-	-	(659,099)	(727,806)	-	-
	(5,126,451)	(5,903,001)	(1,120,481)	(1,081,327)	(2,257,964)	[illegible]	(8,686,444)	[illegible]
GROSS PROFIT	1,720,365	1,906,550	290,338	641,349	290,767	[illegible]	2,301,465	2,883,359
Selling and distribution expenses	(466,473)	(472,758)	(8,690)	(7,585)	(287,948)	(347,347)	(970,114)	(1,077,538)
Administrative expenses	(367,686)	(274,327)	(37,925)	(36,329)	(104,349)	(89,736)	(507,140)	(399,642)
Other expenses	-	-	-	-	-	-	(81,123)	(116,097)
GIDC expense related to prior periods	-	-	(167,333)	-	(24,512)	-	(211,895)	-
Other income	44,292	87,100	7,524	7,118	17,638	22,856	69,458	117,220
Impairment loss on trade debts	-	-	(448)	-	(2,669)	-	(3,117)	(348)
Operating profit	931,619	1,071,350	85,471	604,604	(218,376)	(116,597)	717,528	1,401,331
Finance cost	(13,816)	(1,315)	(236)	(126)	(14,018)	(15,212)	(28,064)	(17,255)
Finance income	341,753	278,225	120	-	6,627	218	348,510	278,584
Net finance income	327,937	276,910	(116)	(126)	(7,378)	(14,994)	320,446	261,329
Profit before tax	1,258,556	1,348,261	85,355	604,478	(225,749)	(131,591)	1,037,972	1,662,660

43 FINANCIAL INSTRUMENTS

A FAIR VALUES

43.1 Accounting classifications and fair values

[illegible]

On balance sheet financial instruments

30 June 2020	Note	Carrying amount: Fair value through profit or loss	Carrying amount: Amortised Cost	Carrying amount: Financial liabilities at amortised cost	Carrying amount: Total	Fair value: Level 1	Fair value: Level 2	Fair value: Level 3	Fair value: Total
		(Rs.'000)				(Rs.'000)			
Financial assets measured at fair value									
Shares of listed companies	27	6	-	-	6	6	-	-	6
Mutual funds	27	1,672,957	-	-	1,672,957	1,672,957	-	-	1,672,957
		1,672,963	-	-	1,672,963	1,672,963	-	-	1,672,963
Financial assets not measured at fair value									
Long term advances	21 and 43.4	-	17,086	-	17,086	-	-	-	-
Long term investments	22	-	517,473	-	517,473	-	586,927	-	586,927
Long term deposits	23 and 43.4	35,754	-	-	35,754	-	-	-	-
Investment in TDR	27.1	-	50,280	-	50,280	-	-	-	-
Trade debts	25 and 43.4	-	25,926	-	25,926	-	-	-	-
Advances and other receivables	26 & 43.2	-	15,613	-	15,613	-	-	-	-
Cash and bank balances	29 & 43.4	-	1,335,329	-	1,335,329	-	-	-	-
		35,754	1,961,698	-	1,997,362	-	586,927	-	586,927
Financial liabilities not measured at fair value									
Lease liabilities (including current portion)	10 & 43.4	-	-	112,430	112,430	-	-	-	-
Trade and other payables	13 & 43.3	-	-	913,378	913,378	-	-	-	-
Unpaid dividend	43.4	-	-	71,843	71,843	-	-	-	-
Unclaimed dividend	43.4	-	-	58,600	58,600	-	-	-	-
		-	-	1,156,238	1,156,239	-	-	-	-

Murree Brewery Company Limited

Notes to the Financial Statements
For the year ended 30 June 2020

On-balance sheet financial instruments	Note	Carrying amount: Fair value through profit or loss	Carrying amount: Amortized Cost	Carrying amount: Financial liabilities at amortized cost	Carrying amount: Total	Fair value: Level 1	Fair value: Level 2	Fair value: Level 3	Fair value: Total
		(Rs.'000)				(Rs.'000)			
30 June 2019									
Financial assets measured at fair value									
Shares of listed companies	27	6	-	-	6	6	-	-	6
Mutual funds	27	1,337,173	-	-	1,337,173	1,337,173	-	-	1,337,173
		1,337,179	-	-	1,337,179	1,337,179	-	-	1,337,179
Financial assets not measured at fair value									
Long term advances	21 and 43	-	11,335	-	11,335	-	-	-	-
Long term investments	22	-	520,488	-	520,488	-	382,433	-	382,433
Long term deposits	23 and 43.4	31,711	-	-	31,711	-	-	-	-
Trade debts	25 and 43.4	-	14,563	-	14,563	-	-	-	-
Advances, prepayments and other receivables	26 & 43.2	-	35,541	-	35,541	-	-	-	-
Cash and bank balances	29 & 43.4	-	1,694,452	-	1,694,452	-	-	-	-
		31,711	2,276,379	-	2,308,090	-	382,433	-	382,433
Financial liabilities not measured at fair value									
Lease liabilities (2019: Finance lease liabilities)	10 & 43.4	-	-	182,234	182,234	-	-	-	-
Trade and other payables	13 & 43.3	-	-	495,523	495,523	-	-	-	-
Unpaid dividend	43.4	-	-	59,188	59,188	-	-	-	-
Unclaimed dividend	43.4	-	-	98,477	98,477	-	-	-	-
		-	-	835,422	835,422	-	-	-	-

43.2 It excludes advances to suppliers.

43.3 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.

43.4 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.

43.5 Measurement of fair values

All financial assets and financial liabilities are initially recognised at fair value of consideration paid or received, net of transaction costs as appropriate. The financial assets and liabilities of the Company approximate their carrying values. A number of Company's accounting policies and disclosures require the determination of fair value, for financial assets. Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

43.5.1 Non - derivative financial assets

The fair value of non-derivative financial assets is estimated considering the fair market values or the yield of securities with similar maturity and credit rating. This fair value is determined for disclosure purposes.

