



ISO 9001, 14001, 45001 & HACCP Certified Company

# **ANNUAL REPORT 2021**

**MURREE BREWERY COMPANY LIMITED**

# The Good old days when Indian Railways served Murree Beer

( vii )

Tea.—Bread and butter with either jam, marmalade, golden syrup or one egg and one cup of tea. Rs. a. 0 7

## LIST OF WINES, SPIRITS, ETC.

|   | Per quart.<br>Rs. a. p. | Spirits.                           | Per peg.<br>Rs. a. p.   | Per ½ peg.<br>Rs. a. p.     |
|---|-------------------------|------------------------------------|-------------------------|-----------------------------|
| <i>White Wine.</i>                                  |                         |                                    |                         |                             |
| South African "Witzenberg"                          |                         | Imported Whisky<br>(without soda.) | 2 5 0 ...               | 1 2 6                       |
| White Dry   | ... 9- 8 0              | Imported Brandy<br>(without soda.) | 2 5 0 ...               | 1 2 6                       |
|   | Per wine<br>glass.      | Imported Gin<br>(without soda.)    | 1 15 0 ...              | 0 15 6                      |
|   | Rs. a. p.               |                                    |                         |                             |
| Sherry, imported                                    | ... 1 1 0               | <i>Liqueurs.</i>                   |                         |                             |
| <i>Port.</i>  |                         |                                    |                         |                             |
| Imported Port and Port Type<br>Wines                | ... 1 1 0               |                                    |                         | Liqueur<br>glass.<br>Rs. a. |
| <i>Vermouth.</i>                                    |                         |                                    |                         |                             |
| French and Italian Type                             | ... 0 13 0              | South African springbok (1926)     |                         | 1 11                        |
| Gin and Vermouth                                    | ... 1 1 0               | Liqueur Brandy.                    |                         |                             |
|   |                         | Other Liqueurs                     | ...                     | 1 7                         |
| <i>Non-Alcoholic Drinks and<br/>aerated waters.</i> |                         |                                    |                         |                             |
|   | Per glass.              | <i>Indian-made Beers.</i>          |                         |                             |
| Lime Juice Cordial,                                 | }                       | Gold "Ribbon" lager ...            | At Provincial<br>rates. |                             |
| Lemon Squesh,                                       |                         |                                    |                         |                             |
| Orange Squesh, etc.                                 |                         |                                    |                         |                             |
|   | Per bottle.             | <i>Cigars</i>                      | Each.                   |                             |
|   | Rs. a. p.               | Sumatra                            | Rs. a.                  |                             |
| Dry Ginger Ale Kellner's                            | ... 0 12 0              |                                    | ... 0 2                 |                             |
| Soda water  | ... 0 2 6               | <i>Ice.</i>                        | Per glass.              |                             |
| Sweet minerals                                      | ... 0 4 0               |                                    | Rs. a.                  |                             |
|   |                         | With or without drinks.            | 0 1                     |                             |

## Carew's Products and Murree Beer.

### Provincial Rates.

|                                 | BIHAR.             |                    | U. P.           |                 |
|---------------------------------|--------------------|--------------------|-----------------|-----------------|
|                                 | Full.<br>Rs. a. p. | Half.<br>Rs. a. p. | Full.<br>Rs. a. | Half.<br>Rs. a. |
| Rosa XXX Rum (without soda) ... | 1 13 0             | 0 14 6             | 2 0             | 1 0             |
| Rosa old Rum ( " " ) ...        | 1 13 0             | 0 14 6             | 2 0             | 1 0             |
| Rosa Tiger Rum ( " " ) ...      | 1 5 0              | 0 10 6             | 1 4             | 0 10            |
| Carew's Gin ( " " ) ...         | 1 7 0              | 0 11 6             | 1 6             | 0 11            |
| " Whisky ( " " ) ...            | 1 3 0              | 0 9 6              | 1 4             | 0 10            |
| " Brandy ( " " ) ...            | 1 3 0              | 0 9 6              | 1 4             | 0 10            |
|                                 | Per qt.            |                    | Per qt.         |                 |
| Gold Ribbon lager               | ...                | 1 15 0             |                 | 1 12            |

When ice is supplied with wines, aerated waters, &c., an additional charge of one anna per glass will be made.

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**VISION STATEMENT**

Our office is in the market

**MISSION STATEMENT**

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

**C**ontinuous improvement

**A**lignment of our missions and goals

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

**E**ducate one another

# Murree Brewery Company Limited

ESTABLISHED 1860

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Chairman-Non Executive Director  
CEO/Director-Executive Director  
Non-Executive Director  
Non-Executive Director  
Independent Director  
Independent Director  
Independent Director  
Independent Director

Ch. Mueen Afzal  
Mr. Isphanyar M. Bhandara  
Mr. Aamir 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  
Company Secretary  
Head of Internal Audit  
Deputy General Manager (Brewery Division)  
Business Manager (Murree Glass)  
Plant Manager ( // // )  
General Manager (Tops)  
Factory Manager (Murree Sparkletts)

Mr. Mazhar Iqbal  
Ch. Waqar A. Kahloon  
Malik Saqib  
Mr. Fakher-e-Mahmood  
Mr. Arshad Zaheer  
Mr. Zaka ud Din  
Mr. Talat Yaqoob  
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,  
6<sup>th</sup> Floor, State Life Bldg,  
Jinnah Avenue, Islamabad.

### PRINCIPAL BANKERS

Askari Commercial Bank Ltd, Islamabad  
Standard Chartered Bank, Islamabad  
National Bank of Pakistan, Rawalpindi / Hattar  
Bank Alfalah Ltd, Rawalpindi  
The Bank of Khyber, Hattar  
Allied Bank Ltd, Rwp/Lhr/Gujranw/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](mailto:murree.brewery@murreebrewery.com)  
[murbr@cyber.net.pk](mailto:murbr@cyber.net.pk)  
Website: [www.murreebrewery.com](http://www.murreebrewery.com)

### FACTORIES

- (1) **Murree Brewery Company Limited**  
3-National Park Road, Rawalpindi  
Tel: 051-5567041-47, Fax: 051-5584420
- (2) **Tops Food & Beverages**
  - (a) 3-National Park Road, Rawalpindi  
Tel: 051-5567041-47, Fax: 051-5565461
  - (b) Plot No. 14/1, Phase III, Industrial Estate,  
Hattar, District Haripur (K.P.K)  
Tel: 0995-617013, 617493, 617494
- (3) **Murree Sparkletts**  
Plot No. 10/2, Phase III, Industrial Estate,  
Hattar, District Haripur (K.P.K)
- (4) **Murree Glass**  
Plot No. 24, Phase III, Industrial Estate,  
Hattar, District Haripur (K.P.K)  
Tel: 0995-617233, 0995-617188

### DISTRIBUTION OFFICES

- (i) Tops Food & Beverages  
121/3, Industrial Estate, Kot Lakhpat,  
Lahore. (Tel: 042-5117501)
- (ii) Aziz Chowk Pindi Bypass,  
Galla Sonica Industry, G.T.Road,  
Gujranwala (Tel: 055-3891571)
- (iii) Mansoorabad  
Near Sant Singh Railway Gate  
Jumra Road, Faisalabad  
Tel: (041-8522182 & 2420580)
- (iv) 164/B, Near Winter Time,  
Small Industries Estate, Sahiwal  
Mobile: 0335-5611125  
0321-6954001
- (v) Ratti Gali, Ayubia Road, Murree  
Mob: 0335-5111047

- (vi) 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' SMCHS, Main  
Shahra-e-Faisal Karachi-74400,  
Tel: +(92-21)111-111-500  
Fax: +(92-21)034326053, Email: [info@cdcsrsl.com](mailto:info@cdcsrsl.com)

### LEGAL ADVISORS

- (i) Hamid Law Associates,  
409-410, Alfalah Building,  
Shahrah-e-Quaid-e-Azam  
Lahore. Tel: 042-6301801
- (ii) Mr. Umer Abdullah (Advocate)  
Chaudhary Law Associates  
Advocate High Court  
Flats No. 5 & 6, 1<sup>st</sup> Floor, MICCOP Center,  
1. Mozang Road, Lahore.  
Cell # 0300-8430877, 0345-8412222
- (iii) Mr. Muhammad Ilyas Sheikh  
House No. 37, Street No. 02, Mohalla  
Phase 5, Bahria Town, Islamabad.

### TAX ADVISORS

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

### CORPORATE ADVISOR

RS Corporate Advisory  
First Floor, Plot No. 62, Central Commercial  
Area (CCA), Block-T, Phase -2, Defence  
Housing Authority, Lahore Cantt-Pakistan.  
Tel: +92 42 357 47 904  
Website: [www.rscorporate.com](http://www.rscorporate.com)

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*Murree Brewery Company Limited*  
*Board of Directors*



**Ch. Mueen Afzal**  
**Chairman - Non Executive Director**

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

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

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

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

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**Murree Brewery Company Limited**  
*Board of Directors*



**Mr. Isphanyar M. Bhandara**

**CEO/Director - Executive Director**

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

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

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

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

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

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***Murree Brewery Company Limited***  
*Board of Directors*



**Mr. Aamir H. Shirazi**  
**Non-Executive Director**

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

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

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

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

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

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*Board of Directors*



**Mrs. Goshi M. Bhandara**  
**Non-Executive Director**

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



**Mr. Shahbaz Haider Agha**  
**Independent Director**

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

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***Murree Brewery Company Limited***  
*Board of Directors*



**Prof. Khalid Aziz Mirza**  
**Independent Director**

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

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

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

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*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

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**Murree Brewery Company Limited**  
*Board of Directors*



**Ms . Jahanara Sajjad Ahmad, FCA**

**Independent Director**

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

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

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

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

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

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*Board of Directors*

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

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

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

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

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*Principal Officers*



Ch. Waqar A. Kahloon  
Company Secretary



Mr. Mazhar Iqbal  
Chief Financial Officer



Malik Saqib Gulnawaz  
Head of Internal Audit

*Murree Brewery Company Limited*  
**MURREE BREWERY COMPANY LIMITED**  
3-NATIONAL PARK ROAD RAWALPINDI, PAKISTAN  
**NOTICE OF 154<sup>TH</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the 154<sup>th</sup> Annual General Meeting of the Company (AGM) will be held at its Registered Office, 3-National Park Road, Rawalpindi on Friday, October 22, 2021 at 9:30 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, 2021 and Chairman's Review Report.
2. To approve the payment of final cash dividend of 100% i.e. Rs. 10/- per share of Rs. 10/- each, as recommended by the Board of Directors. This is in addition to the interim dividends of 200% i.e. Rs. 20/- per share already declared and paid to the shareholders, thus, making a total cash dividend of 300% i.e. Rs. 30/- per share for the year ended June 30, 2021.
3. To appoint Auditors of the Company and to fix their remuneration. The members are hereby notified that the Audit & Risk Management Committee and Board of Directors have recommended the appointment of retiring Auditors, M/s KPMG Taseer Hadi & Co. Chartered Accountants, as auditors of the Company.
4. **SPECIAL BUSINESS:**  
To consider and approve transmission of annual reports including annual audited financial statements, auditor's report and directors' report, notices of annual general meetings and other information contained therein of the Company to members either through CD or DVD or USB at their registered addresses in terms of S.R.O. 470(1)/2016 dated 31 May 2016 issued by Securities and Exchange Commission of Pakistan and to pass the following resolution as an Ordinary Resolution, with or without modification:

**"Resolved that** consent & approval of the members of Murree Brewery Company Limited (the "Company") be and is hereby accorded for transmission of annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company to the members for future years commencing from the year ending on 30 June 2022 through CD or DVD or USB instead of transmitting the same in hard copies.

**Resolved further** that Chief Executive Officer or Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things, take or cause to be taken all necessary actions to implement to comply with all legal formalities and requirements and file necessary documents as may be necessary or incidental for the purposes of implementing this resolution".

BY ORDER OF THE BOARD

Rawalpindi  
October 01, 2021

  
**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, 2021 to October 22, 2021 (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, 2021 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.

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**Murree Brewery Company Limited**

**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 Company intends to convene this AGM with minimal physical interaction of shareholders while ensuring compliance with the quorum requirements and requests the members to consolidate their attendance and voting at the AGM through proxies. The meeting can be attended using smart phones/tablets/computers. To attend the meeting through video link, the members and their proxies are requested to register themselves by providing the following information along with valid copy of CNIC / passport with the subject "Registration for Murree Brewery Company Limited AGM" through email at [general.meetings@murreebrewery.com](mailto:general.meetings@murreebrewery.com) on or before 20<sup>th</sup> October, 2021.

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

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

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

**CHANGE OF ADDRESS:**

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

**AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON COMPANY'S WEBSITE:**

The audited financial statements of the Company for the year ended June 30, 2021 along with Directors' and Auditor's Report, Chairman's Review Report, Notice of AGM and other related materials have been made available on the Company's website [www.murreebrewery.com](http://www.murreebrewery.com), in addition to annual and quarterly financial statements for the prior years.

**DEPOSIT OF PHYSICAL SHARES IN TO CDC ACCOUNT**

As per Section 72 of the Companies Act, 2017, every existing company shall replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Securities and Exchange Commission of Pakistan, within a period not exceeding four years from the commencement of the Companies Act, 2017 i.e. May 31, 2017. The shareholders holding shares in physical form are requested to please convert their shares in the book-entry form. For this purpose, the shareholders may open CDC sub-account with any of the brokers or investor account directly with the CDC to place their physical shares into scrip-less form. This will facilitate them in many ways including safe custody and sale of shares, anytime they want as the trading of physical shares is not permitted as per existing Regulations of the Pakistan Stock Exchange limited. It also reduces the risks and costs associated with storing share certificate(s) and replacing lost or stolen certificate(s) as well as fraudulent transfer of shares. For the procedure of conversion of physical shares into book-entry form, you may approach our Share Registrar at the contact information given above.

**PAYMENT OF CASH DIVIDEND THROUGH ELECTRONIC MODE**

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

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

**CIRCULATION OF ANNUAL AUDITED ACCOUNTS AND NOTICE OF AGM ETC., THROUGH EMAIL**

The shareholders who desire to receive Annual Audited Financial Statements and Notice of AGM through email are requested to fill the requisite form titled 'Standard Request Form' placed on the website and send it to the Company Secretary at the Registered Office of the Company. In case any member, subsequently, requests for hard copy of Annual Financial Statements, the same shall be provided free of cost within seven days of receipt of such request.

**Statement under Section 134 (3) of the Companies Act, 2017**

This statement set out the material facts concerning the special business to be transacted at the annual general meeting of the Company to be held on 22 October, 2021.

**Circulations of Annual Reports through CD/DVD/USB**

Securities and Exchange Commission of Pakistan has vide S.R.O 470(I)/2016 dated 31<sup>st</sup> May 2016 allowed the companies to circulate the annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company to its members through CD/DVD/USB subject to consent of the shareholders in the general meeting. This will save time and expenses incurred on printing of the annual report.

The Company shall supply the hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand. After approval of the shareholders, the Company will place a Standard Request Form on its website to communicate their need of hard copies of the documents along with postal and email address of the Company Secretary/Share Registrar to whom such requests shall be made.

Accordingly, the directors have placed the matter before the shareholders for their approval and to pass the ordinary resolution as proposed in the notice of meeting. The directors are not interested, directly or indirectly, in the above business except to the extent of their investment as has been detailed in the pattern of shareholding annexed to the Directors' Report.

## CHAIRMAN'S REVIEW

I feel pleasure in presenting the 154<sup>th</sup> annual report and audited financial statements of the Company for the year ended June 30, 2021, to our valued shareholders.

The financial year 2021 has been a challenging year for Pakistan's economy. The COVID-19 pandemic has been a source of constant stress and anxiety throughout the year. Pakistan's economy, however, showed its resilience and was quick to get back to a positive growth mode. The Company took appropriate measures to combat challenges thrown up by the pandemic, and to exploit the restoration of consumer demand for its products.

In exercising its responsibilities, the Board continued to actively interact with the management to identify risks to the business and to anticipate possible issues concerning its performance. The Board was fully involved in the Company's strategic planning processes and it remained committed to ensuring high standards of Corporate Governance. The Board's collective performance is reflected in the Annual Report for the financial year ended 30<sup>th</sup> June, 2021.

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

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 the highest standards. During the process of evaluation the performance of the Board's sub-committees was also analyzed. The Company is fully compliant with the training requirements of management and staff, as prescribed by the Regulator.

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

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

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



**Ch. Mueen Afzal**  
Chairman

Rawalpindi September 17, 2021

## **DIRECTORS' REPORT**

**For the year ended June 30, 2021**

The Board of Directors takes pleasure in presenting the annual report on the performance and progress of the Company together with the audited financial statements for the year ended June 30, 2021.

### **BUSINESS REVIEW OF THE COMPANY**

Murree Brewery has completed 161 years of continuous operations and is one of the oldest companies quoted on the Pakistan Stock Exchange (PSX).

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**

|                        |              |       |      |           |    | <b>Rs. in million</b> |
|------------------------|--------------|-------|------|-----------|----|-----------------------|
| Sales revenue (Net)    | Increased by | 29.9% | from | 8,997     | to | 11,687                |
| Gross Profit           | Increased by | 29.4% | from | 2,301     | to | 2,977                 |
| Profit before Taxation | Increased by | 60.7% | from | 1,038     | to | 1,668                 |
| Profit after Taxation  | Increased by | 89.4% | from | 682       | to | 1,291                 |
| Earnings per share     | Increased by | 89.4% | from | Rs. 24.64 | to | Rs. 46.68             |

The profit after tax of the Company increased under challenging operating conditions (however, it is pertinent to mention that last corresponding year was remained closed for few months due to lock down imposed by the Govt. for Covid-19 pandemic) and it is due to the leadership and planning of CEO and the dedication and work of all management staff and workers.

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**ii. Divisional Operating Results**

The results of our divisions were:

**a. Liquor Division**

|                                     | <b>2021</b><br><b>Rs. in million</b> | <b>%</b> | <b>2020</b><br><b>Rs. in million</b> | <b>%</b> |
|-------------------------------------|--------------------------------------|----------|--------------------------------------|----------|
| Sales exclusive of applicable taxes | 9,049                                |          | 6,847                                |          |
| Cost of sales                       | (6,897)                              | (76.2)   | (5,126)                              | (74.9)   |
| Gross profit                        | 2,151                                | 23.8     | 1,720                                | 25.1     |
| Operating profit                    | 1,372                                | 15.2     | 932                                  | 13.6     |

**b. Glass Division**

|                                     | <b>2021</b><br><b>Rs. in million</b> | <b>%</b>    | <b>2020</b><br><b>Rs. in million</b> | <b>%</b>    |
|-------------------------------------|--------------------------------------|-------------|--------------------------------------|-------------|
| Sales exclusive of applicable taxes | 1,749                                |             | 1,411                                |             |
| Cost of sales                       | (1,333)                              | (76.2)      | (1,120)                              | (79.4)      |
| Gross profit                        | 415                                  | 23.7        | 290                                  | 20.6        |
| Operating profit                    | 378                                  | 21.6        | 65                                   | 4.6         |
| Glass Containers sales              | 32,161                               | Metric Tons | 27,064                               | Metric Tons |

**c. Tops Division**

|                                     | <b>2021</b><br><b>Rs. in million</b> | <b>%</b> | <b>2020</b><br><b>Rs. in million</b> | <b>%</b> |
|-------------------------------------|--------------------------------------|----------|--------------------------------------|----------|
| Sales exclusive of applicable taxes | 2,977                                |          | 2,549                                |          |
| Cost of sales                       | (2,568)                              | (86.2)   | (2,258)                              | (88.6)   |
| Gross profit                        | 409                                  | 13.7     | 291                                  | 11.4     |
| Operating (Loss)                    | (66)                                 | (2.4)    | (218)                                | (8.6)    |

**IMPORTANT ISSUES:**

**i. Gas Infrastructure Development Cess (GIDC):**

The honorable Supreme Court of Pakistan decided the matter of GIDC in favor of the Government on 13<sup>th</sup> August, 2020. Subsequent to the decision, review petitions were filed by the companies but the Supreme Court upheld its earlier decision. Company has already provided for the GIDC expense in its financial statements on 30<sup>th</sup> June, 2020, which is now being paid in installments as directed by the Supreme Court of Pakistan in two years time.

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**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. The order issued effective from December 2018 applies to all industries consuming water in Pakistan. 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. 10 per share for the year ended June 30, 2021 bringing the full year payout to Rs. 30 per share (300% - previous year 250%). This shall be subject to the approval of Shareholders at their meeting scheduled on October 22, 2021.

**RISK AND UNCERTAINTIES**

The Company's main risks in the short term are, the payment/demand of Late Payment Surcharge (LPS) for rate differential of Sui Gas bills amounting to Rs. 130 million (approx.) and Water Tax as per Supreme Court review if decided against the Company.

**PATTERN OF SHAREHOLDING**

The total number of Company's shareholders as at June 30, 2021 was 1,223 against 1,254 on June 30, 2020. The pattern of shareholding as on June 30, 2021 and its disclosure is annexed.

**EARNINGS PER SHARE**

Earnings per share for the year ended June 30, 2021 is Rs. 46.68 as against Rs. 24.64 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 & Risk Management 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   | : | Six |
| b. | Female | : | Two |

| Category                 | Names   |
|--------------------------|---|
| a) Independent Directors | Prof. Khalid Aziz Mirza<br>Mr. Shahbaz Haider Agha<br>Mr. Pervaiz Akhtar<br>Ms. Jahanara Sajjad Ahmad |

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|                            |   |
|----------------------------|---|
| b) Non-Executive Directors | Ch. Mueen Afzal<br>Mr. Aamir H. Shirazi<br>Mrs. Goshi M. Bhandara |
| c) Executive Director      | Mr. Isphanyar M. Bhandara   |
| d) Female Directors        | Mrs. Goshi M. Bhandara<br>Ms. Jahanara Sajjad Ahmad               |

#### **COMMITTEES OF THE BOARD**

**i. Audit & Risk Management Committee:**

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

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

**ii. HR & Remuneration and Nomination Committee:**

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

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

#### **STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK**

The Directors state that:

- a. The financial statements for the year ended June 30, 2021 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.

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- 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, 2021, 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 audited Provident Fund and un-audited Pension Fund investment at June 30, 2021 was Rs. 148.871 million (2020: Rs. 133.5 million) and Rs. 71.06 million (2020: Rs. 62.8 million) respectively.
- l. During the year 2020-21, six (06) Board meetings, four (04) Audit & Risk Management Committee meetings and four (04) HR & Remuneration and Nomination Committee meetings were held.

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

| NAME OF DIRECTOR          | BOARD OF DIRECTORS | AUDIT & RISK<br>MANAGEMENT COMMITTEE | HR & REMUNERATION<br>AND NOMINATION COMMITTEE |
|---------------------------|--------------------|--------------------------------------|---|
| Ch. Mucen Afzal           | 6/6                | 4/4                                  | 4/4   |
| Mr. Isphanyar M. Bhandara | 6/6                | 04 (by invitation)                   | 4/4   |
| Mr. Aamir H. Shirazi      | 6/6                | -                                    | 4/4   |
| Mrs. Goshi M. Bhandara    | 6/6                | 0/4                                  | -   |
| Prof. Khalid Aziz Mirza   | 6/6                | 4/4                                  | 4/4   |
| Mr. Shahbaz Haider Agha   | 5/6                | 4/4                                  | -   |
| Mr. Pervaiz Akhtar        | 6/6                | -                                    | 3/4   |
| Ms. Jahanara Sajjad Ahmad | 3/6                | 1/4                                  | -   |

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.

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**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 2020-21, the Company has donated Rs. 4.12 million to various welfare organizations.

The Company continues to make available 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 to be self-reliant, computer literate and contributing members of society. This property has been provided free of charge by the company with furniture and fittings and the Company bears the cost of utilities and maintenance.

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

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

**ENVIRONMENT, QUALITY, HEALTH & SAFETY MANAGEMENT SYSTEM**

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

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

**COVID-19 EFFECTS AND MEASURES**

The Company continues to operate under the challenge of the COVID-19 Pandemic. Company management is pleased to announce that it has been able to maintain strict SOPs for combating the COVID-19 pandemic to keep the team and the workplace safe under these challenging circumstances. Further, more than 80% employees of the Company have been vaccinated.

**CONTRIBUTION TO NATIONAL EXCHEQUER**

Your company contributed a sum of Rs. 4,285 million (previous year Rs. 4,958 million) to the Government exchequer on account of duties and taxes.

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**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# 42 to the financial statements for the year ended June 30, 2021.

**RELATED PARTY TRANSACTIONS**

In accordance with the Section 208 of the Companies Act, 2017 and Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018, the Board of Directors has approved the related party transactions as per policy.

**AUDITORS**

Statutory Audit of the Company for the financial year ended June 30, 2021 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 2021-22. The Board proposes their appointment as Auditors for the financial year ending June 30, 2022 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, 2021.

**OUTLOOK**

Despite a tough economic and operating environment, the management remains committed to navigate the situation. We wish to continue our journey towards prosperity by enhancing the profitability of the Company in future.

**APPRECIATION**

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

**ON BEHALF OF THE BOARD**



**Isphanyar M. Bhandara**  
Chief Executive Officer



**Jahanara Sajjad Ahmad**  
Director

Rawalpindi September 17, 2021

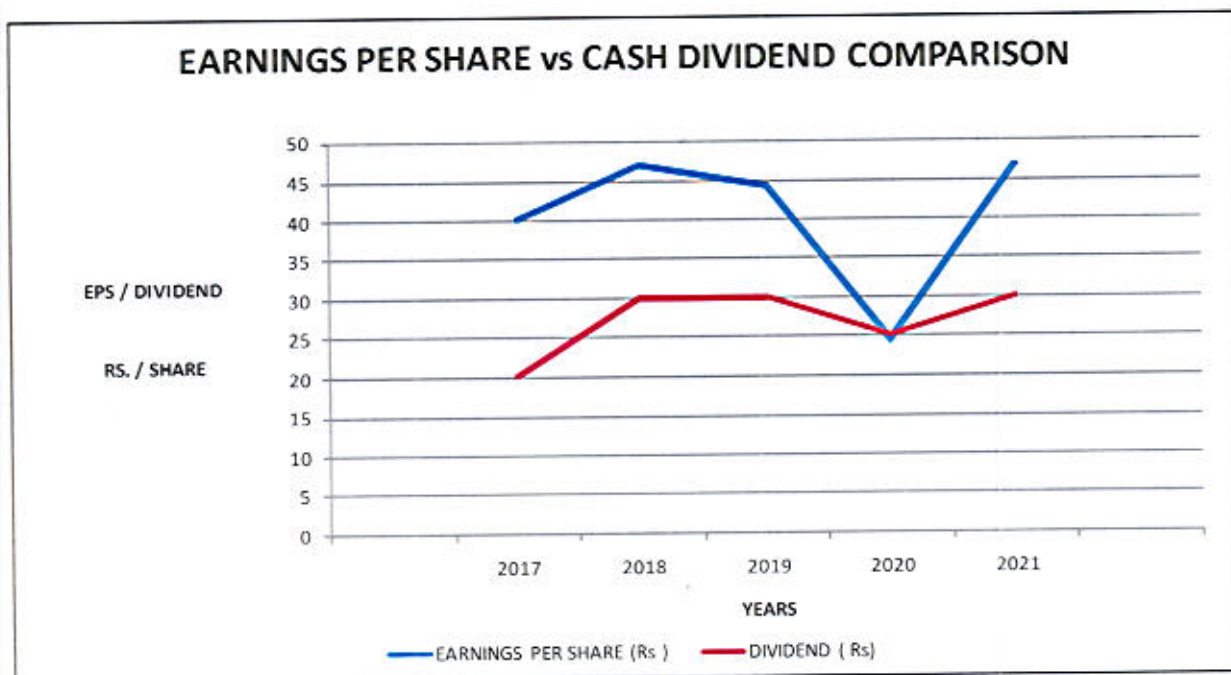
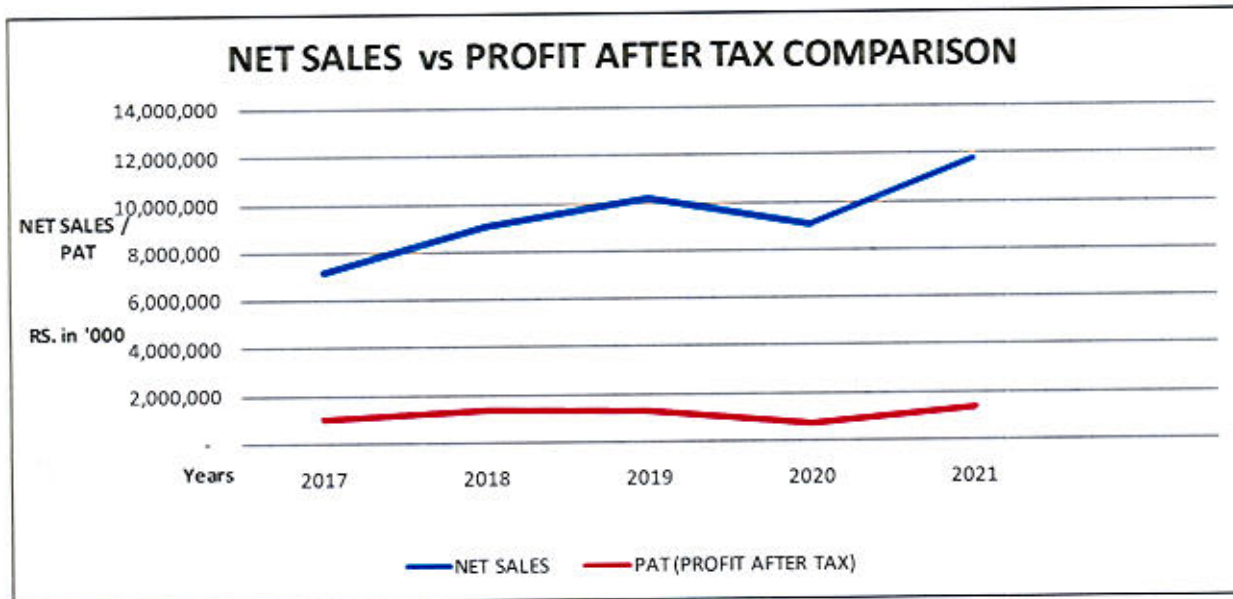
# Murree Brewery Company Limited

## SIX YEARS AT A GLANCE

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| S. # | PARTICULARS                            | 2021     | 2020    | 2019     | 2018    | 2017    | 2016    |
|------|--|----------|---------|----------|---------|---------|---------|
| 1    | PAID UP CAPITAL                        | 276.6    | 276.6   | 276.6    | 230.5   | 230.5   | 230.5   |
| 2    | RESERVE & SURPLUS                      | 11,506.2 | 9,985.7 | 10,025.9 | 9,467.0 | 8,786.0 | 8,120.3 |
| 3    | FIXED ASSETS (LESS DEPRECIATION)       | 6,355.1  | 5,157.2 | 5,386.0  | 4,846.2 | 4,675.5 | 3,942.9 |
| 4    | NET SALES                              | 11,687.3 | 8,996.9 | 10,121.3 | 9,058.6 | 7,139.6 | 6,657.3 |
| 5    | COST OF SALES                          | 8,710.3  | 6,695.4 | 7,256.0  | 6,189.4 | 4,972.8 | 4,414.0 |
| 6    | GROSS PROFIT                           | 2,977.0  | 2,301.5 | 2,865.3  | 2,869.3 | 2,166.8 | 2,243.4 |
| 7    | PROFIT BEFORE TAX                      | 1,667.9  | 1,038.0 | 1,662.8  | 1,827.8 | 1,350.9 | 1,566.7 |
| 8    | CASH DIVIDEND %                        | 300      | 250     | 300      | 300     | 200     | 200     |
| 9    | STOCK DIVIDEND %                       | -        | -       | -        | 20%     | -       | -       |
| 10   | RETURN ON EQUITY %                     | 12.0%    | 6.8%    | 12.2%    | 13.7%   | 15.6%   | 21.7%   |
| 11   | BREAK-UP VALUE OF SHARE OF RS. 10 EACH | 415.9    | 361.0   | 362.4    | 410.7   | 262.4   | 251.5   |
| 12   | EARNINGS PER SHARE (EPS)               | 46.7     | 24.6    | 44.2     | 46.9    | 39.9    | 49.9    |
| 13   | P/E Ratio                              | 12.7     | 27.3    | 16.9     | 18.3    | 25.0    | 19.5    |

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# Murree Brewery Company Limited

## STATEMENT OF FINANCIAL POSITION - VERTICAL ANALYSIS

|   | 2021       | 2020 | 2019       | 2018 | 2017       | 2016 |
|---|------------|------|------------|------|------------|------|
|   | Rs.        | %    | Rs.        | %    | Rs.        | %    |
| <b>EQUITY AND LIABILITIES</b>               |            |      |            |      |            |      |
| <b>EQUITY</b>                               |            |      |            |      |            |      |
| Share Capital                               | 276,636    | 2.0  | 276,636    | 2.3  | 276,636    | 2.2  |
| Capital Reserve                             | 30,681     | 0.2  | 30,681     | 0.3  | 30,681     | 0.3  |
| Contingency Reserve                         | -          | -    | -          | -    | 20,000     | 0.2  |
| General Reserve                             | -          | -    | -          | -    | 327,042    | 3.2  |
| Reserve for Bonus Share                     | -          | -    | -          | -    | 3,457,494  | 33.4 |
| Revenue Reserves                            | 7,475,612  | 52.9 | 6,785,176  | 56.4 | 1,083,381  | 19.2 |
| Surplus on revaluation of assets            | 3,773,307  | 26.9 | 2,893,179  | 24.0 | 2,366,369  | 28.6 |
|   | 11,506,236 | 81.9 | 9,985,672  | 82.9 | 9,016,457  | 87.1 |
| <b>NON - CURRENT LIABILITIES</b>            |            |      |            |      |            |      |
| Liabilities against assets to finance lease | 3,754      | 0.0  | 32,561     | 0.2  | -          | -    |
| Long term loan                              | 124,749    | 0.9  | -          | -    | -          | -    |
| Deferred grant                              | 2,659      | 0.0  | -          | -    | -          | -    |
| Deferred liabilities - staff retirement     | 281,974    | 2.0  | 267,977    | 2.2  | 182,459    | 1.8  |
| Deferred taxation                           | 401,352    | 2.9  | 239,863    | 1.9  | 197,868    | 1.9  |
|   | 814,687    | 5.8  | 539,401    | 4.3  | 380,327    | 3.8  |
| <b>CURRENT LIABILITIES</b>                  |            |      |            |      |            |      |
| Current portion of Lease liabilities        | 22,046     | 0.2  | 89,859     | 0.7  | 6,669      | 0.1  |
| Trade and other payables                    | 1,218,348  | 8.7  | 1,204,977  | 10.0 | 716,148    | 6.6  |
| Contract liabilities                        | 201,616    | 1.4  | 109,842    | 0.9  | 940,047    | 9.1  |
| Current portion of long term loan           | 158,417    | 1.1  | -          | -    | -          | -    |
| Current portion of deferred grant           | 13,724     | 0.1  | 71,843     | 0.6  | -          | -    |
| Unpaid dividend                             | 76,003     | 0.5  | 58,600     | 0.5  | 131,316    | 1.2  |
| Unclaimed dividend                          | 32,579     | 0.2  | -          | -    | -          | -    |
| Provision for taxation                      | -          | -    | -          | -    | -          | -    |
|   | 1,721,733  | 12.3 | 1,534,221  | 12.7 | 1,015,793  | 9.3  |
|   | 14,041,656 | 100  | 12,040,294 | 100  | 10,396,036 | 100  |
| <b>NON - CURRENT ASSETS</b>                 |            |      |            |      |            |      |
| Property, plant and equipment               | 6,355,066  | 45.3 | 5,157,220  | 42.8 | 4,846,231  | 44.4 |
| Right of use assets                         | 25,636     | 0.2  | 321,559    | 2.7  | -          | -    |
| Intangible Assets                           | 782        | 0.0  | 1,301      | 0.0  | 2,339      | 0.0  |
| Advance for Capital Expenditure             | 42,478     | 0.3  | 82,036     | 0.7  | 45,591     | 0.4  |
| Investment property                         | 397,856    | 2.8  | 358,027    | 3.0  | 282,340    | 2.7  |
| Long term advances                          | 13,948     | 0.1  | 17,686     | 0.1  | 10,494     | 0.1  |
| Long term investment                        | 914,466    | 6.5  | 517,473    | 4.3  | 526,509    | 5.1  |
| Long term deposits                          | 38,666     | 0.3  | 35,754     | 0.3  | 26,918     | 0.2  |
| Employee Benefits                           | 30,189     | 0.2  | 1,334      | 0.0  | -          | -    |
|   | 7,418,517  | 52.8 | 6,507,390  | 54.0 | 5,574,850  | 53.8 |
| <b>CURRENT ASSETS</b>                       |            |      |            |      |            |      |
| Inventories                                 | 1,937,621  | 13.8 | 1,862,119  | 15.5 | 1,535,205  | 14.8 |
| Trade debtors - unsecured                   | 31,372     | 0.2  | 25,926     | 0.2  | 82,342     | 0.8  |
| Advances, prepayments and other receivable  | 208,246    | 1.5  | 214,181    | 1.8  | 138,631    | 1.3  |
| Short term investment                       | 4,991,774  | 35.5 | 1,337,179  | 11.1 | 1,221,042  | 11.8 |
| Advances tax                                | 255,339    | 1.8  | 372,106    | 3.1  | 296,136    | 2.9  |
| Cash and bank balances                      | 2,197,788  | 15.7 | 1,694,452  | 14.1 | 1,642,706  | 15.9 |
|   | 6,624,141  | 47.2 | 5,531,904  | 46.0 | 4,531,956  | 46.2 |
|   | 14,041,656 | 100  | 12,040,294 | 100  | 10,396,036 | 100  |

# STATEMENT OF PROFIT & LOSS

## HORIZONTAL ANALYSIS

|                                | 2021       | 21 vs 20 | 2020      | 2019     | 19 vs 18   | 2018   | 18 vs 17  | 2017 | 17 vs 16  | 2016   | 16 vs 15  | 2015   |
|--------------------------------|------------|----------|-----------|----------|------------|--------|-----------|------|-----------|--------|-----------|--------|
|                                | Rs.        | %        | Rs.       | Rs.      | %          | Rs.    | %         | Rs.  | %         | Rs.    | %         | Rs.    |
| Sales (Net)                    | 11,687,289 | 29.90    | 8,996,909 | (11,111) | 10,121,280 | 11.7   | 9,058,672 | 26.9 | 7,139,601 | 7.2    | 6,687,314 | 10.4   |
| Cost of Sales                  | 8,710,319  | 30.1     | 6,695,444 | (17.5)   | 7,236,021  | 16.9   | 6,189,422 | 24.5 | 4,972,774 | 12.7   | 4,413,950 | 13.6   |
| Gross Profit                   | 2,976,970  | (0.2)    | 2,301,465 | (1.6)    | 2,885,259  | 0.6    | 2,869,250 | 32.4 | 2,166,827 | (3.3)  | 2,273,364 | 4.7    |
| Distribution Cost              | 909,207    | 4.5      | 870,114   | (19.2)   | 1,077,370  | 42.4   | 756,711   | 27.1 | 598,279   | 14.0   | 522,096   | 23.0   |
| Administrative Expenses        | 469,581    | (7.4)    | 507,140   | 27.9     | 396,642    | (5.1)  | 417,832   | 24.3 | 336,215   | 26.8   | 265,198   | 10.3   |
| Other Expenses                 | 239,158    | (12.4)   | 273,018   | 134.0    | 116,692    | (3.7)  | 121,212   | 28.1 | 94,629    | 1.3    | 108,100   | 1.6    |
| Other Income                   | 81,233     | 17.0     | 69,450    | (15.2)   | 107,220    | 19.1   | 90,021    | 52.6 | 55,996    | 0.8    | 220,748   | 3.3    |
| Impairment loss on trade debts | (5,013)    | (260.8)  | 3,117     | 608.8    | 441        | (94.2) | 7,960     | -    | -         | -      | -         | -      |
| Operating Profit               | 1,445,270  | 101.42   | 717,526   | (1788)   | 1,401,334  | (15.4) | 1,655,456 | 35.0 | 1,199,700 | (23.5) | 1,568,718 | (3.9)  |
| Finance Cost                   | 29,512     | 5.2      | 28,064    | 64.6     | 17,053     | (15.3) | 20,134    | 20.6 | 16,690    | 725.0  | 2,023     | 2.8    |
| Finance Income                 | 252,101    | (27.7)   | 348,510   | 25.1     | 278,544    | 44.1   | 192,446   | 14.6 | 167,933   | -      | -         | -      |
| Net Profit before taxation     | 1,667,859  | 60.68    | 1,037,972 | (828)    | 1,662,825  | (9.0)  | 1,827,868 | 35.3 | 1,350,943 | (13.8) | 1,566,695 | (3.9)  |
| Provision for taxation         | 376,387    | 5.7      | 356,244   | (19.0)   | 439,888    | (17.2) | 531,507   | 22.6 | 430,156   | (1.1)  | 435,013   | (3.4)  |
| Net profit after taxation      | 1,291,472  | 89.44    | 681,728   | (44.25)  | 1,222,937  | (5.7)  | 1,286,361 | 40.8 | 920,807   | (15.6) | 1,131,682 | (13.6) |

## VERTICAL ANALYSIS

|                                | 2021       | 2020      | 2019       | 2018      | 2017      | 2016      | 2015      |
|--------------------------------|------------|-----------|------------|-----------|-----------|-----------|-----------|
|                                | Rs.        | Rs.       | Rs.        | Rs.       | Rs.       | Rs.       | Rs.       |
| Sales                          | 11,687,289 | 8,996,909 | 10,121,280 | 9,058,672 | 7,139,601 | 6,687,314 | 6,029,292 |
| Cost of Sales                  | 8,710,319  | 6,695,444 | 7,236,021  | 6,189,422 | 4,972,774 | 4,413,950 | 3,887,109 |
| Gross Profit                   | 2,976,970  | 2,301,465 | 2,885,259  | 2,869,250 | 2,166,827 | 2,243,364 | 2,142,183 |
| Distribution Cost              | 909,207    | 870,114   | 1,077,370  | 756,711   | 598,279   | 522,096   | 424,442   |
| Administrative Expenses        | 469,581    | 507,140   | 396,642    | 417,832   | 336,215   | 265,198   | 240,391   |
| Other Expenses                 | 239,158    | 273,018   | 116,692    | 121,212   | 94,629    | 108,100   | 109,412   |
| Other Income                   | 81,233     | 69,450    | 107,220    | 90,021    | 55,996    | 220,748   | 263,997   |
| Impairment loss on trade debts | (5,013)    | 3,117     | 441        | 7,960     | -         | -         | -         |
| Operating Profit               | 1,445,270  | 717,526   | 1,401,334  | 1,655,456 | 1,199,700 | 1,568,718 | 1,631,935 |
| Finance Cost                   | 29,512     | 28,064    | 17,053     | 20,134    | 16,690    | 2,023     | 1,967     |
| Finance Income                 | 252,101    | 348,510   | 278,544    | 192,446   | 167,933   | -         | -         |
| Profit before tax              | 1,667,859  | 1,037,972 | 1,662,825  | 1,827,868 | 1,350,943 | 1,566,695 | 1,629,988 |
| Provision for taxation         | 376,387    | 356,244   | 439,888    | 531,507   | 430,156   | 435,013   | 633,885   |
| Net profit after taxation      | 1,291,472  | 681,728   | 1,222,937  | 1,286,361 | 920,807   | 1,131,682 | 996,083   |

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**Murree Brewery Company Limited**

**Pattern of Shareholding**  
**As of June 30, 2021**

| # Of Shareholders | Shareholdings' Slab |    |         | Total Shares Held |
|-------------------|---------------------|----|---------|-------------------|
| 427               | 1                   | to | 100     | 14,179            |
| 339               | 101                 | to | 500     | 83,920            |
| 125               | 501                 | to | 1000    | 93,506            |
| 167               | 1001                | to | 5000    | 398,246           |
| 67                | 5001                | to | 10000   | 477,069           |
| 21                | 10001               | to | 15000   | 270,491           |
| 18                | 15001               | to | 20000   | 314,194           |
| 13                | 20001               | to | 25000   | 289,051           |
| 3                 | 25001               | to | 30000   | 84,508            |
| 3                 | 30001               | to | 35000   | 93,120            |
| 3                 | 35001               | to | 40000   | 112,582           |
| 1                 | 40001               | to | 45000   | 45,000            |
| 3                 | 45001               | to | 50000   | 142,057           |
| 2                 | 50001               | to | 55000   | 102,240           |
| 1                 | 55001               | to | 60000   | 56,954            |
| 2                 | 60001               | to | 65000   | 120,505           |
| 1                 | 70001               | to | 75000   | 72,606            |
| 1                 | 80001               | to | 85000   | 82,923            |
| 2                 | 85001               | to | 90000   | 177,598           |
| 1                 | 95001               | to | 100000  | 100,000           |
| 1                 | 105001              | to | 110000  | 106,600           |
| 1                 | 145001              | to | 150000  | 146,884           |
| 1                 | 155001              | to | 160000  | 156,487           |
| 1                 | 200001              | to | 205000  | 202,000           |
| 1                 | 215001              | to | 220000  | 215,320           |
| 1                 | 265001              | to | 270000  | 265,200           |
| 1                 | 300001              | to | 305000  | 304,060           |
| 1                 | 315001              | to | 320000  | 319,441           |
| 1                 | 420001              | to | 425000  | 420,232           |
| 1                 | 455001              | to | 460000  | 457,040           |
| 1                 | 465001              | to | 470000  | 469,503           |
| 1                 | 500001              | to | 505000  | 500,008           |
| 1                 | 555001              | to | 560000  | 555,560           |
| 1                 | 605001              | to | 610000  | 609,100           |
| 1                 | 635001              | to | 640000  | 637,990           |
| 1                 | 675001              | to | 680000  | 678,516           |
| 1                 | 720001              | to | 725000  | 720,815           |
| 1                 | 875001              | to | 880000  | 879,149           |
| 1                 | 1000001             | to | 1005000 | 1,000,074         |
| 1                 | 1700001             | to | 1705000 | 1,701,527         |
| 1                 | 4030001             | to | 4035000 | 4,030,810         |
| 1                 | 4145001             | to | 4150000 | 4,146,240         |
| 1                 | 6010001             | to | 6015000 | 6,010,325         |
| <b>1223</b>       |                     |    |         | <b>27,663,630</b> |

*Annual Report, 2021*  
**Murree Brewery Company Limited**

**Pattern of Shareholding  
As of June 30, 2021**

| Categories of Shareholders   | Shareholders | Shares Held        | Percentage        |
|--|--------------|--------------------|-------------------|
| <b>Directors and their spouse(s) and minor children</b>                                  |              |                    |                   |
| MR. ISPHANYAR M. BHANDARA  | 2            | 4,603,280          | 16.64             |
| MRS. JASMINE BHANDARA  | 2            | 334,211            | 1.21              |
| MRS. GOSHI M BHANDARA  | 1            | 1,000,074          | 3.62              |
| MR. AAMIR HUSSAIN SHIRAZI  | 1            | 3,084              | 0.01              |
| MS. JAHANARA SAJJAD AHMAD  | 1            | 1,000              | 0.00              |
| CH. MUEEN AFZAL  | 1            | 3,852              | 0.01              |
| MR. SHAHBAZ HAIDER AGHA  | 1            | 2,178              | 0.01              |
| PROF. KHALID AZIZ MIRZA  | 1            | 1,200              | 0.00              |
| MR. PERVAIZ AKHTAR   | 1            | 1,000              | 0.00              |
| <b>Associated Companies, undertakings and related parties</b>                            | 9            | 9,165,713          | 33.13             |
| <b>NIT &amp; ICP</b>   | 2            | 448                | 0.00              |
| <b>Banks Development Financial Institutions, Non Banking Financial Financial Institu</b> | 5            | 27,793             | 0.10              |
| <b>Insurance Companies</b>   | 4            | 933,240            | 3.37              |
| <b>Modarabas and Mutual Funds</b>  | 5            | 247,580            | 0.89              |
| <b>General Public</b>  |              |                    |                   |
| a. Local   | 1,116        | 2,738,711          | 9.90              |
| b. Foreign   | 32           | 1,272,859          | 4.60              |
| <b>Foreign Companies</b>   | 5            | 7,085,198          | 25.61             |
| <b>Others</b>  | 34           | 242,209            | 0.88              |
| <b>Totals</b>  | <b>1,223</b> | <b>27,663,630</b>  | <b>100.00</b>     |
|  |              |                    |                   |
| <b>Share holders holding 10% or more</b>   |              | <b>Shares Held</b> | <b>Percentage</b> |
| MR. ISPHANYAR M. BHANDARA  |              | 4,603,280          | 16.64             |
| M/S. D.P. EDULJI & COMPANY (PVT) LIMITED   |              | 4,909,959          | 17.75             |
| KINGSWAY FUND-FRONTIER CONSUMER FRANCHISES   |              | 6,010,325          | 21.73             |

*Annual Report, 2021*  
**Murree Brewery Company Limited**

**Pattern of Shareholding  
As of June 30, 2021**

| S.No.  | Folio #      | Name of shareholder  | Number of shares | Per %            |              |
|--|--------------|--|------------------|------------------|--------------|
| <b>Directors and their spouse(s) and minor children</b>                              |              |  |                  |                  |              |
| 1  | 90022        | MR. ISPHANYAR M. BHANDARA  | 4,146,240        | 14.99            |              |
| 2  | 04705-11016  | MR. ISPHANYAR M. BHANDARA  | 45,700           | 1.65             |              |
| 3  | 261021       | MRS. JASMINE BHANDARA  | 119,441          | 1.15             |              |
| 4  | 04705-99009  | MRS. JASMINE BHANDARA  | 14,770           | 0.05             |              |
| 5  | 261123       | MRS. GOSHI M BHANDARA  | 1,000,074        | 3.67             |              |
| 6  | 03277-107223 | MR. AAMIR HUSSAIN SHIRAZI  | 3,084            | 0.01             |              |
| 7  | 03459-28005  | MS. JAHANARA SAJJAD AHMAD  | 1,000            | 0.00             |              |
| 8  | 03525-11880  | CH. MUEEN ALZAI  | 3,852            | 0.01             |              |
| 9  | 03525-108190 | MR. SHAHBAZ HAIDER AGHA  | 2,178            | 0.01             |              |
| 10   | 04804-27640  | PROF. KHALID AZIZ MIRZA  | 1,700            | 0.00             |              |
| 11   | 05264-140165 | MR. PERVAIZ AKHTAR   | 1,000            | 0.00             |              |
|  |              |  | <b>11</b>        | <b>5,949,879</b> | <b>21.51</b> |
| <b>Associated companies, undertakings and related parties</b>                        |              |  |                  |                  |              |
| 1  | 40029        | D.P. EDULJI & COMPANY (PVT) LIMITED  | 4,010,810        | 14.57            |              |
| 2  | 03525-98607  | D.P. EDULJI & COMPANY (PVT) LIMITED  | 879,149          | 3.18             |              |
| 3  | 130089       | MS. MUNIZAH M. BHANDARA  | 720,815          | 2.61             |              |
| 4  | 110111       | MS. MUNIZAH M. BHANDARA & MRS. GOSHI M BHANDARA                              | 420,717          | 1.52             |              |
| 5  | 261121       | MR. ZANE ISPHANYAR BHANDARA  | 500,008          | 1.81             |              |
| 6  | 261122       | MR. JAMSHED MINOD BHANDARA, MRS. GOSHI M BHANDARA & MR. ISPHANYAR M BHANDARA | 304,060          | 1.10             |              |
| 7  | 261125       | MR. JAMSHED MINOD BHANDARA, MRS. GOSHI M BHANDARA & MR. ISPHANYAR M BHANDARA | 1,701,527        | 6.15             |              |
| 8  | 04705-108227 | MR. JAMSHED M BHANDARA THROUGH MANAGER/GUARDIAN GOSHI & ISPHANYAR            | 609,100          | 2.20             |              |
| 9  | 261064       | MR. SABIR UR REHMAN  | 12               | 0.00             |              |
|  |              |  | <b>9</b>         | <b>9,165,711</b> | <b>31.11</b> |
| <b>NCI &amp; ICP</b>   |              |  |                  |                  |              |
| 1  | 90013        | M/S. INVESTMENT CORPORATION OF PAKISTAN                                      | 430              | 0.00             |              |
| 2  | 00081-36     | IDRI (ICP UNIT)  | 18               | 0.00             |              |
|  |              |  | <b>2</b>         | <b>448</b>       | <b>0.00</b>  |
| <b>Banks, Development Financial Institutions, Non Banking Financial Institutions</b> |              |  |                  |                  |              |
| 1  | 20042        | M/S. BANK OF BAHAWALPUR LTD.   | 5,802            | 0.02             |              |
| 2  | 01651-30578  | ITHACA CAPITAL (PVT.) LIMITED  | 1,000            | 0.00             |              |
| 3  | 04127-77     | MCB BANK LIMITED - TREASURY  | 11,341           | 0.04             |              |
| 4  | 05264-153358 | CAPITAL ASSETS LEASING CORPORATION LIMITED                                   | 4,600            | 0.02             |              |
| 5  | 07419-17966  | ATC HOLDINGS (PRIVATE) LIMITED   | 5,050            | 0.02             |              |
|  |              |  | <b>5</b>         | <b>27,793</b>    | <b>0.10</b>  |
| <b>Insurance Companies</b>   |              |  |                  |                  |              |
| 1  | 03277-2184   | EFU GENERAL INSURANCE LIMITED  | 637,990          | 2.31             |              |
| 2  | 11748-501    | ADAMJEE LIFE ASSURANCE COMPANY LTD-IMF                                       | 265,200          | 0.96             |              |
| 3  | 11748-541    | ADAMJEE LIFE ASSURANCE COMPANY LIMITED-NULI Fund                             | 23,650           | 0.09             |              |
| 4  | 11748-915    | ADAMJEE LIFE ASSURANCE CO.LTD - DGI  | 6,400            | 0.02             |              |
|  |              |  | <b>4</b>         | <b>913,240</b>   | <b>3.37</b>  |
| <b>Mutual Funds</b>  |              |  |                  |                  |              |
| 1  | 05171-28     | CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND                                 | 202,000          | 0.73             |              |
| 2  | 05488-25     | CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND                                   | 6,700            | 0.02             |              |
| 3  | 06411-21     | CDC - TRUSTEE AKD INDEX TRACKER FUND   | 2,930            | 0.01             |              |
| 4  | 11262-23     | CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND                             | 21,450           | 0.08             |              |
| 5  | 15777-72     | CDC - TRUSTEE PAKISTAN PENSION FUND - EQUITY SUB FUND                        | 14,500           | 0.05             |              |
|  |              |  | <b>5</b>         | <b>247,580</b>   | <b>0.89</b>  |
| <b>General Public Foreign</b>  |              |  |                  |                  |              |
| 1  | 10004        | MR. AHMAD ABDUL REHMAN NOOR AHMAD  | 8,562            | 0.03             |              |
| 2  | 30016        | SIR C. C. GARBETT  | 2,434            | 0.01             |              |
| 3  | 50006        | MR. EBRAHIM SALIH BERA   | 17,194           | 0.06             |              |
| 4  | 50009        | MISS. E. M. WILSON   | 19,113           | 0.07             |              |
| 5  | 70018        | DR. G. K. SAWDAY   | 30,050           | 0.11             |              |
| 6  | 80017        | MR. H. LE. GEY KENSINGTON  | 8,560            | 0.03             |              |
| 7  | 80035        | MR. H. LUND CHRISTIANSEN   | 60,472           | 0.22             |              |
| 8  | 90009        | MISS. I. M. ST. GEORGE BRETT   | 2,434            | 0.01             |              |
| 9  | 90011        | MR. I. H. R. MOSS  | 1,574            | 0.01             |              |
| 10   | 100002       | MR. J. C. BURRIDGE   | 25,812           | 0.09             |              |
| 11   | 100029       | MR. J. M. KEADY  | 2,965            | 0.01             |              |
| 12   | 100053       | MR. JOHN STUART OLIVER   | 2,812            | 0.01             |              |
| 13   | 110020       | MRS. K. M. WILLIAM   | 36,165           | 0.13             |              |
| 14   | 110022       | MR. KASSIM A. MOHAMMAD   | 5,072            | 0.02             |              |
| 15   | 120001       | MISS. LUCY CHARLES   | 1,340            | 0.00             |              |
| 16   | 120004       | MR. W. L. KIRBY  | 758              | 0.00             |              |
| 17   | 130006       | MRS. M. M. CAUTLEY   | 82,923           | 0.30             |              |
| 18   | 130048       | MR. M. A. MOGHAI   | 11,138           | 0.04             |              |
| 19   | 140014       | MR. NAJMUDDIN MULLAH HAMJASHAI   | 8,560            | 0.03             |              |
| 20   | 160015       | MRS. P. SAWDAY   | 17,194           | 0.06             |              |
| 21   | 160036       | MR. PETER JOHN SARGENT   | 441              | 0.00             |              |
| 22   | 180012       | MR. RICHARD ANTHONY B. SCOTT   | 8,560            | 0.03             |              |
| 23   | 180024       | MR. RALPH JOHN HAMILTON POLLOCK  | 758              | 0.00             |              |
| 24   | 180048       | MR. R. F. A. CAUTLEY   | 146,884          | 0.53             |              |
| 25   | 190041       | MR. SALEH MUHAMMAD HABIB AYUB  | 56,954           | 0.21             |              |
| 26   | 210001       | DR. UNA DAVISON  | 17,222           | 0.06             |              |
| 27   | 260005       | MISS. ZUREIDA ESSOP MIA  | 12,592           | 0.05             |              |
| 28   | 00521-5550   | GREGORY ALEXANDER  | 6,785,116        | 2.45             |              |
| 29   | 03277-106486 | SYED ATIQUE BUKHARI  | 50               | 0.00             |              |
| 30   | 03277-106814 | MUHAMMAD HAZ   | 100              | 0.00             |              |
| 31   | 03277-109110 | MUHAMMAD QASIM   | 200              | 0.00             |              |
| 32   | 06601-32103  | JAI HEMNANI  | 450              | 0.00             |              |
|  |              |  | <b>32</b>        | <b>1,272,859</b> | <b>4.60</b>  |