B FINANCIAL RISK MANAGEMENT

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

- Credit risk (Note 43.7)
- Liquidity risk (Note 43.8)
- Market risk (Note 43.9)

43.6 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.

43.7 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 exposure 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 customer/dealer. 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	2020 (Rs.'000)	2019 (Rs.'000)
Long term advances	21 and 43.4	17,086	11,335
Long term investments	22	517,473	520,488
Long term deposits	23 and 43.4	35,754	31,711
Trade debts	25 and 43.4	25,926	14,563
Advances, prepayments and other receivables	26	15,513	35,541
Bank balances	29 and 43.4	1,266,327	1,502,853
		1,878,079	2,116,491

Geographically there is no concentration of credit risk at the reporting date (2019: Nil). The maximum exposure to credit risk for financial assets at the reporting date by type of counter party is as follows:

	2020 (Rs.'000)	2019 (Rs.'000)
From government institutions	517,473	520,488
Banks and financial institutions	1,266,327	1,502,853
Others	94,278	93,150
	1,878,078	2,116,491

iii. **Loss allowance for expected credit loss**

	2020 Gross	2020 Impairment	2019 Gross	2019 Impairment
	(Rs.'000)		(Rs.'000)	
The aging of trade debts at the reporting date is as follows:				
Less than one year	31,580	-	17,579	-
Over one year	500	-	21	-
	32,080	-	17,600	-

The movement in the allowance for impairment in respect of trade debts during the year is given in note 25.1.

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:

	Rating	2020 (Rs.'000)	2019 (Rs.'000)
Long term advances			
Counterparties without external credit rating		17,086	11,118
Long term investments			
Counterparties with external credit rating	B3-	517,473	524,488

Notes to the Financial Statements

For the year ended 30 June 2020

	Rating	2020 (Rs.'000)	2019 (Rs.'000)
Long term deposits			
Counterparties with external credit rating	AA+	19	17,679
Counterparties with external credit rating	AA	1,126	-
Counterparties with external credit rating	AA-	214	12,789
Counterparties without external credit rating		34,395	1,243
		35,754	31,711
Trade debts			
Counterparties with external credit rating	A	276	1,391
Counterparties with external credit rating	A1	4,436	4,388
Counterparties with external credit rating	AAA	899	-
Counterparties without external credit rating		20,315	11,821
		25,926	17,600
Advances, prepayments and other receivables			
Counterparties with external credit rating		-	-
Counterparties without external credit rating		15,513	35,541
		15,513	35,541
Bank balances			
Counterparties with external credit rating	A1+	1,229,727	1,845,117
Counterparties with external credit rating	A1	140,194	7,676
Counterparties with external credit rating	A-1	2,035	
Counterparties without external credit rating		61	19,869
		1,372,017	1,872,662
		1,983,769	2,299,517

43.8 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		
2020					
Finance lease liabilities	112,420	122,885	96,127	26,758	-
Trade and other payables	913,376	913,376	913,376	-	-
Unpaid dividend	71,843	71,843	71,843	-	-
Unclaimed dividend	58,600	58,600	58,600	-	-
	1,156,239	1,166,704	1,139,946	26,758	-

	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		
2019					
Finance lease liabilities	182,234	195,508	105,475	90,033	-
Trade and other payables	495,523	495,523	495,523	-	-
Unpaid dividend	59,188	59,188	59,188	-	-
Unclaimed dividend	98,477	98,477	98,477	-	-
	835,422	848,696	758,663	90,033	-

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 notes 10.1 and 10.2 to these financial statements.

43.9 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.

43.9.1 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

	2020		2019	
	Rs.	USD	Rs.	USD
	In '000		In '000	
TDR	50,280	300	-	-
Interest Accrued on TDR	13,396	0.079	-	-
Bank balances	1,865	11	50,097	310

The following significant exchange rates were applied during the year:

	Average rate		Reporting date rate	
	2020	2019	2020	2019
	Rs.		Rs.	
PKR per US Dollar	158.28	136.42	167.50	163.10

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.

	2020 (Rs.'000)	2019 (Rs.'000)
Increase in 10% USD rate	6,554	5,010
Decrease in 10% USD rate	(6,554)	(5,010)

43.9.2 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	
Interest rate risk	**2020 (%)**	2019 (%)		**2020 (Rs.'000)**	2019 (Rs.'000)
Fixed rate instruments					
Financial assets	**8.25% to 12.62% per**	8.35% to 11.42% per annum	**21, 22 and 29**	**1,192,558**	1,112,827
Financial liabilities	**6.24% to 14.65% per**	7.34% to 14.11% per annum	**10**	**112,420**	182,234
				1,304,978	1,295,061

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 (2019: Nil). Hence the Company is not exposed to any variable interest rate risk.

43.9.3 Other market price risk

The primary goal of the Company's investment strategy is to maximise investment returns on surplus funds. The Company adopts a policy of ensuring to minimise 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. 16.75 million (2019: Rs. 13.37 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 2019 and assumes that all other variables remain the same.