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**Murree Brewery Company Limited**

**Pattern of Shareholding  
As of June 30, 2021**

| S.No.                    | Folio #     | Name of shareholder  | Number of shares | Per %                  |
|--------------------------|-------------|--|------------------|------------------------|
| <b>Foreign Companies</b> |             |  |                  |                        |
| 1                        | 80077       | M/S. HONGKONG BANK INTER (TRUSTEE) LTD.                      | 1,810            | 0.01                   |
| 2                        | 00521-13356 | TENCORE II PARTNERS LP                                       | 48,000           | 0.17                   |
| 3                        | 00547-9253  | KINGSWAY FUND-FRONTIER CONSUMER FRANCHISES                   | 6,010,325        | 21.73                  |
| 4                        | 00547-10301 | KINGSWAY FUND-FRONTIER CONSUMER FRANCHISES EXT0BA            | 555,560          | 2.01                   |
| 5                        | 00695-10791 | SCR NOMINEES (CI) LIMITED [1250-2]                           | 469,503          | 1.70                   |
|                          |             |  | <b>5</b>         | <b>7,085,198 25.61</b> |
| <b>Others</b>            |             |  |                  |                        |
| 1                        | 20041       | M/S. BUSINESS INVESTMENTS LTD.                               | 81               | 0.00                   |
| 2                        | 80037       | M/S. H. M. INVESTMENTS (PVT) LTD                             | 96               | 0.00                   |
| 3                        | 140075      | M/S. N. H. SECURITIES (PVT) LTD.,                            | 14               | 0.00                   |
| 4                        | 180019      | M/S. RAWALPINDI ELECTRIC POWER CO. LTD.                      | 3,768            | 0.01                   |
| 5                        | 200006      | M/S. THE DEPUTY ADMINISTRATOR (A/C DR. T. H. KHAN)           | 4,798            | 0.02                   |
| 6                        | 01917-41    | PRUDENTIAL SECURITIES LIMITED                                | 686              | 0.00                   |
| 7                        | 03210-28    | Y.S. SECURITIES & SERVICES (PVT) LTD.                        | 88               | 0.00                   |
| 8                        | 03277-6164  | TRUSTEES KANDAWALLA TRUST                                    | 20,278           | 0.07                   |
| 9                        | 03277-13154 | TRUSTEES HOMMIER&JAMSHED NUSSEERWANJEE C.T                   | 5,580            | 0.02                   |
| 10                       | 03277-61491 | M/S RANG COMMODITIES (PVT) LTD                               | 9,360            | 0.03                   |
| 11                       | 03277-85327 | MOGUL TOBACCO COMPANY PVT LTD                                | 5,000            | 0.02                   |
| 12                       | 03277-96529 | FIKREE DEVELOPMENTS CORPORATION (PRIVATE) LIMITED            | 9,470            | 0.03                   |
| 13                       | 03293-12    | S.H. BUKHARI SECURITIES (PVT) LIMITED                        | 454              | 0.00                   |
| 14                       | 03525-57191 | SARFRAZ MAHMOOD (PRIVATE) LTD                                | 94               | 0.00                   |
| 15                       | 03525-63416 | H M INVESTMENTS (PVT) LIMITED                                | 2,870            | 0.01                   |
| 16                       | 03525-63817 | NH SECURITIES (PVT) LIMITED,                                 | 392              | 0.00                   |
| 17                       | 03939-21    | PEARL SECURITIES LIMITED                                     | 2,300            | 0.01                   |
| 18                       | 03939-62    | PEARL SECURITIES LIMITED                                     | 1,550            | 0.01                   |
| 19                       | 04952-28    | SHERMAN SECURITIES (PRIVATE) LIMITED                         | 3,000            | 0.01                   |
| 20                       | 05736-15    | NCC - PRE SETTLEMENT DELIVERY ACCOUNT                        | 652              | 0.00                   |
| 21                       | 06452-64858 | NESTLE PAKISTAN LTD, EMPLOYEES PROVIDENT FUND                | 100,000          | 0.36                   |
| 22                       | 07450-1040  | TRUSTEE-FIRST DAWOOD INV. BANK LTD. & OTHER EMPLOYEES P.FUND | 960              | 0.00                   |
| 23                       | 08847-1447  | Crescent Standard Business Management (Pvt) Limited          | 1                | 0.00                   |
| 24                       | 12666-700   | ISPI Corporation (Private) Limited                           | 2,450            | 0.01                   |
| 25                       | 12666-1831  | TRUSTEE PAKISTAN PETROLEUM SENIOR PROVIDENT FUND             | 6,800            | 0.02                   |
| 26                       | 12666-1849  | TRUSTEE PAKISTAN PETROLEUM NON-EXECUTIVE STAFF PENSION FUND  | 11,750           | 0.04                   |
| 27                       | 12666-1856  | TRUSTEE PAKISTAN PETROLEUM NON-EXECUTIVE STAFF GRATUITY FUND | 4,000            | 0.01                   |
| 28                       | 12666-1864  | TRUSTEE PAKISTAN PETROLEUM JUNIOR PROVIDENT FUND             | 4,600            | 0.02                   |
| 29                       | 12666-1872  | TRUSTEE PAKISTAN PETROLEUM EXECUTIVE STAFF PENSION FUND      | 29,200           | 0.11                   |
| 30                       | 12666-1880  | TRUSTEE PAKISTAN PETROLEUM EXECUTIVE STAFF GRATUITY FUND     | 3,200            | 0.01                   |
| 31                       | 12666-2045  | TRUSTEE PAK. PETROLEUM EXEC. STAFF PEN. FUND DC CONVENTIONAL | 2,750            | 0.01                   |
| 32                       | 13748-980   | TRUSTEE- GUL AHMED TEXTILE MILLS LTD. EMP. PROVIDENT FUND    | 4,200            | 0.02                   |
| 33                       | 14241-22    | FIKREES (PRIVATE) LIMITED                                    | 1,766            | 0.01                   |
| 34                       | 14746-21    | KHADIM ALI SHAH BUKHARI SECURITIES (PRIVATE) LIMITED         | 1                | 0.00                   |
|                          |             |  | <b>34</b>        | <b>242,209 0.88</b>    |

No trade has been made in shares of the Company by Directors, Company Secretary, CFO and their spouses and minor children during the year.

## **CODE OF CONDUCT**

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*Annual Report, 2021*  
*Murree Brewery Company Limited*

## **Foreword**

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

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

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

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

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

## **General Principles**

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

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

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

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

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

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**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.

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### **Confidentiality**

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

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

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

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

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

### **Workplace Harassment**

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

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

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

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*Murree Brewery Company Limited*

**Equal Opportunity Environment**

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

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

**Protection of Company Assets and Proprietary Information**

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

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

**Dealing in Securities/Shares & Insider Trading**

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

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

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

END

# *Murree Brewery Company Limited*

## **INDEPENDENT AUDITORS' REVIEW REPORT**

**To the members of Murree Brewery Company Limited**

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

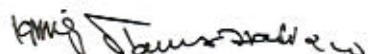
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Murree Brewery Company Limited for the year ended 30 June 2021 in accordance with the requirements of regulation 36 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 2021.



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

Date: 28 September 2021

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**Murree Brewery Company Limited**

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

**Murree Brewery Company Limited  
For the Year ended June 30 2021**

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

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

|           |   |     |
|-----------|---|-----|
| a) Male   | : | Six |
| b) Female | : | Two |

2. The composition of the Board is as follows:

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

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

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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 and Risk Management Committee**

|                           |   |            |
|---------------------------|---|------------|
| Mr. Shahbaz Haider Agha   | - | (Chairman) |
| Ch. Mueen Afzal           | - | (Member)   |
| Prof. Khalid Aziz Mirza   | - | (Member)   |
| Mrs. Goshi M. Bhandara    | - | (Member)   |
| Ms. Jahanara Sajjad Ahmad | - | (Member)   |
  - b) **HR & Remuneration and Nomination Committee**

|                           |   |            |
|---------------------------|---|------------|
| Prof. Khalid Aziz Mirza   | - | (Chairman) |
| Ch. Mueen Afzal           | - | (Member)   |
| Mr. Aamir H. Shirazi      | - | (Member)   |
| Mr. Isphanyar M. Bhandara | - | (Member)   |
| Mr. Pervaiz Akhtar        | - | (Member)   |
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly / half yearly / yearly) of the committee during the year 2020-21, were as per following:

Four (04) Audit and Risk Management Committee and four (04) HR & Remuneration and Nomination Committee.

## Murree Brewery Company Limited

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

### ON BEHALF OF THE BOARD



**ISPHANYAR M. BHANDARA**  
Chief Executive Officer



**JAHANARA SAJJAD AHMAD**  
Director

Rawalpindi September 17, 2021

## **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 2021, 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 2021 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.

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### 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 is the key audit matter:

| S. No. | Key audit matter   | How the matter was addressed in our audit  |
|--------|--|--|
| 1      | <p><b>Recognition of Revenue:</b></p> <p>Refer notes 4.15 and 31 to the financial statements.</p> <p>The Company is engaged in the production and sale of food and beverages.</p> <p>The Company recognized net revenue of Rs. 11,687 million for the year ended 30 June 2021.</p> <p>We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets.</p> | <p>Our audit procedures to assess the recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> obtaining an understanding of the process relating to recognition of revenue and testing the design and implementation of key internal controls over recording of revenue;</li> <li><input type="checkbox"/> comparing a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents;</li> <li><input type="checkbox"/> comparing a sample of revenue transactions recorded before and after the year end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period;</li> <li><input type="checkbox"/> 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.</li> <li><input type="checkbox"/> Consider the appropriateness of accounting policy for revenue recognition and comparing with the</li> </ul> |

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| S. No. | Key audit matter | How the matter was addressed in our audit   |
|--------|------------------|---|
|        |                  | <p>applicable accounting and reporting standards; and</p> <p><input type="checkbox"/> Assessing the adequacy of disclosures related to revenue as required under applicable accounting and reporting standards as applicable in Pakistan.</p> |

#### **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 2021, 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

## *Murree Brewery Company Limited*

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

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

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

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

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

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**Murree Brewery Company Limited**

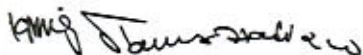
From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes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

**Report on Other Legal and Regulatory Requirements**

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

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

The engagement partner on the audit resulting in this independent auditors' report is Inam Ullah Kakra.



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

Date: 28 September 2021

# Murree Brewery Company Limited

## Statement of Financial Position As at 30 June 2021

|  | Note | 2021<br>(Rs. '000) | 2020<br>(Rs. '000) |
|--|------|--------------------|--------------------|
| <b>EQUITY</b>  |      |                    |                    |
| Share capital and reserves   |      |                    |                    |
| Share capital  | 6    | 276,636            | 276,636            |
| Capital reserve  | 7    | 30,681             | 30,681             |
| Revenue reserves   | 8    | 7,425,612          | 6,785,176          |
| Revaluation surplus on property, plant and equipment and ROU assets - net of tax | 9    | 3,773,307          | 2,893,179          |
| <b>Total equity</b>  |      | <b>11,506,236</b>  | <b>9,985,672</b>   |
| <b>LIABILITIES</b>   |      |                    |                    |
| Lease liabilities  | 10   | 3,754              | 22,561             |
| Long term loan   | 11   | 124,749            | -                  |
| Deferred grant   | 11.1 | 2,859              | -                  |
| Employee benefits  | 12   | 281,974            | 267,977            |
| Deferred tax liability - net   | 13   | 401,352            | 229,863            |
| <b>Non-current liabilities</b>   |      | <b>814,888</b>     | <b>520,401</b>     |
| Trade and other payables   | 14   | 1,218,348          | 1,204,077          |
| Contract liabilities   | 15   | 202,616            | 109,842            |
| Current portion of lease liabilities   | 10   | 22,046             | 89,859             |
| Current portion of long term loan  | 11   | 156,417            | -                  |
| Current portion of deferred grant  | 11.1 | 13,724             | -                  |
| Unpaid dividend  |      | 76,003             | 71,843             |
| Unclaimed dividend   |      | 32,579             | 58,600             |
| <b>Current liabilities</b>   |      | <b>1,721,733</b>   | <b>1,534,221</b>   |
| <b>Total liabilities</b>   |      | <b>2,536,621</b>   | <b>2,054,622</b>   |
| <b>Total equity and liabilities</b>  |      | <b>14,042,657</b>  | <b>12,040,294</b>  |
| <b>Contingencies and commitments</b>   |      |                    |                    |
|  | 16   |                    |                    |

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 2021

|  | Note | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|--|------|-------------------|-------------------|
| <b>TURNOVER - Net</b>                                  | 31   | 11,687,289        | 8,996,909         |
| <b>COST OF SALES</b>                                   | 32   | (8,710,319)       | (6,695,444)       |
| <b>GROSS PROFIT</b>                                    |      | 2,976,970         | 2,301,465         |
| Selling and distribution expenses                      | 33   | (909,207)         | (870,114)         |
| Administrative expenses                                | 34   | (469,581)         | (507,140)         |
| Other expenses   | 35   | (239,158)         | (273,018)         |
| Other income   | 36   | 81,233            | 69,450            |
| Reversal of/(impairment loss) on trade debts           | 26.1 | 5,013             | (3,117)           |
| <b>OPERATING PROFIT</b>                                |      | 1,445,270         | 717,526           |
| Finance cost   | 37   | (29,512)          | (28,064)          |
| Finance income   | 38   | 252,101           | 348,510           |
| <b>NET FINANCE INCOME</b>                              |      | 222,589           | 320,446           |
| <b>PROFIT BEFORE TAX</b>                               |      | 1,667,859         | 1,037,972         |
| Income tax expense                                     | 39   | (376,387)         | (356,244)         |
| <b>PROFIT FOR THE YEAR</b>                             |      | 1,291,472         | 681,728           |
|  |      | <b>2021</b>       | <b>2020</b>       |
| <b>Earnings per share - basic and diluted (Rupees)</b> | 40   | 46.68             | 24.64             |

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR

*Annual Report 2021*  
**Murree Brewery Company Limited**  
**Statement of Comprehensive Income**  
**For the year ended 30 June 2021**

|  | Note   | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|--|--------|-------------------|-------------------|
| <b>Profit for the year</b>   |        | <b>1,291,472</b>  | <b>681,728</b>    |
| <b>Other comprehensive income</b>                                  |        |                   |                   |
| <i>Items that will not be reclassified to profit or loss</i>       |        |                   |                   |
| Remeasurement on defined benefit plan liability - gratuity         | 12.1.3 | (38,025)          | 17,403            |
| Remeasurement on defined benefit plan asset - pension              | 12.2.6 | 9,198             | (19,871)          |
| Surplus on revaluation of property, plant and equipment/ROU assets |        | 1,145,976         | 154,429           |
|  |        | 1,117,149         | 151,961           |
| Related tax  |        | (196,467)         | (44,068)          |
| Other comprehensive income for the year - net of tax               |        | 920,682           | 107,893           |
| <b>Total comprehensive income for the year</b>                     |        | <b>2,212,154</b>  | <b>789,621</b>    |

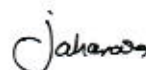
The annexed notes 1 to 51 form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR

# Murree Brewery Company Limited

## Statement of Changes in Equity

For the year ended 30 June 2021

|  | Share capital | Capital reserve | Revaluation surplus on property, plant and equipment and ROU assets- net of tax | General reserve | Revenue reserves    | Unappropriated profits | Total equity |
|--|---------------|-----------------|---|-----------------|---------------------|------------------------|--------------|
|  |               |                 |   |                 | Contingency reserve |                        |              |
|  |               |                 |   |                 |                     |                        |              |
| Balance at 01 July 2019  | 276,636       | 30,681          | 2,837,111   | 327,042         | 20,000              | 6,534,489              | 10,025,959   |
| Total comprehensive income for the year  |               |                 |   |                 |                     |                        |              |
| Profit for the year  | -             | -               | -   | -               | -                   | 681,728                | 681,728      |
| Other comprehensive income for the year - net  | -             | -               | -   | -               | -                   | (1,752)                | (1,752)      |
| Revaluation surplus on property, plant and equipment ROU assets- net of deferred tax   | -             | -               | 109,645   | -               | -                   | -                      | 109,645      |
| Total comprehensive income for the year  | -             | -               | 109,645   | -               | -                   | 679,976                | 789,621      |
| Transfer within equity   |               |                 |   |                 |                     |                        |              |
| Revaluation surplus on property, plant and equipment realized through depreciation for the year - net of deferred tax (refer note 9) | -             | -               | (50,170)  | -               | -                   | 50,170                 | -            |
| Transferred from revaluation surplus on property, plant and equipment on disposal - net of deferred tax (refer note 9)               | -             | -               | (3,407)   | -               | -                   | 3,407                  | -            |
| Transactions with members recorded directly in equity  | -             | -               | (53,576)  | -               | -                   | 53,577                 | -            |
| Distribution   |               |                 |   |                 |                     |                        |              |
| Final cash dividend 30 June 2019 (Rs. 10 per share)  | -             | -               | -   | -               | -                   | (276,636)              | (276,636)    |
| First interim cash dividend 30 June 2020 (Rs. 05 per share)  | -             | -               | -   | -               | -                   | (138,318)              | (138,318)    |
| Second interim cash dividend 30 June 2020 (Rs. 10 per share)   | -             | -               | -   | -               | -                   | (276,636)              | (276,636)    |
| Third interim cash dividend 30 June 2020 (Rs. 05 per share)  | -             | -               | -   | -               | -                   | (138,318)              | (138,318)    |
| Total distribution   | -             | -               | -   | -               | -                   | (829,908)              | (829,908)    |
| Balance at 30 June 2020  | 276,636       | 30,681          | 2,893,179   | 327,042         | 20,000              | 6,438,134              | 9,985,672    |

Total comprehensive income for the year

Profit for the year

Other comprehensive income for the year - net

Revaluation surplus on property, plant and equipment ROU assets- net of deferred tax

Total comprehensive income for the year

Transfer within equity

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

Transferred from revaluation surplus on property, plant and equipment on disposal - net of deferred tax (refer note 9)

Transactions with members recorded directly in equity

Distribution

Final cash dividend 30 June 2019 (Rs. 10 per share)

First interim cash dividend 30 June 2020 (Rs. 05 per share)

Second interim cash dividend 30 June 2020 (Rs. 10 per share)

Third interim cash dividend 30 June 2020 (Rs. 05 per share)

Total distribution

Balance at 30 June 2020



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR

# Murree Brewery Company Limited

## Statement of Changes in Equity

For the year ended 30 June 2021

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

### Total comprehensive income for the year

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

### Transfers within equity

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


### Transactions with members recorded directly in equity

**Distribution**  
Final cash dividend 30 June 2020 (Rs. 05 per share)  
First interim cash dividend 30 June 2021 (Rs. 05 per share)  
Second interim cash dividend 30 June 2021 (Rs. 10 per share)  
Third interim cash dividend 30 June 2021 (Rs. 05 per share)  
**Total distribution**

### Balance at 30 June 2021

  
CHIEF FINANCIAL OFFICER

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

*Annual Report. 2021*  
**Murree Brewery Company Limited**

**Statement of Cash Flow**  
*For the year ended 30 June 2021*

| CASH FLOWS FROM OPERATING ACTIVITIES                        | Note            | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|---|-----------------|-------------------|-------------------|
| Profit before tax   |                 | 1,667,859         | 1,037,972         |
| <b>Adjustments for:</b>                                     |                 |                   |                   |
| Employee benefits - charge to profit or loss                | 12.1.2 & 12.2.4 | 34,787            | 42,422            |
| Depreciation  | 17.1.3          | 425,330           | 421,495           |
| Amortization  | 19.1            | 519               | 519               |
| Provision/(reversal) for slow moving inventories            | 34              | 11,765            | 15,425            |
| Provision for WPPF  | 35              | 68,553            | 35,814            |
| Provision for WWF   | 35              | 32,536            | 21,183            |
| Provision for Gas Infrastructure Development Cess           |                 | -                 | 255,474           |
| Provision for Gas Tariff Differential                       | 14              | 133,245           | -                 |
| Provision for Water Tax                                     | 14              | 46,307            | -                 |
| Gain on remeasurement of investment property to fair value  | 36              | (39,259)          | (24,461)          |
| Gain on disposal of property, plant and equipment           | 36              | (5,465)           | (5,656)           |
| Amortisation of deferred grant                              |                 | (17,814)          | -                 |
| (Reversal)/provision for Expected Credit Loss               | 26.1            | (5,013)           | 3,117             |
| Finance cost  | 37              | 29,512            | 28,064            |
| Return on deposit accounts                                  | 38              | (80,180)          | (120,355)         |
| Interest on PIBs  | 38              | (40,761)          | (40,694)          |
| Interest on advances  | 38              | (348)             | (411)             |
| Dividend income   | 38              | (114,651)         | (182,141)         |
| Unrealized gain on re-measurement of short term investments | 38              | (734)             | (2,919)           |
|   |                 | 478,330           | 446,876           |
| <b>Operating profit before working capital changes</b>      |                 | <b>2,146,189</b>  | <b>1,484,848</b>  |
| <b>Changes in:</b>  |                 |                   |                   |
| Inventories   |                 | (87,267)          | (293,915)         |
| Trade debts   |                 | (433)             | (14,480)          |
| Advances, prepayments and other receivables                 |                 | 5,935             | 241,777           |
| Trade and other payables                                    |                 | (196,812)         | 230,813           |
| Contract liabilities  |                 | 92,774            | (11,248)          |
|   |                 | (185,803)         | 152,947           |
| <b>Cash generated from operating activities</b>             |                 | <b>1,960,386</b>  | <b>1,637,795</b>  |
| Finance cost paid   |                 | (3,707)           | (31,889)          |
| Employee benefits paid                                      | 12.1 & 12.2     | (64,472)          | (36,704)          |
| WPPF paid   | 14.2            | (35,859)          | (99,898)          |
| Income taxes paid   | 29              | (316,770)         | (468,898)         |
| <b>Net cash generated from operating activities</b>         |                 | <b>1,539,578</b>  | <b>1,000,406</b>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |                 |                   |                   |
| Purchase of property, plant and equipment                   |                 | (156,113)         | (352,995)         |
| Proceeds from disposal of property, plant and equipment     | 17.1.6          | 26,066            | 10,502            |
| Long term advances paid                                     |                 | 3,138             | (5,751)           |
| Long term deposits paid                                     |                 | (2,312)           | (4,043)           |
| Realization of long term investments                        |                 | -                 | 3,015             |
| Acquisition of investments - net                            |                 | (269,844)         | (383,145)         |
| Return on deposits received                                 |                 | 121,629           | 161,473           |
| Dividends received  |                 | 114,651           | 182,141           |
| <b>Net cash used in investing activities</b>                |                 | <b>(162,785)</b>  | <b>(388,803)</b>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |                 |                   |                   |
| Payment against lease liabilities                           | 10              | (96,996)          | (113,597)         |
| Long term loan received during the year                     | 11              | 340,285           | -                 |
| Repayment of loan   | 11              | (44,172)          | -                 |
| Dividend paid   |                 | (713,451)         | (857,130)         |
| <b>Net cash used in financing activities</b>                |                 | <b>(514,334)</b>  | <b>(970,727)</b>  |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |                 | <b>862,459</b>    | <b>(359,123)</b>  |
| <b>Cash and cash equivalents at beginning of the year</b>   |                 | <b>1,335,329</b>  | <b>1,694,452</b>  |
| <b>Cash and cash equivalents at end of the year</b>         | 41              | <b>2,197,788</b>  | <b>1,335,329</b>  |

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

  
CHIEF FINANCIAL OFFICER

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

*Annual Report 2021*  
**Murree Brewery Company Limited**

**Notes to the Financial Statements**  
*For the year ended 30 June 2021*

**1 THE COMPANY AND ITS OPERATIONS**

Murree Brewery Company Limited ("the Company") was incorporated under the repealed Indian Companies Act (now the Companies Act, 2017) in February 1861 as a public limited company in Pakistan. The shares of the Company are quoted on Pakistan Stock Exchange Limited.

The Company is principally engaged in the manufacturing of alcoholic beer, Pakistan Made Foreign Liquor (PMFL), non-alcoholic beer, aerated water (non-alcoholic products), juices and food products, mineral water, glass bottles and jars. The Company is presently operating three divisions namely Liquor, Tops and Glass to carry out its principal activities.

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

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

- 1.1** Management of the Company has evaluated the impact of COVID-19 on these financial statements for the year ended 30 June 2021 and concluded that there were neither any implications of COVID-19 on the current operations of the Company, nor any adverse implications are expected in the long term. Further, COVID-19 has no material impact on the presented amounts and disclosures in these financial statements.

**2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

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

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

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

**2.2 Basis of measurement**

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

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

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

*Annual Report 2021*  
**Murree Brewery Company Limited**

**Notes to the Financial Statements**  
*For the year ended 30 June 2021*

**2.3 Functional and presentation currency**

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

**2.4 Use of judgments and estimates**

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

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

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

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

| <b>Judgements, assumptions and estimates</b>  | <b>Note Numbers</b> |
|---|---------------------|
| Useful lives, residual values and depreciation method of property, plant and equipment  | Note 4.1 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 and 18       |
| Useful lives, residual values and amortization method of intangible asset   | Note 4.2 and 19     |
| Fair value of investment property   | Note 4.3 and 21     |
| Provision for slow moving inventories   | Note 4.4 and 25     |
| Recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources; | Note 4.11           |
| Measurement of defined benefit obligations; key actuarial assumptions   | Note 4.13.3 and 12  |
| Recognition of deferred tax liabilities and assets and estimation of income tax provisions  | Note 4.14 and 13    |
| Measurement of ECL allowance for trade debts  | Note 4.6 and 26     |
| Impairment loss of non-financial assets other than inventories  | Note 4.9            |

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

**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.

# Murree Brewery Company Limited

## Notes to the Financial Statements

For the year ended 30 June 2021

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

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

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

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

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

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

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

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

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

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

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

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**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 2021:

- Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 is applicable for annual financial periods beginning on or after 1 January 2021, with earlier application permitted. The amendments introduce a practical expedient to account for modifications of financial assets or financial liabilities if a change results directly from IBOR reform and occurs on an „economically equivalent“ basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 for lessees when accounting for lease modifications required by IBOR reform. The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting for hedging relationships directly affected by the interest rate benchmark reforms. The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met.
- Amendment to IFRS 16 – the International Accounting Standards Board (the Board) has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after 1 June 2020, with earlier application permitted. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications.

The practical expedient introduced in the 2020 amendments only applied to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021. In light of persistence of economic challenges posed by the COVID-19 pandemic, the board has extended the practical expedient for COVID-19 related rent concessions by one year i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022.

Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
  - any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
  - there is no substantive change to the other terms and conditions of the lease.
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 2022 amends IAS 1 by mainly adding paragraphs which clarify what comprises the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative

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## Notes to the Financial Statements

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effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

- **Property, Plant and Equipment: Proceeds before Intended Use** (Amendments to IAS 16) effective for annual periods beginning on or after 1 January 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The 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 percent 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.
- **Reference to the Conceptual Framework (Amendments to IFRS 3)** – Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.
- **Classification of liabilities as current or non-current (Amendments to IAS 1)** amendments apply retrospectively for the annual periods beginning on or after 1 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.
- **Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)** – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

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- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

- **Definition of Accounting Estimates (Amendments to IAS 8)** – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023 and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

- **Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)** – The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.
- **Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)** – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transactions that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

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

#### **4 SIGNIFICANT ACCOUNTING POLICIES**

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

##### **Accounting Policy**

#### **4.1 Property, plant and equipment and advances for capital expenditures**

##### **Recognition and measurement**

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## Notes to the Financial Statements

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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:

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

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

Increases in the carrying amounts arising on revaluation of land, buildings, plant machinery and equipment are recognised, net of tax, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognised 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 17.1 to these financial statements.

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

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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**

Amortisation 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 19.1 to these financial statements.

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

**4.3 Investment property**

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

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

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

**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:

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- 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.
- Stocks under maturation and work in process are valued at manufacturing cost which represents 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**

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|   |   |
|---|---|
| <b>Financial assets at amortised cost</b> | Measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.   |
| <b>Debt investments at FVOCI</b>          | 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. |
| <b>Financial assets at FVTPL</b>          | Measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.  |
| <b>Equity investment at FVOCI</b>         | 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

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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.

**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").

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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 Short-term employee benefits**

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

**4.13.2 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.

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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;

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- 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   | Revenue is recognised when the goods are dispatched from the Company's warehouse.                         |

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

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**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.

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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 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.

**4.21 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**

Following new standards, amendments or interpretations became effective from 01 July 2020, but they do not have a material effect on the Company's financial statements:

| Effective Date | New standards or amendments  |
|----------------|--|
| 1 January 2020 | Amendments to references to Conceptual Framework in IFRS Standards       |
| 1 January 2020 | Definition of Material (Amendments to IAS 1 and IAS 8)                   |
| 1 January 2020 | Definition of a business (Amendments to IFRS 3)                          |
| 1 January 2020 | Interest rate benchmark reform (Amendments to IFRS 9, IAS 39 and IFRS 7) |
| 1 June 2020    | COVID-19 – Related rent concessions (Amendment to IFRS 16)               |

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| 6     | SHARE CAPITAL   | Note           | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|-------|---|----------------|-------------------|-------------------|
| 6.1   | Authorized share capital  | 6.1.1          | 300,000           | 300,000           |
| 6.1.1 | This represents 30,000,000 (2020: 30,000,000) ordinary shares of Rs. 10 each.   |                |                   |                   |
| 6.2   | <b>Issued, subscribed and paid up share capital</b>   |                |                   |                   |
|       | 2021<br>Number  | 2020<br>Number | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|       | 264,000   | 264,000        | 2,640             | 2,640             |
|       | 27,399,630  | 27,399,630     | 273,996           | 273,996           |
|       | 27,663,630  | 27,663,630     | 276,636           | 276,636           |
| 6.2.1 | All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends from time to time and are entitled to one vote per share at general meetings of the Company.   |                |                   |                   |
| 6.3   | D.P. Edulji & Company (Private) Limited (incorporated in Pakistan) and Kingsway Fund (incorporated in Grand Duchy of Luxembourg) ("associated undertakings") hold 4,909,959 (2020: 4,892,959) and 6,565,885 (2020: 7,654,885) ordinary shares of Rs.10 each respectively, at the reporting date. Further, directors hold 5,615,668 (2020: 5,620,464) ordinary shares of Rs.10 each at the reporting date.   |                |                   |                   |
| 6.4   | <b>Capital management</b>   |                |                   |                   |
|       | The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain a strong capital base to support the sustained development of its businesses.   |                |                   |                   |
|       | The Company manages its capital structure which comprises capital and reserves by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders and/or issue new shares. There were no changes to Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirement. |                |                   |                   |
| 7     | CAPITAL RESERVE   | Note           | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|       | Capital reserve   | 7.1            | 30,681            | 30,681            |
| 7.1   | This reserve is not available for distribution.   |                |                   |                   |
| 8     | REVENUE RESERVES  |                |                   |                   |
|       | General reserve   |                | 327,042           | 327,042           |
|       | Contingency reserve   |                | 20,000            | 20,000            |
|       | Unappropriated profits  | 8.1            | 7,078,570         | 6,438,134         |
|       |   |                | 7,425,612         | 6,785,176         |
| 8.1   | This represents unappropriated profits which are available for distribution.  |                |                   |                   |
| 9     | REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT AND ROU ASSETS - NET OF TAX  |                | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|       | Balance at 01 July  |                | 2,976,997         | 2,898,029         |
|       | Surplus arising on revaluation during the year  |                | 1,145,976         | 154,429           |
|       | Deficit/(surplus) on disposal of operating fixed assets   |                | 17,876            | (4,799)           |
|       |   |                | 4,140,849         | 3,047,659         |
|       | <b>Transferred to equity in respect of incremental depreciation charged during the year:</b>  |                |                   |                   |
|       | - Surplus - net of deferred tax liability   |                | (73,713)          | (50,170)          |
|       | - Related deferred tax liability  |                | (30,108)          | (20,492)          |
|       |   |                | (103,821)         | (70,662)          |
|       | Surplus on revaluation of property, plant and equipment at 30 June  |                | 4,037,028         | 2,976,997         |
|       | <b>Related deferred tax liability:</b>  |                |                   |                   |
|       | On revaluation surplus at 01 July   |                | (83,818)          | (60,918)          |
|       | On revaluation surplus arising during the year  |                | (204,827)         | (44,784)          |
|       | On operating fixed assets disposed off during the year  |                | (5,184)           | 1,392             |
|       | On incremental depreciation charged during the year   |                | 30,108            | 20,492            |
|       |   |                | (263,721)         | (83,818)          |
|       | Balance at 30 June  |                | 3,773,307         | 2,893,179         |

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

**10 LEASE LIABILITIES**

|  | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|--|-------------------|-------------------|
| Lease liabilities                        | 25,800            | 112,420           |
| Less: Current portion                    | (22,046)          | (89,859)          |
| Non-current portion of lease liabilities | 3,754             | 22,561            |

Movement of lease liabilities under IFRS 16 is as follows:

|  |          |           |
|--|----------|-----------|
| Balance at 01 July                       | 112,420  | 205,238   |
| New lease liabilities                    | 4,020    | 7,378     |
| Interest                                 | 6,356    | 13,401    |
| Payments during the year                 | (96,996) | (113,597) |
| Balance at 30 June                       | 25,800   | 112,420   |
| Current portion of lease liabilities     | 22,046   | (89,859)  |
| Non-current portion of lease liabilities | 3,754    | 22,561    |

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

|                    | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|--------------------|-------------------|-------------------|
| Less than one year | 12,237            | 96,127            |
| One to two years   | 8,928             | 10,687            |
| Two to three       | 7,462             | 8,426             |
| Three to four      | -                 | 7,645             |
|                    | 28,627            | 122,885           |

10.1 Lease liabilities include Rs 8,369,384 against leased vehicles from financial institutions. The lease term for these arrangements is 3 years and these carry markup ranging from 8.56% to 14.50% (2020: 8.24% to 14.65%) per annum. At the completion of the lease term, the Company has the option to acquire the assets upon complete payment of all instalments and adjustment of lease key money. The facility is secured by way of ownership of the leased vehicles by the financial institutions.

**11 LONG TERM LOAN**

|                               | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|-------------------------------|-------------------|-------------------|
| Balance at 01 July            | -                 | -                 |
| Receipt of loan               | 340,285           | -                 |
| Recognition of deferred grant | (34,397)          | -                 |
| Effective interest            | 19,450            | -                 |
| Repayment                     | (44,172)          | -                 |
| Balance at 30 June            | 281,166           | -                 |
| Non-current portion           | 124,749           | -                 |
| Current portion               | 156,417           | -                 |
|                               | 281,166           | -                 |

**11.1 RECOGNITION OF GOVERNMENT GRANT**

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

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**11.2** In an attempt to mitigate the effect of the COVID 19 pandemic, the State Bank of Pakistan ("SBP") introduced "Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns" whereby financing at low mark-up rates was made available to the entities on the condition of not laying off the workers/employees and payment of salaries and wages of permanent, contractual, daily wagers and outsourced employees from April 2020 to June 2020. During the year ended 30 June 2020, the Company obtained long term loan under this scheme from United Bank Limited which is secured by first charge over fixed assets of the Company excluding land and building amounting to Rs 534 million. The loan is repayable in 8 equal quarterly instalments due from 1 April 2021. Interest chargeable under the refinance scheme is 0.75% per annum. Accordingly, an amount of Rs 34.39 million has been recognised as deferred grant income which represents the difference between the actual loan received and present value of repayments of principal and interest at incremental borrowing rate of the Company i.e. 6 months' KIBOR + 1% per annum. Deferred grant is being amortized over the life of the loan. There were no unfulfilled conditions related to this grant at the reporting date.

| <b>12 EMPLOYEE BENEFITS</b>                                | <b>Note</b> | <b>2021<br/>(Rs.'000)</b> | <b>2020<br/>(Rs.'000)</b> |
|--|-------------|---------------------------|---------------------------|
| Net defined benefit liability - gratuity                   | <b>12.1</b> | <b>266,759</b>            | 249,266                   |
| Net defined benefit liability - compensated leave absences |             | <b>15,215</b>             | 18,711                    |
| Total employee benefit liability                           |             | <b>281,974</b>            | 267,977                   |
| Net defined benefit asset - pension                        | <b>12.2</b> | <b>30,189</b>             | 15,334                    |

**12.1 Net defined benefit liability - gratuity**

The Company operates an unfunded gratuity scheme for its eligible employees.

***Movement in net defined benefit liability - gratuity***

|   |               |                 |          |
|---|---------------|-----------------|----------|
| Balance at 01 July                                  |               | 249,266         | 247,680  |
| Charge for the year                                 | <b>12.1.2</b> | <b>34,846</b>   | 50,010   |
| Experience adjustments on defined benefit liability | <b>12.1.3</b> | <b>38,025</b>   | (17,403) |
| Benefits paid                                       |               | <b>(55,378)</b> | (31,021) |
| Balance at 30 June                                  | <b>12.1.1</b> | <b>266,759</b>  | 249,266  |

**12.1.1 Reconciliation of liability recognised in the statement of financial position**

|   |  |                |         |
|---|--|----------------|---------|
| Present value of defined benefit obligation |  | <b>266,759</b> | 249,266 |
| Net defined benefit liability               |  | <b>266,759</b> | 249,266 |

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|          |   | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|----------|---|-------------------|-------------------|
| 12.1.2   | <b>Charge to profit or loss</b>   |                   |                   |
|          | Current service cost  | 16,317            | 16,925            |
|          | Interest cost   | 18,529            | 33,085            |
|          | 12.1.2.1  | <u>34,846</u>     | <u>50,010</u>     |
| 12.1.2.1 | <b>Expense is recognized in the following line items in profit or loss:</b> |                   |                   |
|          | Cost of sales   | 20,121            | 37,130            |
|          | Selling and distribution expenses   | 3,770             | 7,925             |
|          | Administrative expenses   | 10,955            | 4,955             |
|          |   | <u>34,846</u>     | <u>50,010</u>     |
| 12.1.3   | <b>Charge / (credit) to other comprehensive income</b>                      | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|          | Actuarial losses / (gains) from changes in financial assumptions            | 353               | (1,123)           |
|          | Experience adjustments on defined benefit liability                         | 37,672            | (16,280)          |
|          |   | <u>38,025</u>     | <u>(17,403)</u>   |

**12.1.4 Key actuarial assumptions**

The latest actuarial valuation was carried out, on 30 June 2021, using projected unit credit method with the following assumptions:

|  | Note     | 2021           | 2020           |
|--|----------|----------------|----------------|
| Discount rate used for interest cost in profit or loss |          | 8.50%          | 14.25%         |
| Discount rate used for reporting date liability        |          | 10.00%         | 8.50%          |
| Salary increase used for reporting date liability      |          |                |                |
| Salary growth rate for 2022 and onwards                |          | N/a            | 8.50%          |
| Date of next expected salary increase                  |          | 01 July 2021   | 01 July 2020   |
| Mortality rate   | 12.1.4.1 | SLIC 2001-2005 | SLIC 2001-2005 |
| Withdrawal rates                                       |          | Age - Based    | Age - Based    |
| Retirement assumption                                  |          | Age 60         | Age 60         |

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

**12.1.5 Sensitivity analysis**

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

|                      | 2021<br>Increase<br>(Rs.'000) | 2021<br>Decrease<br>(Rs.'000) | 2020<br>Increase<br>(Rs.'000) | 2020<br>Decrease<br>(Rs.'000) |
|----------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Discount rate        | 240,654                       | 281,196                       | 233,143                       | 267,637                       |
| Salary increase rate | 281,235                       | 240,269                       | 267,667                       | 232,814                       |

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

12.1.6 The Company's expected charge for defined benefit liability - gratuity for the next year is Rs. 44.54 million.

**12.1.7 Risks associated with defined benefit liability - gratuity**

**Final Salary Risk (linked to inflation risk)**

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

**Salary Increase Risk**

**- Mortality risk**

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

**- Withdrawal Risk**

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

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**12.1.8 Expected maturity profile**

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

|                    | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|--------------------|-------------------|-------------------|
| Year 1             | 12,045            | 10,858            |
| Year 2             | 26,321            | 45,774            |
| Year 3             | 32,645            | 28,685            |
| Year 4             | 36,363            | 30,794            |
| Year 5             | 43,616            | 29,575            |
| Year 6 to Year 10  | 154,031           | 138,294           |
| Year 11 and beyond | 1,462,944         | 893,436           |

**12.1.9 Historical information**

|      | 2021<br>Present value of<br>defined benefit<br>liability<br>(Rs.'000) |
|------|---|
| 2021 | 266,758   |
| 2020 | 249,266   |
| 2019 | 247,678   |
| 2018 | 242,426   |
| 2017 | 182,959   |

**12.1.10 Weighted average duration of defined benefit liability (years)**

| 2021 | 2020 |
|------|------|
| 8    | 6    |

**12.2 Net defined benefit asset pension**

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

**Movement in net defined benefit asset pension**

|   | Note   | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|---|--------|-------------------|-------------------|
| Balance at 01 July  |        | (15,334)          | (21,934)          |
| Charge for the year   | 12.2.4 | (59)              | (7,588)           |
| Remeasurement gain recognized in other comprehensive income | 12.2.6 | (9,198)           | 19,871            |
| Contributions by the Company                                |        | (5,598)           | (5,683)           |
| Balance at 30 June  | 12.2.1 | (30,189)          | (15,334)          |

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

|   | Note   | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|---|--------|-------------------|-------------------|
| Present value of defined plan liability | 12.2.2 | 40,874            | 47,494            |
| Fair value of defined plan assets       | 12.2.3 | (71,063)          | (62,829)          |
| Net defined benefit asset               |        | (30,189)          | (15,335)          |

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

|   | 2021    | 2020    |
|---|---------|---------|
| Present value of defined benefit liability at 01 July     | 47,494  | 33,693  |
| Current service cost                                      | 1,482   | 1,110   |
| Past service cost   | -       | (5,168) |
| Interest cost   | 3,943   | 4,633   |
| Benefits paid during the year                             | (2,207) | (2,366) |
| Remeasurement gain  | (9,838) | 15,593  |
| Present value of net defined benefit liability at 30 June | 40,874  | 47,494  |

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|        |  | 2021<br>(Rs.'000)             | 2020<br>(Rs.'000)             |                               |                               |
|--------|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| 12.2.3 | The movement in the fair value of defined plan assets is as follows  |                               |                               |                               |                               |
|        | Fair value of plan assets at 01 July   | 62,829                        | 55,626                        |                               |                               |
|        | Contributions paid into the plan   | 5,598                         | 5,683                         |                               |                               |
|        | Expected return on plan assets   | 5,484                         | 8,163                         |                               |                               |
|        | Benefits paid by the plan  | (2,207)                       | (2,366)                       |                               |                               |
|        | Return on plan asset excluding interest income   | (641)                         | (4,277)                       |                               |                               |
|        | Fair value of plan assets at 30 June   | 71,063                        | 62,829                        |                               |                               |
| 12.2.4 | Expense recognized in profit or loss   |                               |                               |                               |                               |
|        | Current service cost   | 1,482                         | 1,110                         |                               |                               |
|        | Interest cost on defined benefit plan  | 3,943                         | 4,633                         |                               |                               |
|        | Past service cost  | -                             | (5,168)                       |                               |                               |
|        | Interest income on plan assets   | (5,484)                       | (8,163)                       |                               |                               |
|        |  | (59)                          | (7,588)                       |                               |                               |
| 12.2.5 | Plan assets comprise of  |                               |                               |                               |                               |
|        | Units in open end funds  | 18,626                        | 16,710                        |                               |                               |
|        | Defence saving certificates  | 49,266                        | 45,339                        |                               |                               |
|        | Cash at banks  | 3,167                         | 778                           |                               |                               |
|        |  | 71,059                        | 62,827                        |                               |                               |
| 12.2.6 | (Credit) / charge to other comprehensive income  |                               |                               |                               |                               |
|        | Actuarial gains from changes in financial assumptions  | (4,724)                       | 14,804                        |                               |                               |
|        | Experience adjustments on defined benefit asset  | (5,114)                       | 789                           |                               |                               |
|        | Remeasurement gain   | 640                           | 4,278                         |                               |                               |
|        |  | (9,198)                       | 19,871                        |                               |                               |
| 12.2.7 | Key actuarial assumptions  | 2021                          | 2020                          |                               |                               |
|        | Discount rate used for interest cost in profit or loss   | 8.50%                         | 14.25%                        |                               |                               |
|        | Discount rate used for reporting date asset  | 10.00%                        | 8.50%                         |                               |                               |
|        | Salary increase used for reporting date asset  | N/a                           | 8.50%                         |                               |                               |
|        | Salary growth rate for 2021 and onwards  | 10.00%                        | 8.50%                         |                               |                               |
|        | Next expected salary increase  | 01 August 2021                | 01 August 2020                |                               |                               |
|        | Mortality rate   | SLIC 2001-2005                | SLIC 2001-2005                |                               |                               |
|        | Withdrawal rates   | Age - Based                   | Age - Based                   |                               |                               |
|        | Retirement assumption  | Age 60                        | Age 60                        |                               |                               |
| 12.2.8 | Assumption regarding future mortality has been based on State Life Corporation (SLIC 2001-2005), ultimate mortality rate with 1 year setback as per recommendation of Pakistan Society of Actuaries (PSOA).  |                               |                               |                               |                               |
| 12.2.9 | The calculation of the defined benefit asset is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit asset / liability at the reporting date would have increased / decreased as a result of a change in respective assumptions by 100 basis points: |                               |                               |                               |                               |
|        |  | 2021<br>Increase<br>(Rs.'000) | 2021<br>Decrease<br>(Rs.'000) | 2020<br>Increase<br>(Rs.'000) | 2020<br>Decrease<br>(Rs.'000) |
|        | Discount rate  | 36,455                        | 46,194                        | 34,735                        | 42,607                        |
|        | Salary increase rate   | 42,961                        | 38,977                        | 39,951                        | 36,900                        |

**12.2.10 Risks associated with defined benefit asset - pension**

**Final Salary Risk (linked to inflation risk)**

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

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**Salary Increase Risk**

**- Mortality risk**

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

**- Withdrawal Risk**

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

**Investment Risk**

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

|         |  | 2021              | 2020              |
|---------|--|-------------------|-------------------|
| 12.2.11 | Weighted average duration of defined benefit asset (years) | 8                 | 10                |
| 13      | DEFERRED TAX LIABILITY - NET                               | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|         | Deferred tax liability - net                               | 401,352           | 229,863           |
| 13.1    | Movement in deferred tax liability - net                   |                   |                   |

|  | Net balance at<br>01 July | Recognized in<br>Profit or loss<br>(Note 39) | Other compre-<br>hensive income | Net balance at<br>30 June |
|--|---------------------------|--|---------------------------------|---------------------------|
|  |                           | (Rs.'000)                                    |                                 |                           |
| <b>2021</b>  |                           |  |                                 |                           |
| <b>Taxable temporary differences</b>                 |                           |  |                                 |                           |
| Property, plant and equipment and intangible assets  | 326,588                   | (99,798)                                     | -                               | 226,790                   |
| Right of Use asset                                   | -                         | 5,265  | -                               | 5,265                     |
| Revaluation surplus on property, plant and equipment | 95,262                    | (30,407)                                     | 204,827                         | 269,682                   |
| Net defined benefit asset - pension                  | 4,446                     | 6,976  | (2,667)                         | 8,755                     |
|  | 426,296                   | (117,964)                                    | 202,160                         | 510,493                   |
| <b>Deductible temporary differences</b>              |                           |  |                                 |                           |
| Loss allowance for ECL on trade debts                | (1,785)                   | 1,454  | -                               | (331)                     |
| Provision for Gas Infrastructure                     | (74,088)                  | 74,088                                       | -                               | -                         |
| Net defined benefit liability - gratuity             | (72,288)                  | (16,099)                                     | 11,027                          | (77,360)                  |
| Compensated absences                                 | -                         | (4,412)                                      | -                               | (4,412)                   |
| Provision for inventories                            | (15,670)                  | (3,886)                                      | -                               | (19,556)                  |
| Lease liabilities                                    | (32,602)                  | 25,120                                       | -                               | (7,482)                   |
|  | (196,433)                 | 76,265                                       | 11,027                          | (109,141)                 |
|  | 229,863                   | (41,699)                                     | 213,187                         | 401,352                   |
| <b>2020</b>  |                           |  |                                 |                           |
| <b>Taxable temporary differences</b>                 |                           |  |                                 |                           |
| Property, plant and equipment and intangible assets  | 286,438                   | 40,150                                       | -                               | 326,588                   |
| Revaluation surplus on property, plant and equipment | 65,486                    | (15,008)                                     | 44,784                          | 95,262                    |
| Net defined benefit asset - pension                  | 6,360                     | 3,849  | (5,763)                         | 4,446                     |
|  | 358,284                   | 28,991                                       | 39,021                          | 426,296                   |
| <b>Deductible temporary differences</b>              |                           |  |                                 |                           |
| Loss allowance for ECL on trade debts                | (881)                     | (904)  | -                               | (1,785)                   |
| Provision for Gas Infrastructure Development Cess    | -                         | (74,088)                                     | -                               | (74,088)                  |
| Net defined benefit liability - gratuity             | (71,827)                  | (5,508)                                      | 5,047                           | (72,288)                  |
| Provision for slow moving inventories                | (11,199)                  | (4,471)                                      | -                               | (15,670)                  |
| Lease liabilities (2019: Finance lease liabilities)  | (52,848)                  | 20,246                                       | -                               | (32,602)                  |
|  | (136,755)                 | (64,725)                                     | 5,047                           | (196,433)                 |
|  | 221,529                   | (35,734)                                     | 44,068                          | 229,863                   |

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| 14     | TRADE AND OTHER PAYABLES  | Note   | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|--------|---|--------|-------------------|-------------------|
|        | Payable to contractors and suppliers  |        | 260,393           | 447,331           |
|        | Accrued liabilities   |        | 151,893           | 72,012            |
|        | Security deposits   | 14.1   | 32,331            | 27,031            |
|        | Payable to Workers' (Profit) Participation Fund (WPPF)  | 14.2   | 110,551           | 77,857            |
|        | Payable to Workers' Welfare Fund (WWF)  | 14.3   | 35,582            | 18,497            |
|        | Provision for Gas Infrastructure Development Cess (GIDC)  |        | 138,901           | 255,474           |
|        | Provision for gas tariff differential   | 16.2   | 133,245           | -                 |
|        | Provision for water tax/charges   | 16.3   | 46,307            | -                 |
|        | Withholding tax payable   |        | 4,186             | 1,145             |
|        | Sales tax payable - net   |        | 150,649           | 151,066           |
|        | Export duty payable on PMFL and beer  |        | 110,821           | 110,821           |
|        | Zila tax payable  |        | 6,818             | 6,818             |
|        | Unearned income   |        | 2,002             | 2,354             |
|        | Other payables  |        | 34,669            | 33,670            |
|        |   |        | <u>1,218,348</u>  | <u>1,204,077</u>  |
| 14.1   | <b>Security deposits</b>  |        |                   |                   |
|        | Security deposits   | 14.1.1 | <u>32,331</u>     | <u>27,031</u>     |
| 14.1.1 | These represent unutilizable amounts received as security deposits from dealers and suppliers of the Company. Out of this, an amount of Rs. 23,144 million (2020: Rs. 22.4 million) is kept in a separate bank account.   |        |                   |                   |
| 14.2   | <b>Payable to Workers' (Profit) Participation Fund (WPPF)</b>   | Note   | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|        | Balance at 01 July  |        | 77,857            | 130,853           |
|        | Interest on funds utilised in the Company's business  | 37     | -                 | 11,088            |
|        | Charge for the year   | 35     | 68,553            | 35,814            |
|        | Payments to the Fund during the year  |        | <u>(35,859)</u>   | <u>(99,898)</u>   |
|        | Balance at 30 June  |        | <u>110,551</u>    | <u>77,857</u>     |
| 14.3   | <b>Payable to Workers' Welfare Fund (WWF)</b>   |        |                   |                   |
|        | Balance at 01 July  |        | 18,497            | 19,929            |
|        | Charge for the year   | 35     | 32,536            | 21,183            |
|        | Adjustments claimed against income tax  | 29     | <u>(15,451)</u>   | <u>(22,615)</u>   |
|        | Balance at 30 June  |        | <u>35,582</u>     | <u>18,497</u>     |
| 14.4   | Procurement during the year includes procurement of services amounting to Rs. 191.24 million ( 2020 : Rs. 265.67 million) subject to Provincial Sales Tax.  |        |                   |                   |
| 15     | <b>CONTRACT LIABILITIES</b>   |        |                   |                   |
|        | Contract liabilities  | 15.1   | <u>202,616</u>    | 109,842           |
| 15.1   | These represent unused advances form customers against sale of goods.   |        |                   |                   |
| 16     | <b>CONTINGENCIES AND COMMITMENTS</b>  |        |                   |                   |
| (a)    | <b>Contingencies:</b>   |        |                   |                   |
| 16.1   | Letter of guarantee issued by banks on behalf of the Company  | 16.1.1 | <u>102,577</u>    | 119,011           |
| 16.1.1 | 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 30.5 to these financial statements. |        |                   |                   |

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**16.2** The Company has been paying sui gas industrial bills based on gas tariff at Rs. 488 per MMBTU and Rs. 573 per MMBTU for captive power meter, as compared to the bill raised by SNGPL at Rs. 600 per MMBTU due to the litigations along with the industry. Previously, the Company had not recognised the provision for difference between the aforesaid rates amounting to Rs. 133.24 million ("gas tariff differential"). However, in July 2021, SNGPL raised demand amounting to Rs. 254.678 million, inclusive sales tax amounting to Rs. 18.002 million on gas tariff differential and late payment surcharge amounting to Rs. 130.779 million. The Company in consultation with its legal advisors, has recognised the provision amounting to Rs. 133.24 million, being the original gas tariff differential, however, the Company has not recognised provision for aforesaid sales tax and late payment surcharge, since the Company along with the industry had filed the suit in Peshawar High Court and had obtained stay order against the disputed gas tariff differential. Based on legal consultation, the management of the Company is confident that the eventual decision will be in favour of the Company.