Notes to the Financial Statements

For the year ended 30 June 2020

44 CAPACITY AND PRODUCTION	Note	Measurement basis	2020	2019
44.1 Liquor Division - Rawalpindi				
(a) Capacity of industrial unit				
Beer and Non Alcoholic Beverages (NAB)		Litres	**94,762,240**	57,457,920
Pakistan Made Foreign Liquor (PMFL)		Cases (2 B.G)	**2,490,509**	2,490,509
Non Alcoholic Products (NAP)		Litres	**56,160,000**	44,929,000
(b) Actual production				
Beer and Non Alcoholic Beverages (NAB)		Litres	**21,315,058**	29,970,348
Pakistan Made Foreign Liquor (PMFL)		Cases (2 B.G)	**1,370,420**	1,671,396
Non Alcoholic Products (NAP)	44.4	Litres	**39,493,327**	50,551,860
44.2 Tops Division				
(i) Rawalpindi				
(a) Capacity of industrial unit				
Tetra pack juices		Litres	**33,590,000**	33,590,000
(b) Actual production				
Tetra pack juices		Litres	**17,797,941**	21,615,759
(ii) Hattar				
(a) Capacity of industrial unit				
Food products		Cartons	**375,000**	375,000
Juice (NR & Rot)		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	**120,524**	108,665
Juice (NR & Rot)	44.4	Litres	**3,601,408**	13,179,676
Mineral water	44.4	Litres	**27,970,769**	28,560,177
Tetrapak juices		Litres	**6,409,624**	6,307,704
44.3 Glass Division - Hattar				
(a) Melting capacity		M. Tons	**40,150**	40,150
(b) Actual production - Glass melted		M. Tons	**33,551**	39,454

44.4 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.

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

45 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 notes 8 to the financial statements. The transactions with related parties, other than remuneration and benefits to Chief Executive Officer and directors which are disclosed in note 41 to the financial statements, are as follows:

Notes to the Financial Statements

For the year ended 30 June 2020

	Name of Related Party	Nature of Relationship	Percentage of share holding	Nature of transactions during the year	2020 (Rs.'000)	2019 (Rs.'000)
1)	D.P. Edulji & Company (Private) Limited	Associated company on account of common directorship	17.69%	Sales commission	**108,589**	144,316
				Services acquired	**15,000**	13,800
				Dividend paid	**120,265**	106,155
2)	Kingsway Fund	Associated company	27.67%	Dividend paid	**239,208**	265,967
3)	Board of directors	Directors	20.32%	Dividend paid	**154,048**	155,317
4)	Directors' relatives	Directors' relatives	14.40%	Dividend paid	**112,376**	75,727
5)	Staff retirement benefit plan - Provident fund	Staff retirement funds	Nil	Contribution by the Company	**7,603**	6,490
6)	Staff retirement benefit plan - Pension fund	Staff retirement funds	Nil	Contribution by the Company	**5,683**	5,238
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	Investment in mutual Funds	**50,000**	100,000
9)	Key Management Personnel	Key management	Nil	Remuneration	**40,223**	29,916

45.1 Details of compensation to key management personnel comprising of chief executive officer, directors and executive is disclosed in note 41.

45.2 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	**7,654,885 (27.67%) ordinary shares of Rs. 10 each**

45.3 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	Shares held in the Company Percentage
1)	Mr. Isphanyar M. Bhandara	Chief Executive Officer (CEO)	4,603,280	16.64%
2)	Mr. Khurram Muzaffar	Chairman	4,690	0.02%
3)	Mrs. Goshi M. Bhandara	Director	1,000,074	3.62%
4)	Mr. Ch. Mueen Afzal	Director	3,852	0.01%
5)	Mr. Aamir H. Shirazi	Director	3,084	0.01%
6)	Lt. Gen. ® Zarrar Azeem	Director	2,106	0.01%
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)	Mrs. Naseem Muzaffar	Close family member of Chairman	14,008	0.05%
11)	Mr. Jamshed M. Bhandara	Close family member of CEO	1,995,223	7.21%
12)	Mrs. Munizeh M. Bhandara	Close family member of CEO	1,141,047	4.12%
13)	Mr. Zane Isphanyar Bhandara	Close family member of CEO	500,008	1.81%

46 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.

47 NUMBER OF EMPLOYEES

	2020 (Number)	2019 (Number)
Employees at year end	1,813	1,952
Average employees during the year	1,883	1,890
Factory employees at the year end		1,442

48 IMPACT OF COVID 19

On 30 January 2020, the World Health Organization (WHO) declared the outbreak a "Public Health Emergency of International Concern" and on 11 March 2020, the WHO declared the COVID-19 outbreak to be a pandemic in recognition of its rapid spread across the globe. Many countries, including Pakistan, have taken stringent steps to help contain further spread of the virus. Certain industries were directly affected by the Covid-19, including hospitality industry. Accordingly, sales of F.M.E.R. and Beer were completely closed from 24 March 2020 to 25 May 2020, whereas sales of TOPs division declined in March and April 2020 which later on recovered in May and June 2020. While events and conditions related to Covid-19 have resulted in general economic uncertainty, management has evaluated the impact of COVID-19 and concluded that although there were temporary implications of COVID-19 on the operations of the Company as explained above, however, no 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.

49 SUBSEQUENT EVENTS

The Board of Directors of the Company in the meeting held on 25th September 2020 proposed final cash dividend of 90% i.e. Rs. 09 per share (2019: 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 2021.

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 25th September 2020.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

ہونے کی وجہ سے آفس سے سال 2020-21 کیلئے خود کو دوبارہ تقرری کیلئے پیش کر رہا ہے۔ آڈٹ کمیٹی کی سفارش پر بورڈ نے 30 جون 2021 کو ختم ہونے والے مالی سال کیلئے ان کی بطور آڈیٹرز تقرری کی تجویز دی ہے۔ اس کی حتمی منظوری 22 اکتوبر 2020 کو منعقد ہونے والے شیئر ہولڈرز کے سالانہ اجلاس عام میں دی جائے گی۔

بیرونی عوامل

سال 2020 پاکستان کی معیشت کیلئے ایک مشکل سال تھا۔ وبائی مرض COVID-19 نے تقریباً ہر ملک کو متاثر کیا اور عالمی معیشت کو شدید نقصان پہنچایا جس کی وجہ سے بہت سے ممالک کو شدید نقصانات کا سامنا کرنا پڑا۔ پاکستان بھی اس نقصان سے مستثنیٰ نہیں تھا۔