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

The Punjab Water Act, 2019 was promulgated with effect from 13 December 2019. Based on legal consultation, the Company has recognised liability amounting to Rs. 35.44 million for water consumed at Rawalpindi, Punjab with effect from 13 December 2019 at the rate of Rs. 0.25 per litre of sales made till 30 June 2021

The Company had received notice from the Government of Khyber Pakhtunkhwa on account of water charges. The Company had filed writ petition in the Peshawar High Court against recovery of billed amounts. In this respect, the Khyber Pakhtunkhwa Water Act, 2020 was promulgated with effect from 24 July 2020, containing a clause validating the orders issued and actions taken by the Government and its related agencies in relation to water charges prior to 24 July 2020. The Khyber Pakhtunkhwa Water Act, 2020 comes into force in such areas and on such dates as the Irrigation Department with approval of Chief Minister may specify. In the absence of such specification, the Company has recognised liability amounting to Rs. 10.869 million for water consumed at Hattar, Khyber Pakhtunkhwa with effect from 24 July 2020 at the rate of Rs. 0.25 per litre of sales made till 30 June 2021. The Company believes that the validation of the orders and/or actions of the Government of Khyber Pakhtunkhwa and related agencies prior to promulgation of the aforesaid Act are not supported by any legislation, and therefore are considered illegal. In this respect, the Company is in the process of filing an amended petition before the Peshawar High Court.

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

**16.4** For contingencies related to tax matters, refer note 39.

| <b>(b) Commitments:</b>                                     | <b>Note</b> | <b>2021<br/>(Rs.'000)</b> | <b>2020<br/>(Rs.'000)</b> |
|---|-------------|---------------------------|---------------------------|
| Outstanding letter of credits including capital expenditure | <b>16.5</b> | <b>401,317</b>            | 223,136                   |
| <i>Capital expenditure contracts</i>                        |             |                           |                           |
| - Machinery   |             | -                         | 29,685                    |
| - Others  |             | <b>401,317</b>            | 193,451                   |

**16.5** For details of security against Letter of Credits, refer to note 30.5 (b), (c) and (d).

**17 PROPERTY, PLANT AND EQUIPMENT**

|                                 |             |                  |           |
|---------------------------------|-------------|------------------|-----------|
| Operating fixed assets          | <b>17.1</b> | <b>6,355,066</b> | 5,156,460 |
| Capital work in progress (CWIP) | <b>17.2</b> | -                | 760       |
|                                 |             | <b>6,355,066</b> | 5,157,220 |

# Murree Brewery Company Limited

## Notes to the Financial Statements For the year ended 30 June 2021

### 17.1 Operating fixed assets

#### Reconciliation of carrying amounts

|   | Owned                                |  |  | Leased   |                              |   | Total                        |
|---|--------------------------------------|--|--|--|------------------------------|---|------------------------------|
|   | Freehold land (Note 17.1.1 & 17.1.2) | Buildings on freehold land (Note 17.1.2) | Plant, machinery and equipment (Note 17.1.2) | Furniture, fixtures, computers and equipment (Note 17.1.2) | Motor vehicles (Note 17.1.2) | Leasehold land and plant, machinery and equipment (Note 17.1.2) | Motor vehicles (Note 17.1.2) |
|   |                                      |  |  |  |                              |   |                              |
| Balance at 01 July 2019   | 2,726,139                            | 490,954                                  | 2,880,326                                    | 24,156   | 115,650                      | 42,505  | 298,128                      |
| Recognition of right-of-use asset on initial application of IFRS 16 | -                                    | -  | -  | -  | -                            | -   | (40,009)                     |
| Adjusted balance at 01 July 2019                                    | 2,726,139                            | 490,954                                  | 2,880,326                                    | 24,156   | 115,650                      | 42,505  | 258,119                      |
| Additions   | 39,461                               | 29,227                                   | 192,865                                      | -  | 2,865                        | -   | -                            |
| Transfers from Right of Use assets                                  | -                                    | -  | (22,393)                                     | 22,393   | 11,740                       | -   | -                            |
| Reclassification of items   | -                                    | -  | 97,177                                       | -  | -                            | -   | -                            |
| Revaluation surplus   | -                                    | -  | 220,913                                      | -  | -                            | -   | -                            |
| Transfers from CWIP   | -                                    | 10,181                                   | -  | (79)   | (9,709)                      | -   | -                            |
| Disposals   | -                                    | -  | (47,523)                                     | -  | -                            | -   | -                            |
| Balance at 30 June 2020   | 2,765,600                            | 530,362                                  | 3,361,136                                    | 46,470   | 120,546                      | 42,505  | 258,119                      |
| Balance at 01 July 2020   | 2,765,600                            | 530,362                                  | 3,361,136                                    | 46,470   | 120,546                      | 42,505  | 258,119                      |
| Additions   | -                                    | 28,721                                   | 155,247                                      | 1,597  | 9,969                        | -   | -                            |
| Transfers from leased assets  | -                                    | -  | 355,380                                      | -  | -                            | -   | -                            |
| Revaluation surplus   | 405,982                              | 111,404                                  | 594,795                                      | -  | -                            | 33,695  | -                            |
| Transfers from CWIP (note 17.2)                                     | -                                    | 760                                      | 137  | -  | -                            | -   | -                            |
| Disposals   | -                                    | -  | (70,137)                                     | -  | (11,196)                     | -   | -                            |
| Balance at 30 June 2021   | 3,171,582                            | 671,347                                  | 4,396,558                                    | 48,067   | 119,319                      | 76,200  | 258,119                      |
|   |                                      |  |  |  |                              |   |                              |
| Balance at 01 July 2019   | -                                    | 155,893                                  | 1,075,528                                    | 19,567   | 88,787                       | -   | 29,813                       |
| Recognition of right-of-use asset on initial application of IFRS 16 | -                                    | -  | -  | -  | -                            | -   | (22,085)                     |
| Adjusted balance at 01 July 2019                                    | -                                    | 155,893                                  | 1,075,528                                    | 19,567   | 88,787                       | -   | 7,728                        |
| Transfers from Right of Use assets                                  | -                                    | -  | (21,303)                                     | 21,303   | 4,711                        | -   | -                            |
| Reclassification of items   | -                                    | 40,880                                   | 323,186                                      | 1,463  | 12,838                       | -   | -                            |
| Depreciation (note 17.1.3)  | -                                    | -  | (6,972)                                      | (79)   | (5,643)                      | -   | -                            |
| Disposals   | -                                    | 196,773                                  | 1,370,439                                    | 42,254   | 100,693                      | -   | -                            |
| Balance at 30 June 2020   | -                                    | 196,773                                  | 1,370,439                                    | 42,254   | 100,693                      | -   | 7,728                        |
| Balance at 01 July 2020   | -                                    | 196,773                                  | 1,370,439                                    | 42,254   | 100,693                      | -   | 7,728                        |
| Depreciation (note 17.1.3)  | -                                    | 43,788                                   | 333,755                                      | 1,402  | 10,394                       | -   | -                            |
| Transfers from Right of Use assets                                  | -                                    | -  | 89,241                                       | -  | -                            | -   | -                            |
| Disposals   | -                                    | -  | (55,123)                                     | -  | (5,609)                      | -   | -                            |
| Balance at 30 June 2021   | -                                    | 240,561                                  | 1,738,312                                    | 43,656   | 105,478                      | -   | 7,728                        |
| Carrying amounts  |                                      |  |  |  |                              |   |                              |
| At 30 June 2020   | 2,765,600                            | 333,589                                  | 1,990,697                                    | 4,216  | 19,853                       | 42,505  | 5,156,460                    |
| At 30 June 2021   | 3,171,582                            | 430,786                                  | 2,658,246                                    | 4,411  | 13,841                       | 76,200  | 6,355,066                    |
| Depreciation rates per annum  | -                                    | 5-10%                                    | 10-20%                                       | 10-33%   | 20%                          | -   | 20%                          |

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

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

The latest revaluation of the Company's land, buildings, plant and machinery was made on 30 June 2021 resulting in net surplus of Rs.1,145.98 million.

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

|                                | Cost<br>(Rs.'000) | Accumulated depreciation<br>(Rs.'000) | Written down value<br>(Rs.'000) |
|--------------------------------|-------------------|---------------------------------------|---------------------------------|
| Land                           | 120,138           | -                                     | 120,138                         |
| Buildings                      | 461,012           | (150,210)                             | 310,802                         |
| Plant, machinery and equipment | 3,528,085         | (1,778,725)                           | 1,749,360                       |
| <b>2021</b>                    | <b>4,109,235</b>  | <b>(1,928,935)</b>                    | <b>2,180,300</b>                |
| <b>2020</b>                    | <b>3,994,507</b>  | <b>(1,547,815)</b>                    | <b>2,446,693</b>                |

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

|                                   | Note | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|-----------------------------------|------|-------------------|-------------------|
| Cost of sales                     | 32   | 370,914           | 357,060           |
| Selling and distribution expenses | 33   | 2,864             | 2,485             |
| Administrative expenses           | 34   | 15,074            | 18,817            |
|                                   |      | <b>388,852</b>    | <b>378,362</b>    |

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

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

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

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**17.1.6 Detail of disposals of operating fixed assets**

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

| Description  | Cost /<br>revalued<br>amount | Carrying<br>value | Sale<br>proceeds | Gain  | Purchasers                  | Relation with<br>Company /<br>Director | Mode of Disposal        |
|--|------------------------------|-------------------|------------------|-------|-----------------------------|--|-------------------------|
|  | (Rs. '000)                   |                   |                  |       |                             |  |                         |
| <b>Plant and Machinery</b>   |                              |                   |                  |       |                             |  |                         |
| A-3 Flex Machine and<br>Accessories  | 70,137                       | 15,015            | 18,648           | 3,633 | M/s Tetra Tech<br>Solutions | None                                   | Tender                  |
| <b>Vehicles</b>  |                              |                   |                  |       |                             |  |                         |
| Honda City   | 1,723                        | 714               | 1,009            | 295   | Mr. Zahid                   | Employee                               | As per Company's policy |
| Toyota Corolla   | 2,865                        | 2,331             | 2,461            | 130   | Mr. Iftekhar Hussain        | Employee                               | As per Company's policy |
| Honda City   | 1,943                        | 761               | 1,155            | 394   | Ms. Samina Shahzadi         | Employee                               | As per Company's policy |
| Honda City   | 1,951                        | 764               | 1,170            | 406   | Mr. Muhammad Ajmal          | Employee                               | As per Company's policy |
| Honda City   | 1,949                        | 714               | 1,165            | 451   | Mr. Faker E Mehmood         | Employee/KMP                           | As per Company's policy |
| Aggregate value of other<br>items with individual<br>book value not exceeding<br>Rs. 500,000 | 766                          | 301               | 457              | 156   | Multiple persons            | None                                   | Tender                  |

|             |               |               |               |              |                    |
|-------------|---------------|---------------|---------------|--------------|--------------------|
| <b>2021</b> | <b>81,334</b> | <b>20,600</b> | <b>26,065</b> | <b>5,465</b> | Also refer note 36 |
| <b>2020</b> | <b>17,540</b> | <b>4,846</b>  | <b>10,502</b> | <b>5,656</b> | Also refer note 36 |

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

Balance at 01 July  
Additions

*Transferred to operating fixed assets:*

Buildings on freehold land  
Plant, machinery and equipment

Balance at 30 June (representing civil works)

Note

|  | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|--|-------------------|-------------------|
| Balance at 01 July                     | 760               | 169,848           |
| Additions                              | 137               | 62,006            |
|  | 897               | 231,854           |
| Transferred to operating fixed assets: |                   |                   |
| Buildings on freehold land             | (760)             | (10,181)          |
| Plant, machinery and equipment         | (137)             | (220,913)         |
|  | (897)             | (231,094)         |
| Balance at 30 June                     | -                 | 760               |

**18 RIGHT OF USE ASSETS**  
**COST**

Balance at 01 July  
Additions  
Transfer to Property, plant and equipment  
Revaluation surplus  
Disposals  
Balance at 30 June

**DEPRECIATION**

Balance at 01 July  
Charge for the year  
On transfer to Property, plant and equipment  
Balance at 30 June

**Carrying amount**

Rate of depreciation per annum (%)

18.1

|  | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|--|-------------------|-------------------|
| Balance at 01 July                           | 412,879           | 361,141           |
| Additions                                    | 5,694             | 7,378             |
| Transfer to Property, plant and equipment    | (355,380)         | (11,740)          |
| Revaluation surplus                          | -                 | 57,252            |
| Disposals                                    | -                 | (1,152)           |
| Balance at 30 June                           | 63,193            | 412,879           |
| Balance at 01 July                           | 90,320            | 51,898            |
| Charge for the year                          | 36,478            | 43,133            |
| On transfer to Property, plant and equipment | (89,241)          | (4,711)           |
| Balance at 30 June                           | 37,557            | 90,320            |
| Carrying amount                              | 25,636            | 322,559           |
| Rate of depreciation per annum (%)           | 10% to 20%        | 10% to 20%        |

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

|                                   |               |               |
|-----------------------------------|---------------|---------------|
| Cost of sales                     | 28,608        | 35,365        |
| Selling and distribution expenses | 4,601         | 5,703         |
| Administrative expenses           | 3,269         | 2,065         |
|                                   | <u>36,478</u> | <u>43,133</u> |

**18.2** As of the reporting date, right of use assets consist of leased premises and vehicles.

**19 INTANGIBLE ASSET**

|                   |      |            |              |
|-------------------|------|------------|--------------|
| Computer software | 19.1 | <u>782</u> | <u>1,301</u> |
|-------------------|------|------------|--------------|

**19.1 Reconciliation of carrying amounts**

|                    |  |              |              |
|--------------------|--|--------------|--------------|
| <b>Cost</b>        |  |              |              |
| Balance at 01 July |  | 2,595        | 2,595        |
| Additions          |  |              | -            |
| Balance at 30 June |  | <u>2,595</u> | <u>2,595</u> |

**Accumulated amortization**

|                    |    |              |              |
|--------------------|----|--------------|--------------|
| Balance at 01 July |    | 1,294        | 775          |
| Amortization       | 34 | 519          | 519          |
| Balance at 30 June |    | <u>1,813</u> | <u>1,294</u> |

|                       |  |            |              |
|-----------------------|--|------------|--------------|
| <b>Carrying value</b> |  | <u>782</u> | <u>1,301</u> |
|-----------------------|--|------------|--------------|

|                                |  |            |            |
|--------------------------------|--|------------|------------|
| Rate of amortization per annum |  | <u>20%</u> | <u>20%</u> |
|--------------------------------|--|------------|------------|

**19.2** Amortization charge for the year has been allocated to administrative expenses.

**20 ADVANCES FOR CAPITAL EXPENDITURES**

|                                       |               |               |
|---------------------------------------|---------------|---------------|
|                                       | 2021          | 2020          |
|                                       | (Rs.'000)     | (Rs.'000)     |
| Advances for civil works              | 7,064         | 46,566        |
| Advances for purchase of fixed assets | 35,414        | 35,470        |
|                                       | <u>42,478</u> | <u>82,036</u> |

**21 INVESTMENT PROPERTIES**

**21.1 Reconciliation of carrying amount:**

|                          |        |                |                |
|--------------------------|--------|----------------|----------------|
|                          |        | 2021           | 2020           |
|                          |        | (Rs.'000)      | (Rs.'000)      |
| Balance at 01 July       |        | 358,627        | 325,116        |
| Addition during the year |        | -              | 9,050          |
| Change in fair value     | 36     | 39,259         | 24,461         |
| Balance at 30 June       | 21.1.1 | <u>397,886</u> | <u>358,627</u> |

**21.1.1** The investment property represents lands and buildings held for capital appreciation and to earn rental income. On 30 June 2021, an exercise was carried out by an independent valuer to ascertain the fair value of investment property. The price of land of the investment property is assessed based on market research carried out in the area where the property is situated. The fair value of the property is based on independent valuer's judgment about average prices prevalent on the said date and has been prepared on openly available / provided information after making relevant inquiries from the market. Changes in fair value are recognized as gains in profit or loss and included in 'other income'. All gains are unrealized.

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

| Location  | Area<br>Sq. Fts | FSV<br>Rs' (000) |
|---|-----------------|------------------|
| 1) Plot 121/3, Township Industrial Area, Lahore                       | 8,115           | 176,151          |
| 2) Office Suite 509, 5th Floor, ISE Tower, Blue Area, Islamabad       | 1,348           | 32,082           |
| 3) Office 411, Fourth Floor, The Forum, Block 9, Clifton, Karachi     | 1,038           | 25,587           |
| 4) NBP Building, Murree Brewery Estate, National Park Road, Islamabad | 1,487           | 4,271            |
| 5) House no. 20, St no. 37, Sector F-7/1, Islamabad                   | 5,999           | 100,112          |
|   |                 | <u>338,203</u>   |

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**21.3 Measurement of fair values**

**21.3.1 Fair value hierarchy**

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

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

| <b>22</b> | <b>LONG TERM ADVANCES - SECURED</b>                   | <b>Note</b> | <b>2021<br/>(Rs.'000)</b> | <b>2020<br/>(Rs.'000)</b> |
|-----------|---|-------------|---------------------------|---------------------------|
|           | To employees  |             | <b>19,621</b>             | 20,722                    |
|           | Less: Due within one year, shown under current assets | <b>27</b>   | <b>(5,673)</b>            | (3,636)                   |
|           |   |             | <b>13,948</b>             | 17,086                    |

**22.1** These advances carry interest at 11% (2020: 11%) per annum and are repayable in periods up to three years. These advances have been given in accordance with the Company's policy for the purchase of vehicle. These advances are secured against the ownership of vehicle.

| <b>23</b> | <b>LONG TERM INVESTMENTS</b>     | <b>Note</b> | <b>2021<br/>(Rs.'000)</b> | <b>2020<br/>(Rs.'000)</b> |
|-----------|----------------------------------|-------------|---------------------------|---------------------------|
|           | <i>Amortised cost</i>            |             |                           |                           |
|           | Pakistan Investment Bonds (PIBs) | <b>23.1</b> | <b>514,466</b>            | 517,473                   |

**23.1** This represents investment in Pakistan Investment Bonds (PIBs) having face value of Rs. 500 million (2020: Rs. 500 million). These PIBs carry a coupon rate of 8.75% (2020: 8.75%) per annum with profit payable on a half yearly basis. The maturity date of PIBs is 21 April 2026.

| <b>24</b> | <b>LONG TERM DEPOSITS</b> | <b>Note</b> | <b>2021<br/>(Rs.'000)</b> | <b>2020<br/>(Rs.'000)</b> |
|-----------|---------------------------|-------------|---------------------------|---------------------------|
|           | Long term deposits        | <b>24.1</b> | <b>38,066</b>             | 35,754                    |

**24.1** These represent deposits maintained with the utility companies. These are unsecured, interest free and refundable on termination of services.

| <b>25</b> | <b>INVENTORIES</b>                         | <b>Note</b> | <b>2021<br/>(Rs.'000)</b> | <b>2020<br/>(Rs.'000)</b> |
|-----------|--|-------------|---------------------------|---------------------------|
|           | <i>Stores, spare parts and loose tools</i> |             |                           |                           |
|           | Stores                                     |             | <b>180,279</b>            | 144,646                   |
|           | Spare parts and loose tools                |             | <b>64,542</b>             | 63,317                    |
|           |  |             | <b>244,821</b>            | 207,963                   |

*Stock in trade*

Raw material

Work in process

Stock under maturation - WIP

Finished goods

**25.1**

|                  |           |
|------------------|-----------|
| <b>1,243,687</b> | 1,153,133 |
| <b>130,916</b>   | 125,552   |
| <b>167,939</b>   | 124,828   |
| <b>216,065</b>   | 304,686   |
| <b>1,758,607</b> | 1,708,199 |

*Less: provision for slow moving inventories*

**25.2**

|                  |           |
|------------------|-----------|
| <b>(65,807)</b>  | (54,043)  |
| <b>1,937,621</b> | 1,862,119 |

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

| <b>25.2</b> | <b>Movement in provision for slowing moving inventories</b> | <b>Note</b> | <b>2021<br/>(Rs.'000)</b> | <b>2020<br/>(Rs.'000)</b> |
|-------------|---|-------------|---------------------------|---------------------------|
|             | Balance at 01 July  |             | <b>54,043</b>             | 38,618                    |
|             | Provision for slow moving inventories                       | <b>34</b>   | <b>11,764</b>             | 15,425                    |
|             | Balance at 30 June  |             | <b>65,807</b>             | 54,043                    |

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|      |   |      | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|------|---|------|-------------------|-------------------|
| 26   | <b>TRADE DEBTS - Unsecured</b>  | Note |                   |                   |
|      | Considered good   |      | 31,372            | 25,926            |
|      | Considered doubtful   |      | 1,141             | 6,154             |
|      |   |      | 32,513            | 32,080            |
|      | <i>Less: loss allowance for expected credit losses</i>  | 26.1 | (1,141)           | (6,154)           |
|      |   |      | 31,372            | 25,926            |
| 26.1 | <b>Loss allowance for expected credit losses</b>  |      |                   |                   |
|      | Balance at 01 July  |      | 6,154             | 3,037             |
|      | Net remeasurement of loss allowance   |      | (5,013)           | 3,117             |
|      | Balance at 30 June  |      | 1,141             | 6,154             |
| 26.2 | <b>The age analysis of trade debts, at the reporting date, is as follows:</b>   | Note |                   |                   |
|      | Past due  |      |                   |                   |
|      | -up to 3 months   |      | 31,443            | 14,273            |
|      | -up to 3 to 6 months  |      | 190               | 16,104            |
|      | -up to 6 to 12 months   |      | 880               | 1,203             |
|      | -more than one year   |      | -                 | 500               |
|      |   |      | 32,513            | 32,080            |
| 27   | <b>ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES</b>  |      |                   |                   |
|      | Advances to employees - unsecured   |      | 696               | 2,039             |
|      | Current portion of long term advances - secured   | 22   | 5,673             | 3,636             |
|      | Advances to suppliers - unsecured   |      | 186,843           | 189,798           |
|      | Prepayments   |      | 4,671             | 8,870             |
|      | Interest accrued  |      | 9,786             | 9,260             |
|      | Other receivables   |      | 577               | 578               |
|      |   |      | 208,246           | 214,181           |
| 28   | <b>SHORT TERM INVESTMENTS</b>   | Note |                   |                   |
|      | <i>Investments at fair value through profit or loss</i>   |      |                   |                   |
|      | Shares of listed companies  |      | 6                 | 6                 |
|      | Mutual funds  | 28.1 | 1,993,768         | 1,672,957         |
|      | <i>Investment at amortised cost</i>   |      |                   |                   |
|      | Investment in term deposit receipt - USD  |      | -                 | 50,280            |
|      |   |      | 1,993,774         | 1,723,243         |
| 28.1 | These represent funds invested in 125.55 million (2020: 110.94 million) units of various mutual funds having market value ranging from Rs.9.66 to Rs. 505.88 (2020: Rs. 9.88 to Rs. 505.26) per unit. |      |                   |                   |
| 29   | <b>ADVANCE TAX - NET</b>  | Note |                   |                   |
|      | Tax refundable at 01 July   |      | 372,106           | 317,802           |
|      | Provision for tax - current   | 39   | (418,086)         | (391,979)         |
|      | Income tax paid during the year   |      | 316,770           | 468,898           |
|      | Income tax adjusted against Workers' Welfare Fund   | 14.3 | (15,451)          | (22,615)          |
|      | Tax refundable at 30 June   |      | 255,339           | 372,106           |

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|                                    | Note | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|------------------------------------|------|-------------------|-------------------|
| <b>30 CASH AND BANK BALANCES</b>   |      |                   |                   |
| Cash in hand                       |      | 10,992            | 9,002             |
| Cash in transit                    |      | -                 | -                 |
| Banking instrument in hand         | 30.1 | 100,000           | 60,000            |
| Cash at banks:                     |      |                   |                   |
| - local currency current accounts  |      | 722,686           | 608,328           |
| - local currency deposit accounts  | 30.2 | 1,314,709         | 656,134           |
| - foreign currency deposit account | 30.3 | 49,401            | 1,865             |
|                                    |      | <u>2,086,796</u>  | <u>1,266,327</u>  |
|                                    | 30.4 | <u>2,197,788</u>  | <u>1,335,329</u>  |

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

30.2 These carry interest ranging from 3% to 6.25% (2020: 6.5% to 12.62%) per annum.

30.3 This carries interest at the rate of 0.25% (2020: 0.25%) per annum.

30.4 This includes cash margin amounting to Rs. 100 million (2020: Rs. 100 million) and Rs. 25 million (2020: Rs. 25 million) deposited with Askari Bank Limited and United Bank Limited as security against letter of guarantee facilities.