اس وبائی مرض سے پاکستان کے معاشرتی و معاشی نظام اور صحت عامہ کو ایک بڑا چیلنج درپیش ہے۔ عالمی معیشت کو وبائی مرض سے پیدا ہونے والے مختلف چیلنجوں سے نمٹنے کیلئے ... کے تعاون کی ضرورت ہے تاکہ ایک پائیدار بحالی ممکن ہو سکے۔

اس ماحول میں کمپنی کی کاوشیں جاری رہیں گی کہ کمپنی اپنی صلاحیتوں میں اضافہ اور شیئر ہولڈرز کو قیمت کی فراہمی ہو۔ یہ مارکیٹ میں تبدیل ہوتی حرکیات کو مناسب ردعمل فراہم کرے گا۔

توقعات

موجودہ معاشی ماحول میں انتظامیہ کاروبار کی مستقل کی صلاحیتوں سے نمٹنے کے لئے پوری طرح تیار ہے۔ بہترین معیاری مصنوعات، جدت اور زیادہ سے زیادہ شیئر ہولڈرز کو منافع کی فراہمی کے ساتھ صارفین کی ضروریات کو پورا کرتی رہے گی۔

خدمات کا اعتراف

بورڈ اپنے صارفین اور ان کے کام اور کمپنی کے ساتھ ان کی وفاداری پر انتظامیہ کی تعریف ریکارڈ کرنا چاہتا ہے۔ بورڈ نے تمام کاروباری شراکت داروں، سرکاری حکام اور شیئر ہولڈرز کا کمپنی کے مقاصد کے حصول میں ان کی حمایت کرنے پر شکریہ ادا کیا ہے۔

بورڈ کی جانب سے

اسفندیار ایم بھنڈارا	پرویز اختر
چیف ایگزیکٹیو آفیسر	ڈائریکٹر

راولپنڈی 25 ستمبر 2020ء

کارپوریٹ سماجی ذمہ داری:

مری بروری کمپنی ایک قدیم کمپنی ہے جو ایک سوشل کارپوریٹ شہری کی حیثیت سے یہ 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 تعلیمی اداروں کو عطیات دیتی رہتی ہے۔ سال 20-2019 کے دوران کمپنی نے مختلف رفاہی تنظیموں کو 3.64 ملین روپے کی امدادی رقم دی ہے۔

کمپنی اپنی پراپرٹی کا استعمال معذور افراد کے لئے کام کرنے والی رضاکار تنظیم (ٹرسٹ) کیلئے جاری رکھے ہوئے ہے۔ راولپنڈی کے علاقے میں معذور ضرورت مند خواتین کو کوکنگ، کمپیوٹر کے استعمال اور معاشرے کا کارآمد فرد بنانے کیلئے قائم ووکیشنل سکول میں اس وقت 74 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 مینٹیننس کی ذمہ داری بھی کمپنی کے ذمہ ہے۔

مری بروری نے ماحول دوست ایسے شاپنگ بیگ جو دوبارہ استعمال کے قابل ہو سکتے ہیں تقسیم کئے ہیں تاکہ پلاسٹک کے تھیلے ختم کرنے میں حکومت کے اقدامات کی مدد کی جا سکے۔

حکومت کی جانب سے ملک بھر میں شجرکاری کی مہم کی حوصلہ افزائی کرتے ہوئے کمپنی نے اپنی حدود میں کئی درخت بھی لگائے ہیں۔

کمپنی سوشل سیکورٹی ڈسپنسری جو کہ اس کے احاطے میں واقع ہے میں کام اور اس کی معاونت جاری رکھے ہوئے ہے۔

ہمارا مقصد مستقبل میں بھی اس طرح کے نیک مقاصد کے لئے اپنی شمولیت اور شراکت کو جاری رکھنا ہے۔

ماحولیاتی، کوالٹی، صحت اور حفاظتی سسٹم

انٹر نیشنل سرٹیفکیشن اتھارٹیز کی جانب سے تسلیم شدہ پائیدار ماحولیات اینڈ کوالٹی مینجمنٹ پر بھرپور طریقے سے عمل ہو رہا ہے۔ کمپنی ماحولیاتی مسائل کی حمایت اور وسیع تر ماحولیاتی ذمہ داریوں کو فروغ دیتی ہے اور اس سلسلے میں اس نے سرٹیفکیشن آف ISO-9001:2008 اور OHSAS 18001:2007 بھی حاصل کر لی ہے۔ کمپنی نے پاکستان انوائرمنٹ پروٹیکشن ایجنسی سے منظور شدہ لیبارٹریز کے ذریعے اخراج اور اثرات کا تجزیہ جاری رکھا ہوا ہے۔

کمپنی اس بات کو یقینی بناتی ہے کہ ہر ایک ملازم اور کنٹریکٹر محفوظ ماحول میں کام کرے۔ یہاں بطور ملازم کوئی بچہ کام نہیں کرتا۔

قومی خزانے میں معاونت

آپ کی کمپنی ڈیوٹی اور ٹیکس کی مد میں 4,489 ملین روپے (گزشتہ سال یہ رقم 5,038 ملین روپے تھی) قومی خزانے میں جمع کروا چکی ہے۔

ڈائریکٹرز کا معاوضہ

کارپوریٹ گورننس کے قوانین کی ضروریات کے مطابق انفرادی ڈائریکٹرز کے معاوضے کے پیکج کے تعین کیلئے رسمی اور شفاف طریقہ کار اختیار کیا جاتا ہے۔ کوئی بھی ڈائریکٹر اس کا اپنے مشاہرہ یا تنخواہ کے فیصلے میں خود شامل نہیں ہوتا ہے۔