**30.5 Financing facilities**

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

- (a) Running finance facility amounting to Rs. 35 million (2020: Rs. 35 million) from Bank Alfalah Limited, Rawalpindi. This facility is available till 30 September 2021 which is in process of further renewal till 30 September 2022. This carries mark up at the rate of 6 months' KIBOR plus 1% (2020: 6 months' KIBOR plus 1%) per annum. Principal is payable on expiry or on demand whichever is earlier. It is secured against present and future current assets of the Company registered with Securities and Exchange Commission of Pakistan amounting to Rs. 75 million (2020: Rs. 75 million).
- (b) Facilities of letters of guarantee and letters of credit amounting to Rs. 10 million (2020: Rs. 10 million) and Rs. 450 million (2020: Rs. 450 million) from Bank Alfalah Limited respectively were available. Facilities of letters of guarantee and letters of credit are secured against present and future assets of the Company and lien on import documents respectively.
- (c) Facilities of letters of guarantee, shipping guarantee and letters of credit amounting to Rs. 100 million (2020: Rs. 100 million), Rs. 50 million (2020: Rs. 50 million) and Rs. 200 million (2020: Rs. 200 million) from Askari Bank Limited respectively are available to the Company till 31 October 2021. 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. 300 million (2020: Rs. 300 million) is available from Allied Bank Limited. This facility is available till 31 December 2021. This facility is secured against lien over valid import documents.
- (e) Facility of letter of credit amounting to Rs. 200 million (2020: Rs. 200 million) with sublimit of letter of guarantee of Rs. 100 million (2020: Rs. 100 million) was available from United Bank Limited and are available to the Company till 30 June 2022. This facility is secured against lien over valid import documents and 100% cash margin or lien on deposit/U/B/L Funds lien over valid import documents.

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| 31   | NET TURNOVER   | Note   | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|------|--|--------|-------------------|-------------------|
|      | Turnover   | 31.1   | 16,087,879        | 13,850,369        |
|      | Sales tax  |        | (2,541,128)       | (2,684,020)       |
|      | Federal and provincial excise duty   |        | (1,426,991)       | (1,805,549)       |
|      | Trade discounts  |        | (432,471)         | (363,891)         |
|      |  |        | <u>11,687,289</u> | <u>8,996,909</u>  |
| 31.1 | Disaggregation of local and international sales  |        |                   |                   |
|      | Local sales  | 31.2   | 16,079,097        | 13,850,369        |
|      | Export sales   |        | 8,782             | -                 |
|      |  |        | <u>16,087,879</u> | <u>13,850,369</u> |
| 31.2 | Disaggregation of revenue from contracts with customers  |        |                   |                   |
|      | In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition. |        |                   |                   |
|      | <i>Primary geographical markets</i>  |        | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|      | Punjab   |        | 6,878,078         | 4,877,919         |
|      | Sindh  |        | 5,209,034         | 5,569,132         |
|      | Khyber Pakhtunkhwa   |        | 1,944,813         | 1,595,506         |
|      | Balochistan  |        | 1,447,506         | 1,237,114         |
|      | Islamabad Capital Territory  |        | 445,779           | 312,456           |
|      | Others   |        | 162,669           | 258,242           |
|      |  |        | <u>16,087,879</u> | <u>13,850,369</u> |
|      | <i>Major products/service lines</i>  |        |                   |                   |
|      | Pakistan Made Foreign Liquor (PMFL)  |        | 5,578,471         | 5,181,753         |
|      | Beer   |        | 2,859,054         | 2,223,303         |
|      | Non alcoholic beverages and products   |        | 4,288,072         | 3,614,437         |
|      | Tetrapak juices  |        | 1,526,539         | 1,416,742         |
|      | Juices Non Returnable  |        | 46,115            | 421,346           |
|      | Sparklers bottled drinking water   |        | 826,971           | 624,974           |
|      | Glass products   |        | 380,080           | 122,872           |
|      | Others   |        | 582,577           | 244,942           |
|      |  |        | <u>16,087,879</u> | <u>13,850,369</u> |
|      | <i>Timing of revenue recognition</i>   |        |                   |                   |
|      | Products transferred at a point in time  |        | <u>16,087,879</u> | <u>13,850,369</u> |
| 31.3 | Revenue amounting to Rs. 109,842 (2020: Rs. 121,090) included in the opening contract liability balance has been recognized during the year.                                       |        |                   |                   |
| 32   | COST OF SALES  | Note   | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|      | Raw materials consumed   | 32.1   | 6,177,966         | 4,612,009         |
|      | Stores and spares consumed   |        | 193,784           | 165,439           |
|      | Fuel and power   |        | 762,772           | 730,341           |
|      | Salaries, wages and other benefits   | 32.2   | 577,602           | 575,725           |
|      | Repairs and maintenance  |        | 117,843           | 118,059           |
|      | Depreciation   | 17.1.3 | 370,914           | 357,060           |
|      | Depreciation- Right of Use Asset   | 18.1   | 36,091            | 35,365            |
|      | Cost to fulfil a contract - transportation   |        | 316,143           | 231,222           |
|      | Other manufacturing expenses   |        | 117,058           | 71,342            |
|      |  |        | <u>8,670,173</u>  | <u>6,896,562</u>  |
|      | <i>Work in process including stock under maturation</i>  |        |                   |                   |
|      | Opening stock at 01 July   |        | 250,380           | 201,276           |
|      | Closing stock at 30 June   |        | (298,855)         | (250,380)         |
|      |  |        | <u>(48,475)</u>   | <u>(49,104)</u>   |
|      | <i>Cost of goods manufactured</i>  |        | <u>8,621,698</u>  | <u>6,847,458</u>  |
|      | <i>Finished goods</i>  |        |                   |                   |
|      | Opening stock at 01 July   |        | 304,686           | 152,672           |
|      | Closing stock at 30 June   |        | (216,065)         | (304,686)         |
|      |  |        | <u>88,621</u>     | <u>(152,014)</u>  |
|      |  |        | <u>8,710,319</u>  | <u>6,695,444</u>  |
| 32.1 | Raw materials consumed   |        |                   |                   |
|      | Opening stock at 01 July   |        | 1,153,133         | 1,052,859         |
|      | Purchases  |        | 6,268,520         | 4,712,283         |
|      | Closing stock at 30 June   |        | (1,243,687)       | (1,153,133)       |
|      |  |        | <u>6,177,966</u>  | <u>4,612,009</u>  |
| 32.2 | This includes staff retirement benefits amounting to Rs. 20.12 million (2020: Rs. 37.13 million).  |        |                   |                   |

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| 33   | SELLING AND DISTRIBUTION EXPENSES   | Note   | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|------|---|--------|-------------------|-------------------|
|      | Salaries, wages and other benefits  | 33.1   | 154,171           | 153,096           |
|      | Advertisement and publicity   |        | 71,834            | 86,018            |
|      | Selling expenses  |        | 210,148           | 231,831           |
|      | Incremental cost of obtaining a contract - sales commission   |        | 91,373            | 95,142            |
|      | Samples   |        | 11,663            | 15,084            |
|      | Sales promotion   |        | 13,455            | 10,656            |
|      | Freight   |        | 84,524            | 65,828            |
|      | Depreciation- Property, plant and equipment   | 17.1.3 | 2,864             | 2,485             |
|      | Depreciation- Right of Use Asset  | 18.1   | 4,601             | 5,703             |
|      | Service charges and commission to D.P. Edulji & Co. (Private) Limited, a related party  | 46     | 141,686           | 123,589           |
|      | Rent of vehicles  |        | 36,197            | 38,572            |
|      | Others  |        | 86,691            | 42,110            |
|      |   |        | <u>989,207</u>    | <u>870,114</u>    |
| 33.1 | This includes staff retirement benefits amounting to Rs. 3.77 million (2020: Rs. 7.9 million).  |        |                   |                   |
| 34   | ADMINISTRATIVE EXPENSES   |        |                   |                   |
|      | Salaries, wages and other benefits  | 34.1   | 269,486           | 253,152           |
|      | Travelling and conveyance   |        | 6,100             | 9,743             |
|      | Printing and stationery   |        | 10,435            | 9,696             |
|      | Repairs and maintenance   |        | 17,149            | 14,951            |
|      | Fuel and power  |        | 38,919            | 37,421            |
|      | Directors' fees and travelling  |        | 7,234             | 3,350             |
|      | Communication   |        | 7,942             | 8,046             |
|      | Entertainment   |        | 6,847             | 6,381             |
|      | Legal and professional  |        | 12,849            | 13,584            |
|      | Security  |        | 21,009            | 21,071            |
|      | Donations   | 34.2   | 4,120             | 3,640             |
|      | Provision/(reversal) for slow moving inventories  | 25.2   | 11,765            | 15,425            |
|      | Insurance   |        | 8,408             | 9,343             |
|      | Rent, rates and taxes   |        | 10,765            | 73,925            |
|      | Sundries  |        | -                 | 4,081             |
|      | Depreciation- Property Plant & Equipment  | 17.1.3 | 15,074            | 18,817            |
|      | Depreciation- Right of Use Asset  | 18.1   | 3,269             | 2,065             |
|      | Amortization  | 19.1   | 519               | 519               |
|      | Others  |        | 17,691            | 1,930             |
|      |   |        | <u>469,581</u>    | <u>507,140</u>    |
| 34.1 | This includes staff retirement benefits amounting to Rs. 10.95 million (2020: Rs. 4.95 million).  |        |                   |                   |
| 34.2 | Donations include Rs. 1.50 million (2020: Rs. 1.50 million) paid to Bhandara Foundation, located at 10 Commercial Building, Shahrah-e-Quaid-i-Azam, Lahore, in which Chief Executive Officer of the Company is a Trustee. |        |                   |                   |
| 35   | OTHER EXPENSES  | Note   | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|      | Workers' (Profit) Participation Fund (WPPF)   | 14.2   | 68,553            | 35,814            |
|      | Workers' Welfare Fund (WWF)   | 14.3   | 32,536            | 21,183            |
|      | Provision for Gas Infrastructure Development Cess (GIDC)  |        | -                 | 211,895           |
|      | Provision for Gas tariff differential   |        | 133,245           | -                 |
|      | Auditors' remuneration  | 35.1   | 2,299             | 1,849             |
|      | Other certifications  |        | 793               | 545               |
|      | Internal audit fee  | 35.3   | 1,732             | 1,732             |
|      |   |        | <u>239,158</u>    | <u>273,018</u>    |

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| 35.1 Auditors' remuneration  | Note   | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|--|--------|-------------------|-------------------|
| <b>Audit services</b>  |        |                   |                   |
| Annual audit fee   |        | 1,250             | 1,089             |
| Half yearly audit fee  |        | 325               | 233               |
| Out of pocket expenses   |        | 252               | 130               |
|  |        | <u>1,827</u>      | <u>1,452</u>      |
| <b>Non audit services</b>  |        |                   |                   |
| Certification for regulatory purposes  |        | 420               | 361               |
| Out of pocket expenses   |        | 52                | 36                |
|  |        | <u>472</u>        | <u>397</u>        |
|  |        | <u>2,299</u>      | <u>1,849</u>      |
| 35.2 Other expenses are not directly attributable to segments. For details, refer note 4.20.         |        |                   |                   |
| 35.3 The Company has outsourced its internal audit function to a firm other than statutory auditors. |        |                   |                   |
| <b>36 OTHER INCOME</b>   |        |                   |                   |
| Gain on disposal of operating fixed assets   | 17.1.6 | 5,465             | 5,656             |
| Gain on remeasurement of investment property to fair value   | 21.1   | 39,259            | 24,461            |
| Rental income  |        | 12,149            | 10,587            |
| Sale of by-products / scrap sales  |        | -                 | 10,853            |
| Insurance claim  |        | 20                | 67                |
| Others   |        | 24,340            | 17,826            |
|  |        | <u>81,233</u>     | <u>69,450</u>     |
| <b>37 FINANCE COST</b>   |        |                   |                   |
| Finance charge on leased assets  |        | 6,356             | 13,401            |
| Bank charges   |        | 2,445             | 2,503             |
| Finance cost on Salaries and Wages Refinancing Scheme  |        | 660               | -                 |
| Interest on Workers' (Profit) Participation Fund (WPPF)  | 14.2   | -                 | 11,088            |
| Bank guarantee commission  |        | 602               | 1,072             |
| Effective interest on loan   |        | 19,449            | -                 |
|  |        | <u>29,512</u>     | <u>28,064</u>     |

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**38 FINANCE INCOME**

|  | Note | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|--|------|-------------------|-------------------|
| <b>Income from financial assets:</b>                       |      |                   |                   |
| Interest on advances                                       |      | 348               | 411               |
| Interest on Pakistan Investment Bonds                      |      | 40,761            | 40,694            |
| Return on deposit accounts                                 |      | 80,180            | 120,355           |
| Dividend income  |      | 114,651           | 182,141           |
| Amortization of deferred grant                             |      | 17,814            | -                 |
| Interest on term deposit receipts                          |      | 340               | 13                |
| Unrealized gain on remeasurement of short term investments |      | 734               | 2,919             |
| Exchange (loss)/gain                                       |      | (2,727)           | 1,977             |
|  |      | <b>252,101</b>    | <b>348,510</b>    |

**39 INCOME TAX EXPENSE**

**39.1 Amounts recognized in profit or loss:**

|                          |      |                |                |
|--------------------------|------|----------------|----------------|
| Tax                      |      |                |                |
| Current year             |      | 497,760        | 330,552        |
| Prior year               |      | (79,674)       | 61,427         |
| Deferred                 | 29   | 418,086        | 391,979        |
| Tax expense for the year | 13.1 | (41,699)       | (35,735)       |
|                          |      | <b>376,387</b> | <b>356,244</b> |

**39.2 Reconciliation of tax charge for the year**

|   | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|---|-------------------|-------------------|
| Accounting profit before tax                | 1,667,859         | 1,037,972         |
| Tax rate                                    | 29%               | 29%               |
| Tax on accounting profit                    | 483,679           | 301,012           |
| Tax effect of income taxable at lower rates | (16,051)          | (25,500)          |
| Prior year charge                           | (79,674)          | 61,427            |
| Effect of zero rated income                 | (11,385)          | (7,094)           |
| Others                                      | (182)             | 26,399            |
| Tax expense for the year                    | <b>376,387</b>    | <b>356,244</b>    |

**39.3** Tax returns up to and including tax year 2020 have been filed. The tax authorities amended the assessments from time to time and the assessment orders were contested by the Company before the appellate forum. As of date, the re-assessments for the Tax Years 2013, 2014, 2015, 2018 and 2019 made by the tax authorities, mainly in the matter of additions to income, disallowance of expenses and tax credits; are under appeal and are pending decision by the Commissioner Inland Revenue (Appeals).

**39.4** In June 2020, the taxation officer issued order in remand under section 25 and 72B of the Sales Tax Act, 1990 for the period July 2012 to June 2013 on account of unreconciled input tax of the Company with the output tax of suppliers amounting to Rs. 75.78 million. The Company has filed appeal before the Commissioner Inland Revenue (Appeals) and has obtained stay against recovery measures.

The Company's management is confident of a favorable resolution of these matters and hence no provision has been made in these financial statements on account thereof.

**40 EARNINGS PER SHARE - BASIC AND DILUTED**

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

|   | 2021       | 2020       |
|---|------------|------------|
| Net profit for the year (Rs.'000)           | 1,291,472  | 681,728    |
| Weighted average number of shares (Numbers) | 27,663,630 | 27,663,630 |
| Earnings per share (Rupees)                 | 46.68      | 24.64      |

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**41 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents for the purpose of statement of cash flows

| 2021             | 2020             |
|------------------|------------------|
| <b>2,197,788</b> | <b>1,335,329</b> |

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

|  | Lease liabilities | Long term loan | Unpaid dividend and unclaimed dividend | Total     |
|--|-------------------|----------------|--|-----------|
|  | (Rs.'000)         |                |  |           |
| Balance at 01 July 2019                            | 182,234           | -              | 157,665                                | 339,899   |
| <i>Changes from financing activities</i>           |                   |                |  |           |
| Dividend paid                                      | -                 | -              | (857,130)                              | (857,130) |
| Receipt of loan                                    | -                 | -              | -                                      | -         |
| Repayment of Finance lease                         | (113,597)         | -              | -                                      | (113,597) |
| Total changes from financing cash flows            | (113,597)         | -              | (857,130)                              | (970,727) |
| <i>Other changes</i>                               |                   |                |  |           |
| Recognition of lease liability against ROCI assets | 23,004            | -              | -                                      | 23,004    |
| Interest charges                                   | 13,401            | -              | -                                      | 13,401    |
| Lease additions                                    | 7,578             | -              | -                                      | 7,578     |
|  | 43,783            | -              | -                                      | 43,783    |
| Dividend announced                                 | -                 | -              | 829,908                                | 829,908   |
| Total liability related changes                    | -                 | -              | 829,908                                | 829,908   |
| Balance at 30 June 2020                            | 112,420           | -              | 130,443                                | 242,863   |
| Balance at 01 July 2020                            | 112,420           | -              | 130,443                                | 242,863   |
| <i>Changes from financing activities</i>           |                   |                |  |           |
| Dividend paid                                      | -                 | -              | (713,451)                              | (713,451) |
| Receipt of loan                                    | -                 | 340,285        | -                                      | 340,285   |
| Repayment of Finance lease                         | (96,996)          | -              | -                                      | (96,996)  |
| Repayment of loan                                  | -                 | (44,172)       | -                                      | (44,172)  |
| Total changes from financing cash flows            | (96,996)          | 296,113        | (713,451)                              | (514,334) |
| <i>Other changes</i>                               |                   |                |  |           |
| Recognition of lease liability against ROCI assets | -                 | -              | -                                      | -         |
| Interest charges                                   | 6,356             | 19,450         | -                                      | 25,806    |
| Recognition of deferred grant                      | -                 | (34,397)       | -                                      | (34,397)  |
| Lease additions                                    | 4,020             | -              | -                                      | 4,020     |
|  | 10,376            | (14,947)       | -                                      | (4,571)   |
| Dividend declared                                  | -                 | -              | 691,590                                | 691,590   |
| Total liability related changes                    | -                 | -              | 691,590                                | 691,590   |
| Balance at 30 June 2021                            | 25,800            | 281,166        | 108,582                                | 415,548   |

**42 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES**

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

|                              | 2021                    |               | 2020                    |               |
|------------------------------|-------------------------|---------------|-------------------------|---------------|
|                              | Chief Executive Officer | Executives    | Chief Executive Officer | Executives    |
|                              | Rs.'000                 |               | Rs.'000                 |               |
| Managerial remuneration      | 6,662                   | 18,066        | 5,625                   | 14,675        |
| Medical benefit              | 858                     | 1,918         | 655                     | 587           |
| Gratuity fund contribution   | 295                     | 851           | 228                     | 587           |
| Provident fund contributions | 400                     | 965           | 327                     | 838           |
| House rent allowance         | 1,747                   | 4,010         | -                       | -             |
| Bonus                        | 7,056                   | 11,088        | 5,219                   | 8,956         |
| Travelling expense           | 277                     | -             | 172                     | -             |
| Compensated absences         | 355                     | 708           | 224                     | 79            |
|                              | <b>17,650</b>           | <b>37,606</b> | <b>12,450</b>           | <b>25,722</b> |
| Number of persons            | <b>1</b>                | <b>6</b>      | <b>1</b>                | <b>4</b>      |

**42.1** In addition to above free furnished accommodation is provided to the chief executive officer. Further, company-maintained vehicles are also provided to the chief executive officer and executives; the net book values of which are Rs. 10.99 million (2020: Rs. 13.37 million). Gratuity is payable to chief executive officer and executives in accordance with the terms of employment, while contribution for chief executive officer and executives in respect of gratuity and pension are based on actuarial valuation.

**42.2** Directors of the Company were not paid any remuneration during the year except for the meeting fee of Rs.5,400,000 (2020: Rs. 2,850,000). Number of Directors at the reporting date were 8 (2020: 8).

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**43 SEGMENT INFORMATION**

**43.1 Operating segments**

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

| 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 4.20.

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

**43.2 Information about reportable segments**

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

|             |      | Liquor<br>Division | Glass<br>Division | Tops<br>Division | Corporate office | Total      |
|-------------|------|--------------------|-------------------|------------------|------------------|------------|
|             |      | (Rs.'000)          | (Rs.'000)         | (Rs.'000)        | (Rs.'000)        | (Rs.'000)  |
| Assets      | 2021 | 7,919,819          | 631,402           | 2,263,291        | 3,228,145        | 14,042,657 |
|             | 2020 | 6,358,441          | 779,857           | 2,273,840        | 2,628,156        | 12,040,294 |
| Liabilities | 2021 | 1,720,823          | 312,574           | 382,499          | 120,525          | 2,536,421  |
|             | 2020 | 1,089,397          | 313,222           | 383,797          | 268,206          | 2,054,622  |

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

|                               |      |         |         |        |   |         |
|-------------------------------|------|---------|---------|--------|---|---------|
| Property, plant and equipment | 2021 | 166,815 | 1,064   | 27,655 | - | 195,534 |
|                               | 2020 | 294,375 | 130,424 | 70,713 | - | 495,512 |
| Right of Use asset            | 2021 | 4,298   | 1,396   | -      | - | 5,694   |
|                               | 2020 | 3,733   | 3,645   | -      | - | 7,378   |

**(ii) Other material items**

|                       |      |            |           |           |   |            |
|-----------------------|------|------------|-----------|-----------|---|------------|
| External revenue      | 2021 | 11,477,744 | 380,080   | 4,230,055 | - | 16,087,879 |
|                       | 2020 | 10,121,696 | 122,872   | 3,605,801 | - | 13,850,369 |
| Inter-segment revenue | 2021 | 627,262    | 1,424,689 | 37,021    | - | 2,088,972  |
|                       | 2020 | 476,534    | 1,305,800 | 27,143    | - | 1,809,477  |
| Other income          | 2021 | 28,520     | 8,318     | 44,395    | - | 81,233     |
|                       | 2020 | 44,292     | 7,524     | 17,634    | - | 69,450     |
| Finance cost          | 2021 | (22,115)   | (1,218)   | (6,179)   | - | (29,512)   |
|                       | 2020 | (13,816)   | (2,381)   | (14,010)  | - | (28,064)   |
| Finance income        | 2021 | 244,939    | 1,078     | 6,084     | - | 252,101    |
|                       | 2020 | 341,753    | 129       | 6,657     | - | 348,510    |
| Net finance income    | 2021 | 222,824    | (140)     | (95)      | - | 222,589    |
|                       | 2020 | 327,937    | (118)     | (7,373)   | - | 320,446    |
| Depreciation          | 2021 | 161,684    | 150,857   | 76,797    | - | 389,338    |
|                       | 2020 | 151,052    | 144,940   | 125,503   | - | 421,495    |

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

|  | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|--|-------------------|-------------------|
| <b>(i) Revenues</b>                          |                   |                   |
| Total revenue for reportable segments        | 18,176,851        | 15,659,846        |
| Elimination of inter-segment revenue         | (2,088,972)       | (1,809,477)       |
| Consolidated revenue                         | <u>16,087,879</u> | <u>13,850,369</u> |
| <b>(ii) Profit / (loss) before tax</b>       |                   |                   |
| Total profit or loss for reportable segments | 1,907,017         | 1,099,095         |
| Unallocated amounts - Other expenses         | (239,158)         | (61,123)          |
| Net profit before tax                        | <u>1,667,859</u>  | <u>1,037,972</u>  |
| <b>(iii) Assets</b>                          |                   |                   |
| Total assets for reportable segments         | 10,814,512        | 9,412,138         |
| Other unallocated amounts                    | 3,228,145         | 2,628,156         |
| Consolidated total assets                    | <u>14,042,657</u> | <u>12,040,294</u> |
| <b>(iv) Liabilities</b>                      |                   |                   |
| Total liabilities for reportable segments    | 2,415,896         | 1,786,416         |
| Other unallocated amounts                    | 120,525           | 268,206           |
| Consolidated total liabilities               | <u>2,536,421</u>  | <u>2,054,622</u>  |
| <b>(c) Geographical segments</b>             |                   |                   |

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

# Murree Brewery Company Limited

## Notes to the Financial Statements For the year ended 30 June 2021

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43.3

|                                       | Liquor Division    |                    | Glass Division     |                    | Tops Division      |                    | Total              |                    |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                                       | 2021<br>(Rs. '000) | 2020<br>(Rs. '000) | 2021<br>(Rs. '000) | 2020<br>(Rs. '000) | 2021<br>(Rs. '000) | 2020<br>(Rs. '000) | 2021<br>(Rs. '000) | 2020<br>(Rs. '000) |
| <b>TURNOVER</b>                       |                    |                    |                    |                    |                    |                    |                    |                    |
| Third party turnover - gross          | 11,477,744         | 10,121,696         | 380,080            | 122,872            | 4,230,055          | 3,605,801          | 16,087,879         | 13,850,369         |
| Less: trade discounts                 | (91,423)           | (80,735)           | -                  | -                  | (341,049)          | (283,157)          | (432,472)          | (363,892)          |
| Third party turnover - net            | 11,386,321         | 10,040,961         | 380,080            | 122,872            | 3,889,006          | 3,322,644          | 15,655,407         | 13,486,477         |
| Inter division sales                  | 627,262            | 476,534            | 1,424,689          | 1,305,800          | 37,021             | 27,143             | -                  | -                  |
| Sales tax and excise duty             | 12,013,583         | 10,517,495         | 1,804,769          | 1,428,672          | 3,926,027          | 3,349,787          | 15,655,407         | 13,486,477         |
| Revenue                               | (2,964,194)        | (3,670,679)        | (55,225)           | (17,853)           | (948,699)          | (801,036)          | (3,968,118)        | (4,489,568)        |
|                                       | 9,049,389          | 6,846,816          | 1,749,544          | 1,410,819          | 2,977,328          | 2,548,751          | 11,687,289         | 8,996,909          |
| <b>COST OF SALES</b>                  |                    |                    |                    |                    |                    |                    |                    |                    |
| Third parties                         | (5,498,632)        | (3,875,078)        | (1,333,621)        | (1,120,481)        | (1,878,066)        | (1,699,885)        | (8,710,319)        | (6,695,444)        |
| Inter division cost                   | (1,398,778)        | (1,251,373)        | -                  | -                  | (690,194)          | (558,099)          | -                  | -                  |
|                                       | (6,897,410)        | (5,126,451)        | (1,333,621)        | (1,120,481)        | (2,568,260)        | (2,257,984)        | (8,710,319)        | (6,695,444)        |
| <b>GROSS PROFIT</b>                   | 2,151,979          | 1,720,365          | 415,923            | 290,338            | 409,068            | 290,767            | 2,976,970          | 2,301,465          |
| Selling and distribution expenses     | (486,338)          | (465,472)          | (6,265)            | (6,694)            | (416,604)          | (397,948)          | (909,207)          | (870,114)          |
| Administrative expenses               | (322,075)          | (367,566)          | (39,296)           | (37,925)           | (108,210)          | (101,649)          | (469,581)          | (507,140)          |
| Other expenses                        | -                  | -                  | -                  | -                  | -                  | -                  | (239,158)          | (61,123)           |
| GIDC expense related to prior periods | -                  | -                  | -                  | (187,383)          | -                  | (24,512)           | -                  | (211,895)          |
| Other income                          | 28,520             | 44,292             | 8,318              | 7,524              | 44,395             | 17,634             | 81,233             | 69,450             |
| Impairment loss on trade debts        | -                  | -                  | -                  | (449)              | 5,013              | (2,668)            | 5,013              | (3,117)            |
| <b>Operating profit</b>               | 1,372,086          | 931,619            | 378,680            | 65,411             | (66,338)           | (218,376)          | 1,445,270          | 717,526            |
| Finance cost                          | (23,115)           | (13,816)           | (1,218)            | (238)              | (6,179)            | (14,010)           | (29,512)           | (28,064)           |
| Finance income                        | 244,939            | 341,753            | 1,078              | 120                | 6,084              | 6,637              | 252,101            | 348,510            |
| Net finance income                    | 221,824            | 327,937            | (440)              | (118)              | (95)               | (7,373)            | 222,589            | 320,446            |
| <b>Profit/(loss) before tax</b>       | 1,594,910          | 1,259,556          | 378,540            | 65,293             | (66,433)           | (225,749)          | 1,667,859          | 1,037,972          |

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## Notes to the Financial Statements

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### 44 FINANCIAL INSTRUMENTS

#### A FAIR VALUES

#### 44.1 Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their level in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

#### On-balance sheet financial instruments

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Note

#### Financial assets measured at fair value

|                            | 28 | 6         | - | 6         | 6         | - | 6         |
|----------------------------|----|-----------|---|-----------|-----------|---|-----------|
| Shares of listed companies | 28 | 1,993,768 | - | 1,993,768 | 1,993,768 | - | 1,993,768 |
| Mutual funds               |    | 1,993,774 | - | 1,993,774 | 1,993,774 | - | 1,993,774 |

(Rs. '000)

(Rs. '000)

#### Financial assets not measured at fair value

|                                |             |        |           |   |         |   |         |
|--------------------------------|-------------|--------|-----------|---|---------|---|---------|
| Long term advances             | 22 and 44.4 | -      | 13,948    | - | -       | - | -       |
| Long term investments          | 23          | -      | 514,466   | - | -       | - | -       |
| Long term deposits             | 24 and 44.4 | 38,066 | -         | - | 502,377 | - | 502,377 |
| Trade debts                    | 26 and 44.4 | -      | 31,372    | - | -       | - | -       |
| Advances and other receivables | 27 & 44.2   | -      | 16,732    | - | -       | - | -       |
| Cash and bank balances         | 30 & 44.4   | -      | 2,197,788 | - | -       | - | -       |
|                                |             | 38,066 | 2,774,306 | - | 502,377 | - | 502,377 |

#### Financial liabilities not measured at fair value

|                          |           |   |           |   |   |   |   |
|--------------------------|-----------|---|-----------|---|---|---|---|
| Long term loan           | 11        | - | 281,166   | - | - | - | - |
| Lease liabilities        | 10 & 44.4 | - | 25,800    | - | - | - | - |
| Trade and other payables | 14 & 44.3 | - | 908,290   | - | - | - | - |
| Unpaid dividend          | 44.4      | - | 76,003    | - | - | - | - |
| Unclaimed dividend       | 44.4      | - | 32,579    | - | - | - | - |
|                          |           | - | 1,323,838 | - | - | - | - |

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| On-balance sheet financial instruments   |             |                                   |                |   |            |           |         |         |           |
|--|-------------|-----------------------------------|----------------|---|------------|-----------|---------|---------|-----------|
|  | Note        | Carrying amount                   |                |   | Fair value |           |         |         |           |
|  |             | Fair value through profit or loss | Amortized Cost | Financial liabilities at amortized cost | Total      | Level 1   | Level 2 | Level 3 | Total     |
| 30 June 2020   |             | (Rs. 000)                         |                |   | (Rs. 000)  |           |         |         |           |
| Financial assets measured at fair value  |             |                                   |                |   |            |           |         |         |           |
| Shares of listed companies   | 28          | 6                                 | -              | -                                       | 6          | 6         | -       | -       | 6         |
| Mutual funds   | 28          | 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   | 22 and 44   | -                                 | 17,086         | -                                       | 17,086     | -         | -       | -       | -         |
| Long term investments  | 23          | -                                 | 517,473        | -                                       | 517,473    | -         | 506,927 | -       | 506,927   |
| Long term deposits   |             | 35,754                            | -              | -                                       | 35,754     | -         | -       | -       | -         |
| Investment in TDR - USD  |             | -                                 | 50,280         | -                                       | 50,280     | -         | -       | -       | -         |
| Trade debts  | 24 and 44.4 | -                                 | 25,926         | -                                       | 25,926     | -         | -       | -       | -         |
| Advances and other receivables   | 26 and 44.4 | -                                 | 15,513         | -                                       | 15,513     | -         | -       | -       | -         |
| Cash and bank balances   | 27 & 44.2   | -                                 | 1,335,329      | -                                       | 1,335,329  | -         | -       | -       | -         |
|  | 30 & 44.4   | 35,754                            | 1,961,608      | -                                       | 1,997,362  | -         | 506,927 | -       | 506,927   |
| Financial liabilities not measured at fair value   |             |                                   |                |   |            |           |         |         |           |
| Lease liabilities  | 10 & 44.4   | -                                 | -              | 112,420                                 | 112,420    | -         | -       | -       | -         |
| Trade and other payables   | 14 & 44.3   | -                                 | -              | 913,376                                 | 913,376    | -         | -       | -       | -         |
| Unpaid dividend  | 44.4        | -                                 | -              | 71,843                                  | 71,843     | -         | -       | -       | -         |
| Unclaimed dividend   | 44.4        | -                                 | -              | 58,600                                  | 58,600     | -         | -       | -       | -         |
|  |             | -                                 | -              | 1,156,239                               | 1,156,239  | -         | -       | -       | -         |
| It excludes advances to suppliers.   |             |                                   |                |   |            |           |         |         |           |
| 44.2   |             | -                                 | -              | 1,156,239                               | 1,156,239  | -         | -       | -       | -         |
| It excludes advances from customers, withholding tax payable, sales tax payable - net, excise duty payable, export duty payable on PMFL and beer, unearned income, Worker's Welfare Fund (WWF) and Zila tax payable. |             |                                   |                |   |            |           |         |         |           |
| 44.3   |             | -                                 | -              | 1,156,239                               | 1,156,239  | -         | -       | -       | -         |
| 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.                                      |             |                                   |                |   |            |           |         |         |           |
| 44.4   |             | -                                 | -              | 1,156,239                               | 1,156,239  | -         | -       | -       | -         |

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**44.5 Measurement of fair values**

All financial assets and financial liabilities are initially recognized 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:

**44.5.1 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 44.7)
- Liquidity risk (Note 44.8)
- Market risk (Note 44.9)

**44.6 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.

**44.7 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 exposures is categorized under the following headings:

**i. Trade and other receivables**

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

**ii. Concentration of credit risk**

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

|                                | Note        | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|--------------------------------|-------------|-------------------|-------------------|
| Long term advances             | 22 and 44.4 | 13,948            | 17,086            |
| Long term investments          | 23          | 514,466           | 517,473           |
| Long term deposits             | 24 and 44.4 | 38,066            | 35,754            |
| Trade debts                    | 26 and 44.4 | 31,372            | 25,926            |
| Advances and other receivables | 27          | 16,732            | 15,513            |
| Bank balances                  | 30 and 44.4 | 2,086,796         | 1,266,327         |
|                                |             | <u>2,701,380</u>  | <u>1,878,079</u>  |

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Geographically there is no concentration of credit risk at the reporting date (2020: Nil). The maximum exposure to credit risk for financial assets at the reporting date by type of counter party is as follows:

|                                  | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|----------------------------------|-------------------|-------------------|
| From government institutions     | 514,466           | 517,473           |
| Banks and financial institutions | 2,086,796         | 1,266,327         |
| Others                           | 100,118           | 94,278            |
|                                  | <u>2,701,380</u>  | <u>1,878,079</u>  |

|   | 2021               |            | 2020               |            |
|---|--------------------|------------|--------------------|------------|
|   | Gross<br>(Rs.'000) | Impairment | Gross<br>(Rs.'000) | Impairment |
| iii. <b>Loss allowance for expected credit loss</b>           |                    |            |                    |            |
| The aging of trade debts at the reporting date is as follows: |                    |            |                    |            |
| Less than one year  | 32,513             | -          | 31,580             | -          |
| Over one year   | -                  | -          | 500                | -          |
|   | <u>32,513</u>      | <u>-</u>   | <u>32,080</u>      | <u>-</u>   |

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

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

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

**Credit quality of financial assets**

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

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

|   | Rating | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|---|--------|-------------------|-------------------|
| <b>Long term advances</b>                     |        |                   |                   |
| Counterparties without external credit rating |        | 13,948            | 17,086            |
| <b>Long term investments</b>                  |        |                   |                   |
| Counterparties with external credit rating    | R-     | 514,466           | 517,473           |

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|  | Rating | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|--|--------|-------------------|-------------------|
| <b>Long term deposits</b>                          |        |                   |                   |
| Counterparties with external credit rating         | AA+    | 4                 | 19                |
| Counterparties with external credit rating         | AA     | 7,634             | 1,126             |
| Counterparties with external credit rating         | AA-    | 21,768            | 214               |
| Counterparties without external credit rating      |        | 8,660             | 34,395            |
|  |        | <b>38,066</b>     | <b>35,754</b>     |
| <b>Trade debts</b>                                 |        |                   |                   |
| Counterparties with external credit rating         | A      | -                 | 276               |
| Counterparties with external credit rating         | A1     | 4,648             | 4,436             |
| Counterparties with external credit rating         | AAA    | 1,532             | 899               |
| Counterparties without external credit rating      |        | 26,333            | 20,315            |
|  |        | <b>32,513</b>     | <b>25,926</b>     |
| <b>Advances, prepayments and other receivables</b> |        |                   |                   |
| Counterparties with external credit rating         |        | -                 | -                 |
| Counterparties without external credit rating      |        | 16,732            | 15,513            |
|  |        | <b>16,732</b>     | <b>15,513</b>     |
| <b>Bank balances</b>                               |        |                   |                   |
| Counterparties with external credit rating         | A1+    | 2,070,659         | 1,229,727         |
| Counterparties with external credit rating         | A1     | 10,067            | 140,194           |
| Counterparties with external credit rating         | A-1    | -                 | 2,035             |
| Counterparties with external credit rating         | A-3    | 70                | -                 |
| Counterparties without external credit rating      |        | -                 | 61                |
|  |        | <b>2,086,796</b>  | <b>1,372,017</b>  |
|  |        | <b>2,702,520</b>  | <b>1,983,769</b>  |

**44.8 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                       |  |                           |
| <b>2021</b>              |                  |                        |                              |  |                           |
| Long term loan           | 281,166          | 300,026                | 171,936                      | 128,090                                      | -                         |
| Lease Liabilities        | 25,800           | 28,627                 | 12,237                       | 16,390                                       | -                         |
| Trade and other payables | 908,290          | 908,290                | 908,290                      | -  | -                         |
| Unpaid dividend          | 76,003           | 76,003                 | 76,003                       | -  | -                         |
| Unclaimed dividend       | 32,579           | 32,579                 | 32,579                       | -  | -                         |
|                          | <b>1,323,838</b> | <b>1,345,525</b>       | <b>1,201,045</b>             | <b>144,480</b>                               | <b>-</b>                  |
|                          | 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                       |  |                           |
| <b>2020</b>              |                  |                        |                              |  |                           |
| 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                       | -  | -                         |
|                          | <b>1,156,239</b> | <b>1,166,704</b>       | <b>1,139,946</b>             | <b>26,758</b>                                | <b>-</b>                  |

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

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

**44.9 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.

**44.9.1 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**

|                         | 2021    |     | 2020    |       |
|-------------------------|---------|-----|---------|-------|
|                         | Rs.     | USD | Rs.     | USD   |
|                         | in '000 |     | in '000 |       |
| TDR                     | -       | -   | 50,280  | 300   |
| Interest Accrued on TDR | -       | -   | 13,395  | 0.079 |
| Bank balances           | 49,401  | 314 | 1,865   | 11    |

The following significant exchange rates were applied during the year:

|                   | Average rate |        | Reporting date rate |        |
|-------------------|--------------|--------|---------------------|--------|
|                   | 2021         | 2020   | 2021                | 2020   |
|                   | Rs.          |        | Rs.                 |        |
| PKR per US Dollar | 162.50       | 158.28 | 157.50              | 167.50 |

**iv. Foreign currency sensitivity analysis**

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

|                          | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
|--------------------------|-------------------|-------------------|
| Increase in 10% USD rate | 4,940             | 6,554             |
| Decrease in 10% USD rate | (4,940)           | (6,554)           |

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**44.9.2 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  |                   |
|-------------------------------|------------------------------|------------------------------|---------------|-------------------|-------------------|
|                               | 2021<br>(%)                  | 2020<br>(%)                  |               | 2021<br>(Rs.'000) | 2020<br>(Rs.'000) |
| <b>Interest rate risk</b>     |                              |                              |               |                   |                   |
| <b>Fixed rate instruments</b> |                              |                              |               |                   |                   |
| Financial assets              | 0.25% to 11%<br>per annum    | 0.25% to 12.62%<br>per annum | 22, 23 and 30 | 1,892,524         | 1,192,558         |
| Financial liabilities         | 8.56% to 14.50%<br>per annum | 8.24% to 14.65%<br>per annum | 10            | 25,800            | 112,429           |
|                               |                              |                              |               | <b>1,918,324</b>  | <b>1,304,987</b>  |

**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 (2020: Nil). Hence the Company is not exposed to any variable interest rate risk.

**44.9.3 Other market price risk**

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

**Sensitivity analysis – equity price risk**

For quoted investments classified as FVTPL, 100 basis point increase in market price at reporting date would have increased profit by Rs. 19.94 million (2020: Rs. 16.73 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 2020 and assumes that all other variables remain the same.

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| 45   | CAPACITY AND PRODUCTION   | Note | Measurement<br>basis | 2021       | 2020       |
|------|---|------|----------------------|------------|------------|
| 45.1 | Liquor Division - Rawalpindi  |      |                      |            |            |
| (a)  | Capacity of industrial unit   |      |                      |            |            |
|      | Beer and Non Alcoholic Beverages (NAB)  |      | Litres               | 54,762,240 | 54,762,240 |
|      | Pakistan Made Foreign Liquor (PMFL)   |      | Cases (2 B.G)        | 2,490,509  | 2,490,509  |
|      | Non Alcoholic Products (NAP)  |      | Litres               | 56,160,000 | 56,160,000 |
| (b)  | Actual production   |      |                      |            |            |
|      | Beer and Non Alcoholic Beverages (NAB)  |      | Litres               | 25,268,800 | 21,315,056 |
|      | Pakistan Made Foreign Liquor (PMFL)   |      | Cases (2 B.G)        | 1,538,222  | 1,370,420  |
|      | Non Alcoholic Products (NAP)  | 45.4 | Litres               | 54,565,697 | 39,493,927 |
| 45.2 | Tops Division   |      |                      |            |            |
| (i)  | Rawalpindi  |      |                      |            |            |
| (a)  | Capacity of industrial unit   |      |                      |            |            |
|      | Tetra pack juices   |      | Litres               | 33,580,000 | 33,580,000 |
| (b)  | Actual production   |      |                      |            |            |
|      | Tetra pack juices   |      | Litres               | 18,636,235 | 17,797,941 |
| (ii) | Hattar  |      |                      |            |            |
| (a)  | Capacity of industrial unit   |      |                      |            |            |
|      | Food products   |      | Cartons              | 375,000    | 375,000    |
|      | Juice (NR & Ret)  |      | Litres               | 4,500,000  | 4,500,000  |
|      | Mineral water   |      | Litres               | 30,424,000 | 30,424,000 |
|      | Tetrapak juices   |      | Litres               | 35,000,000 | 35,000,000 |
| (b)  | Actual production   |      |                      |            |            |
|      | Food products   |      | Cartons              | 295,714    | 120,524    |
|      | Juice (NR & Ret)  | 45.4 | Litres               | 7,169,124  | 3,681,408  |
|      | Mineral water   | 45.4 | Litres               | 32,863,848 | 27,970,769 |
|      | Tetrapak juices   |      | Litres               | 6,722,645  | 6,459,624  |
| 45.3 | Glass Division - Hattar   |      |                      |            |            |
| (a)  | Melting capacity  |      | M. Tons              | 40,150     | 40,150     |
| (b)  | Actual production - Glass melted  |      | M. Tons              | 31,109     | 33,551     |
| 45.4 | Normal capacity is based on 26 working days per month with one shift of 8 hours per day. Actual production represents multiple shifts undertaken keeping in view the market demand. |      |                      |            |            |
| 45.5 | The difference is due to the supply and seasonal demand of the market.  |      |                      |            |            |
| 46   | <b>TRANSACTIONS WITH RELATED PARTIES</b>  |      |                      |            |            |

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 6 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:

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|    | Name of Related Party                          | Nature of Relationship                               | Percentage of share holding | Nature of transactions during the year                                       | 2021<br>(Rs.'000)            | 2020<br>(Rs.'000)            |
|----|--|--|-----------------------------|--|------------------------------|------------------------------|
| 1) | D.P. Edulji & Company (Private) Limited        | Associated company on account of common directorship | 17.75%                      | Sales commission<br>Services acquired<br>Dividend paid                       | 125,486<br>16,200<br>122,409 | 108,589<br>15,000<br>120,265 |
| 2) | Kingsway Fund                                  | Associated company                                   | 23.73%                      | Dividend paid  | 166,887                      | 239,208                      |
| 3) | Board of directors                             | Directors  | 20.30%                      | Dividend paid  | 140,392                      | 154,048                      |
| 4) | Directors' relatives                           | Directors' relatives                                 | 16.59%                      | Dividend paid  | 142,236                      | 112,376                      |
| 5) | Staff retirement benefit plan - Provident fund | Staff retirement funds                               | Nil                         | Contribution by the Company  | 8,299                        | 7,603                        |
| 6) | Staff retirement benefit plan - Pension fund   | Staff retirement funds                               | Nil                         | Contribution by the Company  | 5,598                        | 5,683                        |
| 7) | Bhandara Foundation                            | Chief executive officer acts as a Trustee            | Nil                         | Donation paid  | 1,500                        | 1,500                        |
| 8) | Atlas Asset Management                         | Associated company on account of common directorship | Nil                         | Receipt of Dividend on mutual funds<br>Dividend reinvestment in mutual funds | 11,146<br>9,474              | 13,046<br>61,089             |
| 9) | Key Management Personnel                       | Key management                                       | Nil                         | Remuneration   | 47,785                       | 40,223                       |

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

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

| Particulars                          | Details  |
|--------------------------------------|--|
| Name of associate                    | Kingsway Fund  |
| Registered address                   | 15 Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg |
| Country of incorporation             | Grand Duchy of Luxembourg  |
| Basis of association                 | Shareholder with significant influence                               |
| Aggregate percentage of shareholding | 6,565,885 (23.73%) ordinary shares of Rs. 10 each                    |

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

| Name                            | Basis of relationship         | Shares held in the Company |            |
|---------------------------------|-------------------------------|----------------------------|------------|
|                                 |                               | Numbers                    | Percentage |
| 1) Mr. Isphanyar M. Bhandara    | Chief Executive Officer (CEO) | 4,603,280                  | 16.64%     |
| 2) Ch. Mueen Afzal              | Chairman                      | 3,852                      | 0.01%      |
| 3) Mrs. Goshi M. Bhandara       | Director                      | 1,000,074                  | 3.62%      |
| 4) Mr. Purvaiz Akhter           | Director                      | 1,000                      | 0.004%     |
| 5) Mr. Aamir H. Shirazi         | Director                      | 3,084                      | 0.01%      |
| 6) Ms. Jahanara Sajjad          | Director                      | 1,000                      | 0.004%     |
| 7) Mr. Shahbaz Haider Agha      | Director                      | 2,178                      | 0.01%      |
| 8) Mr. Khalid Aziz Mirza        | Director                      | 1,200                      | 0.00%      |
| 9) Mrs. Jasmine Bhandara        | Close family member of CEO    | 334,211                    | 1.21%      |
| 10) Mr. Jamshed M. Bhandara     | Close family member of CEO    | 2,614,687                  | 9.45%      |
| 11) Mrs. Munizah M. Bhandara    | Close family member of CEO    | 1,141,047                  | 4.12%      |
| 12) Mr. Zane Isphanyar Bhandara | Close family member of CEO    | 500,008                    | 1.81%      |

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*For the year ended 30 June 2021*

**47 EMPLOYEES PROVIDENT FUND TRUST**

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

**48 NUMBER OF EMPLOYEES**

|                                   | <b>2021</b>     | <b>2020</b>     |
|-----------------------------------|-----------------|-----------------|
|                                   | <b>(Number)</b> | <b>(Number)</b> |
| Employees at year end             | <b>1,680</b>    | 1,813           |
| Average employees during the year | <b>1,674</b>    | 1,883           |

**49 SUBSEQUENT EVENTS**

The Board of Directors of the Company in the meeting held on 17th September 2021 proposed final cash dividend of 100% i.e. Rs. 10/- per share (2020: 50% i.e. Rs 5/- 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 2022.

**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 17th September 2021.

  
CHIEF FINANCIAL OFFICER

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

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**Murree Brewery Company Limited**

### قومی خزانے میں معاونت

آپ کی کمپنی ڈیوٹی اور ٹیکس کی مدد میں 4,285 ملین روپے (گزشتہ سال یہ رقم 4,958 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 متعلق کے تعین کیلئے عمومی اور شفاف طریقہ کار اختیار کیا جاتا ہے۔ کوئی بھی ڈائریکٹر اس کا اپنے مشاہرہ یا تجاویز کے فیصلے میں خود شامل نہیں ہوتا/ ہوتی 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 منکوری کے لئے پیش کیا جاتا ہے۔ 30 جون 2021 کو ختم ہونے والے سال کے لئے چیف ایگزیکٹو آفیسر اور ڈائریکٹرز کا معاوضہ فی انشل سٹینڈ کے نوٹ نمبر 42 میں درج کیا گیا ہے۔

### متعلقہ فریق لین دین (ریلیٹڈ پارٹی ٹرانزیکشنز)

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

### آڈیٹرز

30 جون 2021 کو ختم شدہ مالی سال کیلئے کمپنی کا قانونی آڈٹ مکمل کر لیا گیا ہے اور آڈٹرز نے کمپنی کے مالیاتی گوشواروں پر آڈٹ رپورٹس اور ملحد کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 سے گوشوارہ موافقت پر جائزہ رپورٹ جاری کر دی ہے۔ آڈٹرز میسرز کے پی ایم جی تا شیر ہادی اینڈ کمپنی سالانہ اجلاس عام کے اختتام پر سیکورڈ ہو جائیں گے اور اہل ہونے کی وجہ سے انھوں نے سال 2021-22 کیلئے خود کو دوبارہ تقرر کیلئے بھی پیش کر دیا ہے۔ آڈٹ اینڈ رسک مینجمنٹ کمیٹی کی سفارش پر بورڈ نے 30 جون 2022 کو ختم ہونے والی مالی سال کیلئے ان کی بطور آڈیٹرز تقرر کی تجویز دی ہے۔ اس کی حتمی منظوری 22 اکتوبر 2021 کو منعقد ہونے والے شیئر ہولڈرز کے سالانہ اجلاس عام میں دی جائے گی۔

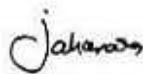
### توقعات


مشکل معاشی و عملی ماحول کے باوجود، مینجمنٹ سمجھتا ہے کہ برقرار رکھنے کے لئے پروگرام ہے۔ ہم مستقبل میں کمپنی کے منافع کو مزید بڑھانے کے ذریعے خوشحالی کی جانب ہمارے سفر کو جاری و ساری رکھنے کے خواہاں ہیں۔

### اعتراف

ہم کمپنی کے ملازمین کی مسلسل کوششوں اور جی لگن کیلئے اظہار مسرت کرتے ہیں۔ ہم اپنے تمام سارفین، سپلائرز، بینکرز، میجران اور شیئر ہولڈرز کے بھی شکر گزار ہیں جنہوں نے ہماری مسلسل مدد کی اور ہمارا بھرپور ساتھ دیا۔

### بورڈ کی جانب سے

  
جہاں آرا سجاد احمد  
ڈائریکٹر

  
اسحق یار ایم بھٹنڈارا  
چیف ایگزیکٹو آفیسر

راولپنڈی، 17 ستمبر 2021ء

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| ڈائریکٹر کا نام               | یورڈ آف ڈائریکٹر | آؤٹ اینڈ رسک مینجمنٹ کمیٹی | ایچ آر اینڈ ریویویشن اینڈ نوٹیفیکیشن کمیٹی |
|-------------------------------|------------------|----------------------------|--|
| چوہدری معین افضل              | 6/6              | 4/4                        | 4/4  |
| جناب اسٹن یار ایم ہینڈارا     | 6/6              | (دعوت پر) 04               | 4/4  |
| جناب عامر ایف شیرازی          | 6/6              | -                          | 4/4  |
| تکم گوش ایم ہینڈارا           | 6/6              | 0/4                        | -  |
| پروفیسر خالد عزیز مرزا        | 6/6              | 4/4                        | 4/4  |
| جناب شہباز حیدر آغا           | 5/6              | 4/4                        | -  |
| جناب پرویز اختر               | 6/6              | -                          | 3/4  |
| مختار محمد جہاں آر ایچ د احمد | 3/6              | 1/4                        | -  |

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

#### بیان مطابقت

کمپنی نے سیکورٹیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی شرائط کی مکمل پاسداری کی ہے۔ اس کو مندرجہ ذیل کی فرض سے ایک بیان اس رپورٹ میں منسلک کر دیا گیا ہے۔

#### کارپوریٹ سماجی ذمہ داری:

مری بروری کمپنی پاکستان کی قدیم کمپنیوں میں سے ایک 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 رعایا اداروں، ہسپتالوں اور خیراتی اداروں کو عطیات دیتی رہتی ہے۔ سال 2020-21 کے دوران کمپنی نے مختلف رعایائی تنظیموں کو 4.12 ملین روپے کی امدادی رقم دی ہے۔

کمپنی اپنی پراپرٹی کا استعمال معذور افراد کیلئے کام کرنے والی ایسوسی ایشن (درختوں) کیلئے جاری رکھے ہوئے ہے۔ راولپنڈی کے علاقے میں معذور ضرورت مند خواتین کو خود مختار کچھن ٹرکے استعمال اور معاشرے کا کارآمد فرد بنانے کیلئے قائم دو کیشل اسکول میں اس وقت 74 معذور خواتین ٹریننگ حاصل کر رہی ہے۔ 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 ذمے ہے۔

کمپنی اپنی پراپرٹی میں ایک سوشل سیکورٹی ڈسپنسری چلا رہی ہے اور اس کے ساتھ مکمل تعاون بھی کر رہی ہے۔ یہ کارکنان اور ان کے اہل خانہ کیلئے علاج معالجے کی سہولیات فراہم کرتی ہے۔

کمپنی اپنے ادارہ جاتی علاج انسانیت کی پالیسیوں سے ہم آہنگی میں مختلف اداروں کو عطیات کی فراہمی کا سلسلہ بھی شروع کر رکھا ہے۔