بورڈ ایگزیکٹو، نان ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹرز جو کہ بورڈ اور مختلف کمیٹیوں کے اجلاس میں حصہ لیتے ہیں کے معاوضے کا دوبارہ جائزہ لیتا ہے جو کہ بعد میں حصص داروں کے سامنے سالانہ عمومی اجلاس میں منظوری کے لئے پیش کیا جاتا ہے۔ 30 جون، 2020 کو ختم ہونے والے سال کے لئے چیف ایگزیکٹو آفیسر اور ڈائریکٹرز کا معاوضہ فنانشل سٹیٹمنٹ کے نوٹ نمبر 41 میں درج کیا گیا ہے۔

متعلقہ فریق لین دین (ریلیٹڈ پارٹی ٹرانزیکشنز)

کمپنیز ایکٹ 2017 کی شق 208 اور کمپنیز (ریلیٹڈ پارٹی ٹرانزیکشنز اینڈ مینٹیننس آف ریلیٹڈ ریکارڈز) ریگولیشنز 2018 کے مطابق بورڈ آف ڈائریکٹرز نے متعلقہ فریق لین دین پالیسی کے مطابق منظور کیے ہیں۔

اجتماعی سوداکار عامل معاہدہ (CBA ایگریمنٹ)

کمپنی نے یکم جولائی، 2019 سے 30 جون، 2021 تک CBA کے ساتھ معاہدے کو حتمی شکل دے دی ہے۔ یہ آپ کے تسلیم یقین دہانی کرواتا ہے کہ ایک مطمئن ورک فورس موجود ہے، جو کہ صنعتی امن اور پیداوار بہتر کیلئے انتہائی اہم ہے۔

آڈیٹرز

30 جون 2020 کو ختم شدہ مالی سال کیلئے کمپنی کا قانونی آڈٹ مکمل کر لیا گیا ہے اور آڈیٹرز نے کمپنی کے مالیاتی گوشواروں پر آڈٹ رپورٹس اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 سے گوشوارہ مطابقت پر جائزہ رپورٹ جاری کر دی ہے۔ آڈیٹرز میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی سالانہ اجلاس عام کے اختتام پر سبکدوش ہو جائیں گے اور اہل

جناب شہباز حیدر آغا - (چیئرمین)
جناب اکرم مظفر - (ممبر)
بیگم گوشی ایم بھنڈارا - (ممبر)
لیفٹیننٹ جنرل (ریٹائرڈ) ضرار عظیم - (ممبر)
(نوٹ: ایچ آر اینڈ ریمونریشن کمیٹی نومینیشن کمیٹی کی حیثیت سے بھی کام کرتی ہے)

کارپوریٹ اینڈ فنانشل رپورٹنگ فریم ورک پر بیان

ڈائریکٹرز کا کہنا ہے کہ:

- 30 جون 2020 کو ختم ہونے والے سال کیلئے فنانشل اسٹیٹمنٹس میں کمپنی انتظامیہ نے اپنے معاملات، آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کو شفاف طور پر پیش کیا ہے۔
- کمپنی کے حسابات کی کتب کو باقاعدہ مرتب کیا گیا ہے۔
- فنانشل اسٹیٹمنٹس کی تیاری میں اکاؤنٹنگ پالیسی کو باقاعدہ لاگو کیا گیا ہے اور اکاؤنٹنگ اسٹیمیٹس مناسب اور محتاط فیصلے پر مبنی ہیں۔
- فنانشل اسٹیٹمنٹس کی تیاری میں پاکستان میں قابل اطلاق انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز پر عمل کیا جاتا 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۔
- اسٹیٹمنٹس میں بیان کردہ وضاحتوں کے سوا 30 جون 2020 تک ٹیکسز کے کاؤنٹ، محصولات اور چارجز پر کوئی قانونی ادائیگی نہیں ہے۔
- ڈائریکٹرز جو ٹریننگ پروگرام حاصل کرنا چاہتے ہیں وہ مقررہ وعدہ میں ہیں۔
- جیسا کہ لسٹنگ قوانین میں تفصیلی طور پر درج ہے کارپوریٹ گورننس کی بہترین پریکٹسز سے کوئی انحراف نہیں کیا گیا۔
- گزشتہ چھ سال کا اہم آپریٹنگ اینڈ فنانشل ڈیٹا خلاصے کی صورت میں منسلک ہے۔
- ان آڈٹ پروویڈنٹ فنڈ اور ان آڈٹ پنشن فنڈ انویسٹمنٹ کی مالیت بمطابق 30 جون 2020، 133.5 ملین روپے (2019ء: 120.01 ملین روپے) اور 62.8 ملین روپے (2019ء: 55.6 ملین روپے) بالترتیب ہیں۔
- بورڈ آف ڈائریکٹرز: موجودہ ڈائریکٹرز کا عرصہ مکمل ہونے پر 24 مارچ 2020 کو کمپنی کا غیر معمولی اجلاس عام منعقد ہوا جس میں بلا مقابلہ اگلے تین سال کے کام کیلئے آٹھ ڈائریکٹرز منتخب ہوئے۔
  بورڈ نے سبکدوش ہونے والے ڈائریکٹرز کی خدمات کی تعریف کی اور نئے منتخب ڈائریکٹرز کو خوش آمدید کہا۔
- 2019-20 سال کے دوران پانچ (05) بورڈ میٹنگز، چار (04) آڈٹ کمیٹی میٹنگز اور ایک (01) ایچ آر اینڈ ریمونریشن کمیٹی میٹنگ منعقد ہوئی ہے۔