#### ماحولیاتی، کوالٹی، صحت اور حفاظتی سسٹم

انتظامیہ، سوسائٹی اور خود مختار سرٹیفیکیشن اتھارٹیز کی جانب سے تسلیم شدہ پائیدار ماحولیات اینڈ کوالٹی مینجمنٹ پر مبنی طریقے سے عمل پیرا ہے۔ کمپنی ماحولیات مسائل کی حمایت اور وسیع تر ماحولیاتی ذمہ داریوں کو فروغ دیتی ہے اور اس سلسلے میں اس نے سرٹیفیکیشن آف ISO-9001:2015 اور 45001:2018 اور 14001:2015 بھی حاصل کر لی ہے۔ کمپنی، پنجاب اتھارٹیزمنٹ پروٹیکشن ایجنسی سے سند یافتہ لیبارٹریز کے ذریعے اخراج اور فاضل مواد کی جانچ پڑتال کے تسلسل کو بھی برقرار رکھا ہے۔ مری بروری کی مرکزی لیبارٹری کو پاکستان انسٹیشنل ایکریڈٹیشن کونسل (پی این اے سی) نے اسے ISO 17025:2017 سے ایکریڈٹ کر رکھا ہے۔

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

#### Covid-19 کے اثرات اور اقدامات:

کمپنی Covid-19 کی عالمی وبا کے چیلنج میں بھی اپنا کام جاری رکھے ہوئے ہے۔ کمپنی مینجمنٹ کو کیا مانا کرتے ہوئے خوشی ہے کہ ان چیلنجنگ حالات میں اس نے اپنی پوری ٹیم اور ورکر ٹیمیں کو محفوظ رکھنے کیلئے Covid-19 وبا کے مقابلے کیلئے سخت ایس او پیز کو برقرار رکھا اور اس سے احتیاطی تدابیر اپنانے کی پوری صلاحیت حاصل کی۔ مزید یہ کہ کمپنی کے 80% سے زائد ملازمین اپنی ویکسینیشن کروا چکے ہیں۔

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**بورڈ کی کمیٹیز**

i. آڈٹ اینڈ رسک مینجمنٹ کمیٹی:

آڈٹ اینڈ رسک مینجمنٹ کمیٹی اپنے افعال کو ڈ آف کارپوریت گورننس کے تحت انجام دیتی ہے اور یہ تین انڈیپنڈنٹ ڈائریکٹرز اور دو نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے۔ انڈیپنڈنٹ ڈائریکٹرز میں سے ایک چیئر مین ہے۔

|                           |   |            |
|---------------------------|---|------------|
| جناب شہباز حیدر آغا       | - | (چیئر مین) |
| چوہدری معین افضل          | - | (ممبر)     |
| پروفیسر خالد عزیز مرزا    | - | (ممبر)     |
| تیم کوٹی ایم ہینڈارا      | - | (ممبر)     |
| محترمہ جہاں آرا سجاد احمد | - | (ممبر)     |

ii. ایچ آر اینڈ ریمونریشن اینڈ نو مینیشن کمیٹی

ایچ آر اینڈ ریمونریشن اینڈ نو مینیشن کمیٹی کو ڈ آف کارپوریت گورننس کے تحت تشکیل دی گئی ہے یہ دو انڈیپنڈنٹ ڈائریکٹرز، ایک ایگزیکٹو ڈائریکٹر اور دو نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے۔ انڈیپنڈنٹ ڈائریکٹرز میں سے ایک چیئر مین ہے۔

|                           |   |            |
|---------------------------|---|------------|
| پروفیسر خالد عزیز مرزا    | - | (چیئر مین) |
| چوہدری معین افضل          | - | (ممبر)     |
| جناب عامر ایچ شیرازی      | - | (ممبر)     |
| جناب اسفندیار ایم ہینڈارا | - | (ممبر)     |
| جناب پرویز اختر           | - | (ممبر)     |

**کارپوریت اینڈ فنانشل رپورٹنگ فریم ورک پر بیان**

ڈائریکٹرز کا کہنا ہے کہ:

- ا۔ 30 جون 2021 کو قلم بوند والے سال کیلئے فنانشل اسٹیٹمنٹس میں کمیٹی انتظامیہ نے اپنے معاملات، آپریشنز کے نتائج، کمیشن فلو اور معیار میں تبدیلیوں کو شفاف طور پر پیش کیا ہے۔
- ب۔ کمیٹی کے حسابات کی کتاب کو باقاعدہ مرتب کیا گیا ہے۔
- ج۔ فنانشل اسٹیٹمنٹس کی تیاری میں اکاؤنٹنگ پالیسی کو باقاعدہ لاکھیا گیا ہے اور اکاؤنٹنگ اسٹیٹمنٹس مناسب اور مشاوری فیصلے پر مبنی ہیں۔
- د۔ فنانشل اسٹیٹمنٹس کی تیاری میں پاکستان میں قابل اطلاق انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز پر عمل کیا جاتا ہے۔
- ه۔ انٹرنل کنٹرول کا نظام مستحکم ہے جسے مؤثر طور پر لاکھیا گیا ہے۔
- و۔ معاملات جاری رکھنے کے حوالے سے کمیٹی کی صلاحیتیں کسی بھی شک سے بالاتر ہیں۔
- ز۔ اسٹیٹمنٹس میں بیان کردہ ادائیگیوں کے سوا 30 جون 2021 تک ٹیکسز کے اکاؤنٹ، محصولات اور ہٹا یا چارجز پر کوئی قانونی ادائیگی نہیں ہے۔
- ح۔ ڈائریکٹرز جو ریٹنگ یا باضابطہ آڈٹ چاہتے ہیں وہ مقررہ حدود میں ہیں۔
- ط۔ جیسا کہ لسٹنگ قوانین میں تفصیلی طور پر درج ہے کارپوریت گورننس کی بہترین پریکٹسز سے کوئی میٹرل نہیں نکلتا۔
- ی۔ گزشتہ چھ سال کا اہم آپریٹنگ اینڈ فنانشل ڈیٹا غلامی کی صورت میں منسلک ہے۔
- ک۔ آڈٹ پروویڈنٹ فنڈ اور ان آڈٹڈ فنڈ انویسٹمنٹ کی مالیت بمطابق 30 جون 2021، 148.871 ملین روپے (2020: 133.5 ملین روپے) اور 71.06 ملین روپے (2020: 62.8 ملین روپے) بالترتیب ہیں۔
- ل۔ 2020-21 سال کے دوران چھ (06) بورڈ میٹنگز، چار (04) آڈٹ اینڈ رسک مینجمنٹ کمیٹی میٹنگز اور چار (04) ایچ آر اینڈ ریمونریشن اینڈ نو مینیشن کمیٹی میٹنگز منعقد ہوئی ہیں۔

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

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### خطرہ وغیرہ کی کیفیات

مختصر مدت میں کمپنی کیلئے بڑے خطرات سوئی گیس بڑے ڈیفرنشل پمپ کیلئے لیٹ ہنٹس سرچارج (LPS) کا مطالبہ/ ادائیگی ہیں جس کی رقم تقریباً 130 ملین روپے ہے اور عدالت عظمیٰ پاکستان کے مطابق پانی ٹیکس ہے اگر نظر ثانی کی درخواست کا فیصلہ کمپنی کے خلاف آگیا۔

### حصص داری کا پیٹرن

30 جون 2021 کے مطابق کمپنی کے شیئر ہولڈرز کی کل تعداد 30 جون 2020 پر 1,254 کے مقابلے میں 1,223 تھی شیئر ہولڈنگ پیٹرن برلایق 30 جون 2021 ماوراس کا افشاء (اعلان) منسلک کر دیا گیا ہے۔

### منافع فی حصص (EPS)

30 جون 2021 کو ختم شدہ سال کیلئے منافع فی حصص (EPS) پچھلے سال کے 24.64 روپے کے مقابلے میں 46.68 روپے ہے۔

### انٹرنل آڈٹ اور کنٹرول

انٹرنل آڈٹ فنکشن کیلئے میسرز ای وائی فورڈ وھوڈز چارڈڈ اکاؤنٹنٹس کی خدمات باہر سے حاصل کی گئی ہیں جو کہ ایک نامور ادارہ ہے اور ایک ہیڈ آف انٹرنل آڈٹ کی تقرری مجلس میں اپنی گئی ہے تاکہ ان کے ساتھ اشتراک عمل کر کے آڈٹ اینڈ رسک مینجمنٹ کمپنی کو آگاہ کر دے۔

### بورڈ کی تشکیل

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

- |                            |   |
|----------------------------|---|
| i. مرد :                   | پچھ (6)   |
| ب. خاتون :                 | دو (2)  |
| ذمہ                        | ڈائریکٹرز کے نام  |
| i. خود مختار ڈائریکٹرز     | پروفیسر خالد عزیز مرزا<br>جناب شہباز حیدر آغا<br>جناب پرویز اختر<br>محترمہ جہاں آرا سجاد احمد |
| ii. نان ایگزیکٹو ڈائریکٹرز | چوہدری معین افضل<br>جناب عامر علی شیرازی<br>نقیہ کوثر ایم جہندارا                             |
| iii. ایگزیکٹو ڈائریکٹر     | جناب اسٹن یارا ایم جہندارا  |
| iv. خواتین ڈائریکٹرز       | نقیہ کوثر ایم جہندارا<br>محترمہ جہاں آرا سجاد احمد  |

Annual Report 2021  
*Murree Brewery Company Limited*

ب. گلاس ڈویژن

| (%) فیصد | 2020ء<br>روپے ملین میں | (%) فیصد | 2021ء<br>روپے ملین میں |  |
|----------|------------------------|----------|------------------------|--|
| -        | 1,411                  | -        | 1,749                  | فروخت آمدن (قابل اطلاق ٹیکسز کے علاوہ) |
| (79.4)   | (1,120)                | (76.2)   | (1,333)                | لاگت فروخت                             |
| 20.6     | 290                    | 23.7     | 415                    | مجموعی منافع                           |
| 4.6      | 65                     | 21.6     | 378                    | عملی منافع                             |
| میٹرک ٹن | 27,064                 | میٹرک ٹن | 32,161                 | گلاس کنٹینرز کی فروخت                  |

ج. ٹاپس ڈویژن

| (%) فیصد | 2020ء<br>روپے ملین میں | (%) فیصد | 2021ء<br>روپے ملین میں |  |
|----------|------------------------|----------|------------------------|--|
| -        | 2,549                  | -        | 2,977                  | فروخت آمدن (قابل اطلاق ٹیکسز کے علاوہ) |
| (88.6)   | (2,258)                | (86.2)   | (2,568)                | لاگت فروخت                             |
| 11.4     | 291                    | 13.7     | 409                    | مجموعی منافع                           |
| (8.6)    | (218)                  | (2.4)    | (66)                   | عملی منافع (تقصان)                     |

### اہم مسائل

i. گیس انفراسٹرکچر ڈیولپمنٹ سیس (GIDC)

عدالت عظمیٰ پاکستان نے GIDC کے معاملے کا فیصلہ 13 اگست 2020ء کو حکومت کے حق میں دے دیا ہے۔ اس فیصلے کے نتیجے میں، کمپنی کی جانب سے نظر ثانی کی درخواستیں جمع کروائی گئیں لیکن عدالت عظمیٰ نے اپنا فیصلہ برقرار رکھا۔ کمپنی نے 30 جون 2020ء پر اپنے مالیاتی گوشواروں میں GIDC اخراجات کیلئے پہلے ہی رقم مہیا کر دی تھی، جسے اب عدالت عظمیٰ پاکستان کے حکم کے مطابق دو سال کے اندر اقساط میں ادا کیا جا رہا ہے۔

ii. تجارتی استعمال کیلئے پانی کے استعمال پر ٹیکس

سپریم کورٹ آف پاکستان نے سو موٹو اقدام کرتے ہوئے اپنے ارادے کا اظہار کیا تھا کہ بیرون انڈسٹری کو سطح زمین اور زیر زمین پانی کے ایک لیٹر پر ایک روپے کا ٹیکس عائد ہوگا جسے صارفین کو منتقل نہیں کیا جائے گا۔ یہ جاری کردہ حکم دسمبر 2018ء سے موثر تھا اور تمام صنعتوں پر لاگو ہے جو پاکستان میں پانی کا استعمال کرتے ہیں تاہم اس کیلئے قواعد اب تک جاری نہیں کیے گئے ہیں۔ بیرون انڈسٹری نے ایک نظر ثانی کی درخواست جمع کرادی ہے جو سپریم کورٹ میں زیر التواء ہے۔

### حتمی منافع منقسمہ

کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2021ء کو ختم ہونے والے سال کیلئے 10٪ روپے فی حصص حتمی منافع منقسمہ جبکہ پورے سال پر 30٪ روپے فی حصص (300٪ گزشتہ سال 250٪) کے حساب سے ادا کی گئی کی سفارش کی ہے، جو 22 اکتوبر 2021ء کو منعقد ہونے والے اجلاس میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔

Annual Report 2021

# Murree Brewery Company Limited

30 جون 2021ء کو ختم شدہ سال کیلئے

## ڈائریکٹرز کی رپورٹ

ڈائریکٹرز 30 جون 2021ء کو ختم شدہ سال کیلئے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ کمپنی کی کارکردگی اور پیشرفت کے بارے میں سالانہ رپورٹ پیش کرتے ہوئے غور محسوس کر رہے ہیں۔

### کمپنی کا کاروباری جائزہ

مری بروئری نے مسلسل آپریشن کے 161 سال مکمل کر لیے ہیں، اس کا شمار پاکستان میں اسٹاک ایکسچینج (PSX) پر درج سب سے پرانی کمپنیوں میں ہوتا ہے۔

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

### مالیاتی کارکردگی

i. مجموعی مالیاتی جائزہ اور جھلکیاں:

| روپے ملین میں   |              |                     |  |
|-----------------|--------------|---------------------|--|
| 11,687 سے 8,997 | اضافہ % 29.9 | مصولات فروخت (خالص) |  |
| 2,977 سے 2,301  | اضافہ % 29.4 | مجموعی منافع جات    |  |
| 1,668 سے 1,038  | اضافہ % 60.7 | قبل از ٹیکس منافع   |  |
| 1,291 سے 682    | اضافہ % 89.4 | بعد از ٹیکس منافع   |  |
| 46.68 سے 24.64  | اضافہ % 89.4 | آمدنی فی حصص        |  |

کمپنی کا منافع بعد از ٹیکس چیلنجز کی حالت میں بھی بڑھ گیا۔ یہاں اس بات کا تذکرہ کرنا ضروری ہے کہ پچھلے سال کے کچھ ماہ کو رنٹ نے Covid-19 کی وجہ سے بند رکھا تھا اور یہ CEO کی قیادت و منصوبہ بندی اور تمام انتظامی عملے اور کارکنان کی لگن اور محنت ہے۔

### ii. شعبہ جاتی عملی نتائج

ہمارے ڈویژن کے نتائج یہ ہیں:

ا. لیکچر ڈویژن

| (%) فیصد      | 2020          | (%) فیصد | 2021          |  |
|---------------|---------------|----------|---------------|--|
| روپے ملین میں | روپے ملین میں |          | روپے ملین میں |  |
| -             | 6,847         | -        | 9,049         | فروخت آمدن (قابل الطاق ٹیکسز کے علاوہ) |
| (74.9)        | (5,126)       | (76.2)   | (6,897)       | لاگت فروخت                             |
| 25.1          | 1,720         | 23.8     | 2,151         | مجموعی منافع                           |
| 13.6          | 932           | 15.2     | 1,372         | عملی منافع                             |

## Murree Brewery Company Limited

### مری برووری کمپنی لمیٹڈ

3- نیشنل پارک روڈ راولپنڈی

### چیرمین کا جائزہ

میں کمپنی کے قابل قدر شیئر ہولڈرز کے سامنے 30 جون 2021 کو ختم ہونے والے سال کیلئے کمپنی کی 154 ویں سالانہ رپورٹ پیش کرنے پر خوشی محسوس کر رہا ہوں۔

مالی سال 2021، پاکستان کی معیشت کیلئے ایک بڑا چیلنج رہا ہے۔ Covid-19 کی وبا پورے سال ایک مستقل ذہنی دباؤ اور بے چینی کا سرچشمہ رہی ہے۔ پاکستانی معیشت نے بہر حال اپنی طاقت و مزاحمت کا ثبوت دیا ہے اور مثبت ترقی کی راہ پر بہت جلد واپس آگئی۔ کمپنی نے وبا کی طرف سے پیدا کردہ چیلنجز کا سامنا کرنے کیلئے مناسب اقدامات کیے، اور اپنی پروڈکٹس کیلئے صارفین کی طلب کی بحالی کو یقینی بنایا۔

ڈتے داریوں کی بحالی آوری میں، بورڈ نے کاروبار کو درپیش خطرات کی نشاندہی اور اس کی کارکردگی سے متعلق ممکنہ مسائل کی پیش بینی کیلئے مینجمنٹ کے ساتھ فعال طور پر اشتراک عمل کو جاری رکھا۔ بورڈ کمپنی کے اسٹریٹجک پلاننگ پر وسمیز میں مکمل طور پر شامل رہا اور ادارہ جاتی نظم و نسق کے بلند ترین معیارات کو یقینی بنانے کی غرض سے نہایت پُر عزم رہا۔ بورڈ کی مجموعی کارکردگی 30 جون 2021 کو ختم شدہ مالی سال کیلئے سالانہ رپورٹ میں واضح طور پر دیکھی جاسکتی 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 تجربے کار سمجھے جاتے ہیں اور وہ کمپنی کی پالیسیز اور طریقہ کار سے بھی واقف ہیں۔ بورڈ آڈٹ کمیٹی کو انٹرنل آڈٹ رپورٹس سے مابقی بنیاد پر پیش کی گئیں جن میں انٹرنل کنٹرول پر وسمیز اور ساتھ ہی ساتھ کمپنی کو درپیش ممکنہ خطرات کا بھی گاہے بگاہے جائزہ لیا جاتا رہا۔

جیسا کہ ایگزیکٹو کمیٹی (کوڈ آف کارپوریٹ گورننس) ریکولیشنز 2019 کے تحت مطلوب ہے، بورڈ نے اپنی ذاتی جانچ کی تاکہ اس بات کو یقینی بنایا جاسکے کہ بورڈ کی مجموعی کارکردگی اور مؤثریت کا کمپنی کیلئے متعین کردہ مقصد کے تناظر میں توقعات کے مطابق ہے۔ جانچ پر مثال و تجنیے کے عمل کے دوران، بورڈ کی ذیلی کمیٹی کی کارکردگی کا تجزیہ بھی کیا گیا۔ مضابطہ کار کی طرف سے مجوزہ کے مطابق، کمپنی نے مینجمنٹ اور عملے کی ترقیتی ضروریات کے ساتھ خود کو مکمل طور پر ہم آہنگ رکھا۔

کمپنی کے بورڈ آف ڈائریکٹرز کو ایجنڈہ اور معاون تحریری مواد بشمول اتباعی مواد بورڈ اور اس کی کمیٹی کے اجلاس سے قبل مناسب وقت میں وصول ہوا۔ بورڈ اپنی ڈتے داریوں کو مناسب طریقے سے پورا کرنے کیلئے اکثر مل مینجمنٹ کا اہتمام کرتا رہتا ہے۔ نان ایگزیکٹو اور خود مختار ڈائریکٹرز تمام کارروائیوں اور فیصلوں میں برابر کے شریک ہوتے ہیں۔

بورڈ کی طرف سے، میں مینجمنٹ اور عملے کی اطمینان بخش کارکردگی خاص طور پر مالیاتی ٹیکسوں اور کارپوریٹ کمپلائنس سے متعلق امور کو احسن طریقے سے نٹانے کیلئے مہا کہا دچش کرتا ہوں۔ دوران سال، ریکارڈ پر ہے جسے بیان کرتے ہوئے مسرت کا اظہار کرتا ہوں کہ ڈائریکٹرز نے اپنے فرائض پوری ڈتے داری سے انجام دیے، اور کمپنی کا منافع بھی صحت مند اندر رہا۔

محمد امجد

چو دھری معین افضل

چیرمین

راولپنڈی، 17 ستمبر 2021ء

# PROXY FORM

[Section 137 of the Companies Act, 2017]

## MURREE BREWERY COMPANY LIMITED

3-National Park Road, Rawalpindi



### ANNUAL GENERAL MEETING

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

I / We \_\_\_\_\_ s/o or d/o or w/o \_\_\_\_\_ r/o \_\_\_\_\_  
being a member of **Murree Brewery Company Limited** and holder of \_\_\_\_\_ ordinary shares as per  
registered Folio / CDC Participant ID #, \_\_\_\_\_ and CDC Sub Account # / CDC Investor Account ID #  
\_\_\_\_\_ hereby appoint Mr./Mrs. \_\_\_\_\_ s/o or d/o or w/o \_\_\_\_\_  
CNIC# \_\_\_\_\_ r/o \_\_\_\_\_ having registered Folio / CDC Participant ID #,  
\_\_\_\_\_ and CDC Sub Account # / CDC Investor Account ID #  
\_\_\_\_\_ as my/our proxy to attend and vote on my/our behalf at the Annual General  
Meeting of the Company to be held at **9:30 a.m. on Friday, October 22, 2021** 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, 2021

#### Witnesses:

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

#### Important notes:

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

**AFFIX  
CORRECT  
POSTAGE**

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

## پراکسی فارم

کمپنیز ایکٹ 2017 کی شق 137

مری بروہی کمپنی لمیٹڈ

3- نیشنل پارک روڈ، راولپنڈی

سالانہ اجلاس عام

کمپنی سیکریٹری

مری بروہی کمپنی لمیٹڈ

3- نیشنل پارک روڈ، راولپنڈی

میں/ہم..... ولد..... رہائشی..... مری بروہی کمپنی لمیٹڈ کا ممبر ہونے کے ناٹے.....  
 عمومی شیئرز کا حامل بر مطابق رجسٹرڈ فوئیل/ای ڈی سی پارٹنر آئی ڈی نمبر..... اور سی ڈی سی سب اکاؤنٹ  
 نمبر/ای ڈی سی انویسٹر اکاؤنٹ آئی ڈی نمبر.....  
 بد احترام/احترامہ..... ولد..... رہائشی..... کا تقرر کرتا ہوں جس کا رجسٹرڈ فوئیل/ای ڈی سی پارٹنر آئی ڈی  
 نمبر..... اور سی ڈی سی سب اکاؤنٹ نمبر/ای ڈی سی انویسٹر اکاؤنٹ آئی ڈی نمبر..... ہے۔ میرے ہمارے پر کسی  
 کو 22 اکتوبر، 2021 کو رجسٹرڈ آفس-3 نیشنل پارک روڈ، راولپنڈی میں منعقد ہونے والے سالانہ اجلاس عام یا کسی اتوار 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

تاریخ..... اکتوبر، 2021

دستخط کمپنی کے ساتھ رجسٹرڈ نمونے جیسے ہونے چاہیے۔

گواہان:

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

اہم نوٹس:

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





SRM Screw-type Ammonia Compressor

Estd. 1860

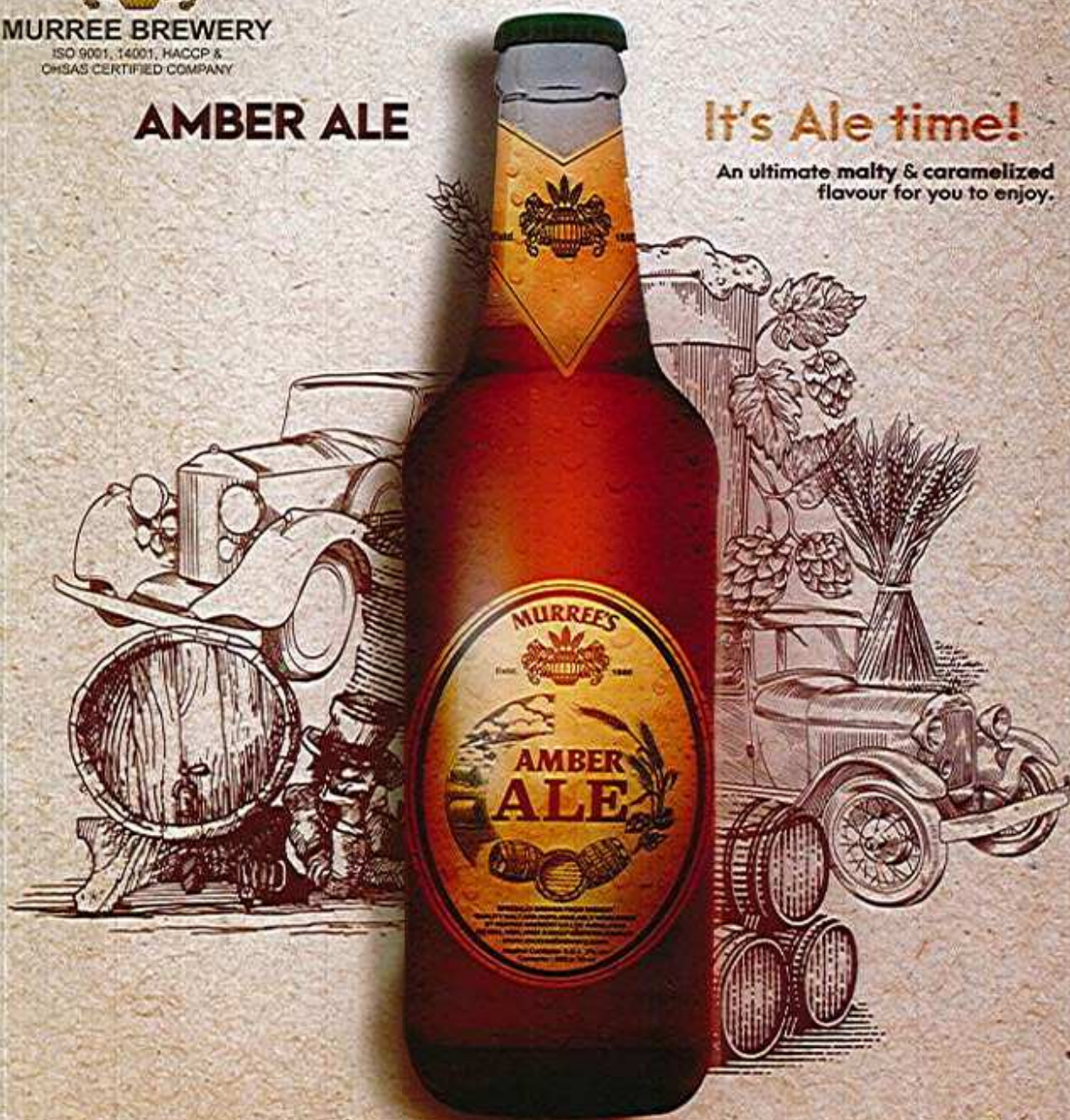
**MURREE BREWERY**

ISO 9001, 14001, HACCP &  
OHSAS CERTIFIED COMPANY

## AMBER ALE

**It's Ale time!**

An ultimate malty & caramelized  
flavour for you to enjoy.



Murree's Amber Ale is brewed from the highest quality malt and Hallertau Hops. The special Yeast, for making this Amber Ale, is imported from a very renowned Yeast Manufacturing Company in Germany which has decades of experience in development of special yeast and has specific quality to produce rich, full bodied fruity taste with a tinge of caramelized flavor in *Amber Ale*.

Estd. 1860

**MURREE BREWERY**

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