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

ڈائریکٹر کا نام	بورڈ آف ڈائریکٹرز	آڈٹ کمیٹی	ایچ آر اینڈ آر کمیٹی
جناب اکرم مظفر	4/5	3/4	1/1
جناب اسفنیار ایم بھنڈارا	5/5	04 (دعوت پر)	01 (دعوت پر)
چوہدری معین افضل	5/5	4/4	-
جناب عامر ایچ شیرازی	2/5	-	-
بیگم گوشی ایم بھنڈارا	2/5	-	0/1
لیفٹیننٹ جنرل (ریٹائرڈ) ضرار عظیم	4/5	3/4	1/1
پروفیسر خالد عزیز مرزا	4/5	3/4	-
جناب شہباز حیدر آغا	5/5	-	1/1

جو ممبران اجلاس میں شرکت نہیں کر سکے انہیں رخصت دی گئی تھی

بیان مطابقت

کمپنی نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی شرائط کی مکمل پاسداری کی ہے۔ اس کو واضح بنانے کی غرض سے ایک بیان اس رپورٹ میں منسلک کر دیا گیا ہے۔

منافع فی حصص (EPS)

30 جون 2020 کو ختم شدہ سال کیلئے منافع فی حصص (EPS) پچھلے سال کے 44.21 روپے کے مقابلے میں 24.64 روپے ہے۔

انٹرنل آڈٹ اور کنٹرول

انٹرنل آڈٹ فنکشن میسرز ایس ساتی غوری اینڈ کو چارٹرڈ اکاؤنٹنٹس فرم سے آؤٹ سورس کیا گیا ہے۔ اور ان کے ساتھ ہیڈ آف انٹرنل آڈٹ کی خدمات حاصل کی گئیں جو کہ آڈٹ فرم کے ساتھ معاونت کرتا ہے اور وہ آڈٹ رپورٹس آڈٹ کمیٹی کو جمع کرواتی ہے۔

بورڈ کی تشکیل

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

ا۔ مرد : سات

ب۔ خاتون : ایک

زمرہ	ڈائریکٹرز کے نام
i. خود مختار ڈائریکٹرز	لیفٹیننٹ جنرل (ریٹائرڈ) افتخار حکیم
	پروفیسر خالد عزیز مرزا
	جناب شہباز حیدر آغا
ii. نان ایگزیکٹیو ڈائریکٹرز	جناب خرم مظفر
	چوہدری معین افضل
	جناب عامر ایچ شیرازی
	بیگم گوشپی ایم بھنڈارا
iii. ایگزیکٹیو ڈائریکٹر	جناب اسفنیار ایم بھنڈارا

بورڈ کی کمیٹیز

i. آڈٹ کمیٹی:

آڈٹ کمیٹی اپنے اصول کوڈ آف کارپوریٹ گورننس کے تحت انجام دیتی ہے اور چار نان ایگزیکٹیو ڈائریکٹرز اور وہ خود مختار ڈائریکٹرز پر مشتمل ہے۔ خود مختار ڈائریکٹرز میں سے ایک چیئرمین ہے۔

لیفٹیننٹ جنرل (ریٹائرڈ) افتخار حکیم - (چیئرمین)
چوہدری معین افضل - (ممبر)
جناب خرم مظفر - (ممبر)
پروفیسر خالد عزیز مرزا - (ممبر)

(نوٹ: آڈٹ کمیٹی رسک مینجمنٹ کمیٹی کی حیثیت سے بھی کام کرتی ہے)

ii. ایچ آر اینڈ ریمونریشن کمیٹی:

ایچ آر اینڈ ریمونریشن کمیٹی کوڈ آف کارپوریٹ گورننس کے تحت تشکیل دی گئی ہے۔ جو نان ایگزیکٹیو ڈائریکٹرز اور خود مختار ڈائریکٹرز پر مشتمل ہے۔ خود مختار ڈائریکٹرز میں سے ایک چیئرمین ہے۔

ب۔ گلاس ڈویژن

	2020ء روپے ملین میں	(%)فیصد	2019ء روپے ملین میں	(%)فیصد
فروخت آمدنی (قابل اطلاق ٹیکسز کے علاوہ)	1,411	-	1,723	-
لاگت فروخت	(1,120)	(79.4)	(1,082)	(62.8)
مجموعی منافع	290	20.6	641	37.2
عملی منافع	65	4.6	605	35.1
گلاس کنٹینرز کی فروخت	27,084	میٹرک ٹن	35,522	میٹرک ٹن

ج۔ ٹاپس ڈویژن

	2020ء روپے ملین میں	(%)فیصد	2019ء روپے ملین میں	(%)فیصد
فروخت آمدنی (قابل اطلاق ٹیکسز کے علاوہ)	2,549	-	2,828	-
لاگت فروخت	(2,258)	(88.6)	(2,495)	(88.2)
مجموعی منافع	291	11.4	333	11.8
عملی منافع (نقصان)	(218)	(8.6)	(117)	(4.1)

اہم مسائل

i. گیس انفراسٹرکچر ڈیولپمنٹ سیس (GIDC)

سپریم کورٹ آف پاکستان نے GIDC کے معاملے کو حل کرتے ہوئے 13 اگست 2020 کو فیصلہ حکومت کے حق میں دیا ہے۔ کمپنی نے دیگر کمپنیوں کے ساتھ نظرثانی کی درخواست دائر کر دی ہے۔ تاہم کمپنی نے GIDC کی مد میں تمام واجبات ادا کرنے کیلئے 255 ملین روپے اپنے کھاتوں میں فراہم کر دیا ہے۔

ii. تجارتی استعمال کیلئے پانی کے استعمال پر ٹیکس

سپریم کورٹ آف پاکستان نے سوموٹو نوٹس لیتے ہوئے اپنے آرڈر کے ذریعے زمین سے نکالے گئے پانی کے ایک لیٹر پر ایک روپیہ ٹیکس عائد کیا ہے جو 2018 سے ان تمام صنعتوں پر لاگو ہے جو پاکستان میں پانی کا استعمال کرتے ہیں۔ اس سلسلے میں اب تک جاری نہیں کیے گئے۔ اور کمپنی نے دیگر صنعتوں کی طرح ایک نظرثانی کی درخواست جمع کرا دی ہے جو سپریم کورٹ میں زیر التواء ہے۔

حتمی منافع منقسمہ

کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2020 کو ختم ہونے والے سال کیلئے 5 روپے فی حصص حتمی منافع منقسمہ یعنی پورے سال پر 25 روپے فی حصص (250% - گزشتہ سال 300%) کے حساب سے ادائیگی کی سفارش کی ہے جو 22 اکتوبر 2020 کو منعقد ہونے والے اجلاس میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔

خطرہ و غیر یقینی کیفیات

کمپنی کو مستقبل قریب میں جس خطرہ کا سامنا ہو سکتا ہے وہ COVID-19 وبائی مرض کی وجہ سے دوبارہ کاروبار بند ہونے کا ہے۔

حصص داری کا پیٹرن

30 جون 2020 کے مطابق کمپنی کے شیئر ہولڈرز کی تعداد 30 جون 2019 پر 1,245 کے مقابلے میں 1,254 تھی۔ شیئر ہولڈنگ پیٹرن بمطابق 30 جون 2020 سالانہ رپورٹ کے ساتھ منسلک کر دیا گیا ہے۔

30 جون 2020ء کو ختم شدہ سال کیلئے ڈائریکٹرز کی رپورٹ

ڈائریکٹرز 30 جون 2020ء کو ختم شدہ سال کیلئے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ اپنی رپورٹ پیش کرتے ہوئے فخر محسوس کر رہے ہیں۔

کمپنی کا کاروباری جائزہ

مری بریوری نے مسلسل آپریشن کے 160 سال مکمل کر لیے ہیں، اس کا شمار پاکستان میں اسٹاک ایکسچینج پر درج سب سے پرانی کمپنیز میں ہوتا ہے۔ کمپنی کے منافع میں کمی ہوئی ہے تاہم کمپنی اپنی پیداواری صلاحیتوں میں جاری رکھے ہوئے ہے تاکہ مستقبل کی طلب پوری کی جا سکے۔

کمپنی اپنی پالیسیوں کو جاری رکھے ہوئے ہے تاکہ شیئر 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 جا سکے۔

مالیاتی کارکردگی

i. مجموعی مالیاتی جائزہ اور جھلکیاں:

		روپے ملین میں
محصولات فروخت (خالص)	کمی 11.1 %	10,121 سے 8,997
مجموعی منافع جات	کمی 20.2 %	2,885 سے 2301
قبل از ٹیکس منافع	کمی 37.6 %	1,662 سے 1,038
بعد از ٹیکس منافع	کمی 44.2 %	1,223 سے 682
آمدنی فی حصص	کمی 44.2 %	44.21 سے 24.64

COVID-19 وبائی مرض کی وجہ سے منافع قبل و بعد از ٹیکس میں کمی ہوئی ہے جس نے نیچے دیے گئے نتائج کے مطابق تمام شعبہ جات کو متاثر کیا ہے۔

ii. شعبہ جاتی عملی نتائج

ہمارے شعبہ جات کے نتائج یہ ہیں:

i. لیکور ڈویژن

	2020ء روپے ملین میں	(%) فیصد	2019 روپے ملین میں	(%) فیصد
فروخت آمدن (قابل اطلاق ٹیکسز کے علاوہ)	6,847	-	7,814	-
لاگت فروخت	(5,126)	(74.9)	(5,903)	(75.5)
مجموعی منافع	1,720	25.1	1,911	24.5
عملی منافع	932	13.6	1,030	13.2

مری بروری کمپنی لمیٹڈ

3- نیشنل پارک روڈ راولپنڈی

چیئرمین کا جائزہ

میں کمپنی کے قابل قدر شیئر ہولڈرز کے سامنے 30 جون 2020 کو ختم ہونے والے سال کیلئے کمپنی کی 153 ویں سالانہ رپورٹ پیش کرنے پر خوشی محسوس کر رہا ہوں۔

بورڈ نے کمپنی کی حکمت عملی کے امور میں اس کی موثر انداز میں رہنمائی کر کے اپنے فرائض اور ذمہ داریوں کو پوری تندہی سے ادا کیا۔ بورڈ نے انتظامیہ کی کارکردگی کی نگرانی اور بڑے خطرات کے حامل امور پر توجہ دینے میں بھی اہم کردار ادا کیا ہے۔ بورڈ بجٹ سازی اور حکمت عملی کی منصوبہ بندی کے عمل میں پوری طرح شامل تھا۔ اسٹیک ہولڈرز کی قدر کی سلامتی اور اسے برقرار رکھنے کیلئے کارپوریٹ گورننس کے اعلیٰ معیار کو یقینی بنانے کیلئے بھی بورڈ پرعزم رہا ہے۔

بورڈ نے انٹرنل آڈٹ امور کیلئے میسرز ای وائی فورڈ رھوڈس (M/s EY Ford Rhodes) کی خدمات حاصل کیں جو اس مقصد کیلئے موزوں طور پر اہل اور تجربہ کار سمجھے جاتے ہیں اور وہ کمپنی کی پالیسیز اور طریقہ کار سے بھی واقف ہیں۔ بورڈ آڈٹ کمیٹی کو انٹرنل آڈٹ رپورٹس سہ ماہی بنیاد پر پیش کی گئیں جن میں انٹرنل کنٹرول پروسیسز پر زور دیا گیا اور کمپنی کو درپیش ممکنہ خطرات سے نمٹا گیا۔

جیسا کہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشن 2019 کے تحت مطلوب ہے، بورڈ نے اپنی ذاتی جانچ کی تا کہ اس بات کو یقینی بنایا جا سکے کہ بورڈ کی مجموعی کارکردگی اور موثریت کا کمپنی کیلئے متعین کردہ مقصد کے تناظر میں توقعات کے مطابق ہے۔ بورڈ نے متعلقہ ٹرمز آف ریفرنس میں متعین کردہ اپنی ذمہ داریوں کو نبھانے کے حوالے سے اپنی کمیٹیز کی کارکردگی کا جائزہ لیا۔ کمپنی کوڈ کے تحت ڈائریکٹرز کی مطلوب تربیت پر پوری طرح عمل ہوا ہے۔

کمپنی کے بورڈ آف ڈائریکٹرز کو ایجنڈا اور معاون تحریری مواد بشمول اجلاس 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 مل بیٹھنے کا اہتمام کرتا رہتا ہے۔ نان ایگزیکٹیو اور خود مختار ڈائریکٹرز تمام کارروائیوں اور فیصلوں میں برابر کے شریک ہوتے ہیں۔

آگے بڑھیں تو وبائی مرض COVID-19 کی وجہ سے پیدا ہونے والی عالمی غیر یقینی صورتحال کمپنی کی سودمندی کیلئے ایک مسلسل خطرہ بنی رہے گی۔ یہ واضح نہیں ہے کہ آنے والے سال میں مارکیٹ کن کیفیات کا شکار رہے گی لہٰذا اس غیر یقینی صورتحال کے پیش نظر بورڈ آف ڈائریکٹرز اور انتظامیہ کمپنی کی موجودہ اہمیت پر روشنی ڈالتے ہوئے اندرونی کارکردگی میں اضافہ اور لاگت میں کمی کے اقدامات کے ذریعے شیئر ہولڈرز کی قدر کو بہتر بنانے کی کوششوں پر توجہ مرکوز رکھے گا۔

چوہدری محسن افضل
چیئرمین

راولپنڈی: 25 ستمبر 2020ء

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 Invester 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 10:00 a.m.on **Thursday, October 22, 2020** 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, 2020

Witnesses:

1)-		2)-	
Signature :	______________	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 بمطابق رجسٹرڈ فولیو/سی ڈی سی پارٹسپنٹ آئی ڈی نمبر.................اور سی ڈی سی سب اکاؤنٹ

نمبر/سی ڈی سی انویسٹر اکاؤنٹ آئی ڈی نمبر................. .... بذریعہ

بذا محترم/محترمہ.................ولد.................رہائشی................. کا تقرر کرتا ہوں جس کا رجسٹرڈ فولیو/سی ڈی سی پارٹسپنٹ آئی ڈی

نمبر.................اور سی ڈی سی سب اکاؤنٹ نمبر/سی ڈی سی انویسٹر اکاؤنٹ آئی ڈی نمبر.................ہے۔ میرے/ہمارے پروکسی

کو 22 اکتوبر، 2020، کو رجسٹرڈ آفس -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، 2020

دستخط کمپنی کے ساتھ رجسٹرڈ نمونے جیسے ہونے چاہیے۔

گواہان:

1. دستخط:-------------------------------

نام:-------------------------------

پتہ:-------------------------------

کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر:-----------------

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 تیار کی جائے گی۔

3- باقاعدہ مکمل اور دستخط شدہ پراکسی فارم اجلاس عام کے مقررہ وقت سے کم از کم اڑتالیس (48) گھنٹے (چھٹی والے دنوں کو چھوڑ کر) قبل مری بروری کمپنی لمیٹڈ، 3- نیشنل پارک روڈ، راولپنڈی پر موصول ہوجانے چاہئیں۔

4- سی ڈی سی شیئر 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۔

Murree Brewery Company Limited

DIVIDEND MANDATE FORM

Bank Account Detail for Payment of Cash Dividend
(Mandatory Requirement as per the Companies Act, 2017)

Dear Shareholder,

This is to inform you that in accordance with the Section 242 of the Companies Act, 2017, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder. Please note that giving bank mandate for dividend payments is mandatory and in order to comply with this regulatory requirement and to avail the facility of direct credit of dividend amount in your bank account, you are requested to please provide the following information:

Details of Shareholder	
Name of shareholder	
Father's Name	
CDC account No / Folio No.	
CNIC / Passport No	
Cell number & Landline number	
Email address **(Mandatory)**	

Details of Bank Account	
Title of Bank Account	
International Bank Account Number (IBAN) " **Mandatory"**	P K (24 digits) (Kindly provide your accurate IBAN number after consulting with your respective bank branch since in case of any error or omission in given IBAN, the Company will not be held responsible in any manner for any loss or delay in your cash dividend payment).
Bank's Name	
Branch Name	
Branch Address	

It is stated that the above-mentioned information is correct and in case of any change therein, I / we will immediately intimate Participant i.e. Murree Brewery Company Limited or its Share Registrar i.e. CDC Share Registrar Services Limited, CDC House, 99-B, Block B, S.M.C.H.S, Main Shahra-e-Faisal, Karachi.74400, Pakistan, accordingly.

Signature of Shareholder

You are requested to kindly send us this letter immediately duly filled in and signed by you along with legible photocopy of your valid CNIC / passport at our address, Murree Brewery Company Limited, 3-National Park Road, Rawalpindi, Pakistan.

Regards,

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

ASSOCIATION FOR SPECIAL PERSONS (DARAKHSHAN)

SAMOVI - CARTON PACKING MACHINE FROM SPAIN
COMMISSIONED IN SEPTEMBER, 2020

Estd. 1860
MURREE BREWERY
3-National Park Road, Rawalpindi (Pakistan)
Ph: +92-51-5567041-7 & 051-5562803 Fax: +92-51-5584420, 5565461
E-mail: murree.brewery@murreebrewery.com
murbr@cyber.net.pk
Website: www.murreebrewery.com