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MURREE BREWERY COMPANY LTD.

Murree Brewery Co. Ltd.



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2022
ANNUAL REPORT
2022

Yeast Propagation Plant



Annual Report 2022
Murree Brewery Company Limited



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Murree Brewery Company Limited

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VISION STATEMENT

Our office is in the market

MISSION STATEMENT

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

Continuous improvement

Alignment of our missions and goals

Responsibility and respect of our jobs and each other

Educate one another

Murree Brewery Company Limited

ESTABLISHED 1860

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

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

PRINCIPAL OFFICERS

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

Ch. Waqar A. Kahloon
Mr. Muhammad Khurshid
Mr. Zaka Ullah Malik
Mr. Fakher-e-Mahmood
Mr. Arshad Zaheer
Mr. Zaka ud Din
Mr. Talat Yaqoob Awan
Mr. Fayyaz Ahmad

AUDIT & RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION AND NOMINATION COMMITTEE

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

AUDITORS

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

PRINCIPAL BANKERS

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

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CORPORATE INFORMATION

REGISTERED OFFICE

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

FACTORIES

- (1) **Murree Brewery Company Limited**
3-National Park Road, Rawalpindi
Tel: 051-5567041-47, Fax: 051-5584420
- (2) **Tops Food & Beverages**
 - (a) 3-National Park Road, Rawalpindi
Tel: 051-5567041-47, Fax: 051-5565461
 - (b) Plot No. 14/1, Phase III, Industrial Estate,
Hattar, District Haripur (K.P.K)
Tel: 0995-617013, 617493, 617494
- (3) **Murree Sparkletts**
 - (a) Plot No. 10/2, Phase III, Industrial Estate,
Hattar, District Haripur (K.P.K)
 - (b) 121/3, Industrial Estate, Kot Lakhpat,
Lahore.
- (4) **Murree Glass**
Plot No. 24, Phase III, Industrial Estate,
Hattar, District Haripur (K.P.K)
Tel: 0995-617233, 0995-617188

DISTRIBUTION OFFICES

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

- (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

LEGAL ADVISORS

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

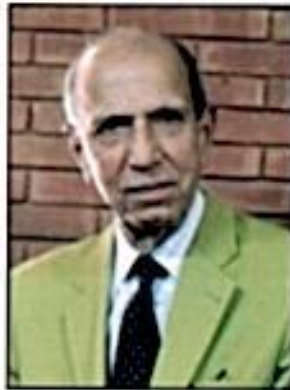
TAX ADVISORS

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

CORPORATE ADVISOR

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

Murree Brewery Company Limited
Board of Directors



Ch. Mueen Afzal
Chairman - Non Executive Director

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

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

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

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

Murree Brewery Company Limited
Board of Directors



Mr. Isphanyar M. Bhandara

CEO/Director - Executive Director

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

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

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

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

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

Murree Brewery Company Limited
Board of Directors



Mr. Aamir Hussain Shirazi
Non-Executive Director

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

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

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

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

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

Murree Brewery Company Limited
Board of Directors



Mrs. Goshi M. Bhandara
Non-Executive Director

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



Mr. Shahbaz Haider Agha
Independent Director

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

Murree Brewery Company Limited
Board of Directors



Prof. Khalid Aziz Mirza
Independent Director

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

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

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

Murree Brewery Company Limited
Board of Directors



Mr. Pervaiz Akhtar
Independent Director

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

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

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

Outside interests

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

Murree Brewery Company Limited
Board of Directors



Ms. Jahanara Sajjad Ahmad, FCA

Independent Director

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

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

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

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

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

Murree Brewery Company Limited
Board of Directors

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

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

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

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

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Murree Brewery Company Limited
Principal Officers



Ch. Waqar A. Kahloon
Company Secretary



Muhammad Khurshid
Chief Financial Officer



Zaka Ullah Malik
Head of Internal Audit

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Murree Brewery Company Limited


NOTICE OF 155TH ANNUAL GENERAL MEETING

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

ORDINARY BUSINESS

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

BY ORDER OF THE BOARD


Ch. Waqar A. Kahloon
Company Secretary

Rawalpindi
October 04, 2022

NOTES:

CLOSURE OF SHARE TRANSFER BOOKS

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

RIGHT TO APPOINT PROXY

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

FOR ATTENDING THE MEETING:

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

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FOR APPOINTING PROXIES:

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

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

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

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

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

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

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

EXEMPTION FROM DEDUCTION OF INCOME TAX / ZAKAT:

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

CORONAVIRUS CONTINGENCY PLANNING FOR AGM:

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

Murree Brewery Company Limited

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

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

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

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

CHANGE OF ADDRESS:

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

AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON COMPANY'S WEBSITE:

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

PAYMENT OF CASH DIVIDEND THROUGH ELECTRONIC MODE

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

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

UNCLAIMED DIVIDEND AND SHARE CERTIFICATES

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

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

Murree Brewery Company Limited

CHAIRMAN'S REVIEW

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

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

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

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

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

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

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


Ch. Muneen Afzal
Chairman

Rawalpindi September 22, 2022

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

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

BUSINESS REVIEW OF THE COMPANY

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

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

FINANCIAL PERFORMANCE**i. Overall Financial Overview & Highlights**

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

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

ii. Divisional Operating Results

The results of our divisions were:

*Murree Brewery Company Limited***a. Liquor Division**

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

b. Glass Division

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

c. Tops Division

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

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

The honorable Supreme Court of Pakistan decided the matter of GIDC in favor of the Government on 13th August, 2020. Subsequent to the decision, review petitions were filed by the companies but the Supreme Court upheld its earlier decision. Company has already provided for the GIDC expense in its financial statements on 30th June, 2020. GIDC installments have been paid in full Rs. 284,209,640/- as on August 25, 2022.

ii. Tax on water consumption for commercial use:

The Supreme Court of Pakistan announced taxation of the beverage industry @ Re. 1 per liter of surface and underground water which would not be passed on to the consumers. The order issued effective from December 2018 applies to all industries consuming water in Pakistan, the Rules for which have not yet been issued. The beverage industry has lodged a review petition, which is pending in the Supreme Court.

Murree Brewery Company Limited

FINAL DIVIDEND

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

RISK AND UNCERTAINTIES

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

PATTERN OF SHAREHOLDING

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

EARNINGS PER SHARE

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

INTERNAL AUDIT AND CONTROL

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

COMPANY'S RISK FRAMEWORK AND INTERNAL CONTROL SYSTEM

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

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

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

COMPOSITION OF THE BOARD

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

- a. Male : Six
b. Female : Two

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

COMMITTEES OF THE BOARD

i. Audit & Risk Management Committee:

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

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

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

ii. HR & Remuneration and Nomination Committee:

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

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

Murree Brewery Company Limited

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

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Directors state that:

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

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

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

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

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

DIRECTORS TRAINING PROGRAM

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

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

BOARD PERFORMANCE EVALUATION

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

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

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

POLICY ON DIRECTORS' & OFFICERS' REMUNERATION

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

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

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

Murree Brewery Company Limited

RELATED PARTY TRANSACTIONS

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

TRADING OF SHARES

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

CHANGES TO THE MANAGEMENT

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

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

CORPORATE BRIEFING SESSION

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

CONTRIBUTION TO NATIONAL EXCHEQUER

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

STATEMENT OF COMPLIANCE

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

CORPORATE SOCIAL RESPONSIBILITY

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

Murree Brewery Company Limited

COMMUNITY INVESTMENT & WELFARE SCHEMES

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

WELFARE SPENDING FOR UNDER-PRIVILEGED CLASS

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

CORPORATE PHILANTHROPY

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

DONATIONS FOR PAKISTAN FLOOD AFFECTEES

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

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

ENVIRONMENT, QUALITY, HEALTH & SAFETY MANAGEMENT SYSTEM

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

OCCUPATIONAL HEALTH AND SAFETY

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

Murree Brewery Company Limited

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

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

ENERGY CONSERVATION

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

ENVIRONMENTAL PROTECTION MEASURES

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

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

CONSUMER PROTECTION MEASURES

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

EMPLOYMENT OF SPECIAL PERSONS

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

Murree Brewery Company Limited

BUSINESS ETHICS AND ANTI-CORRUPTION MEASURES

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

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

STATUTORY AUDITORS

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

OUTLOOK

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

APPRECIATION

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

ON BEHALF OF THE BOARD


Ch. Mueen Afzal
Chairman


Shahbaz Haider Agha
Director

Rawalpindi September 22, 2022

Murree Brewery Company Limited

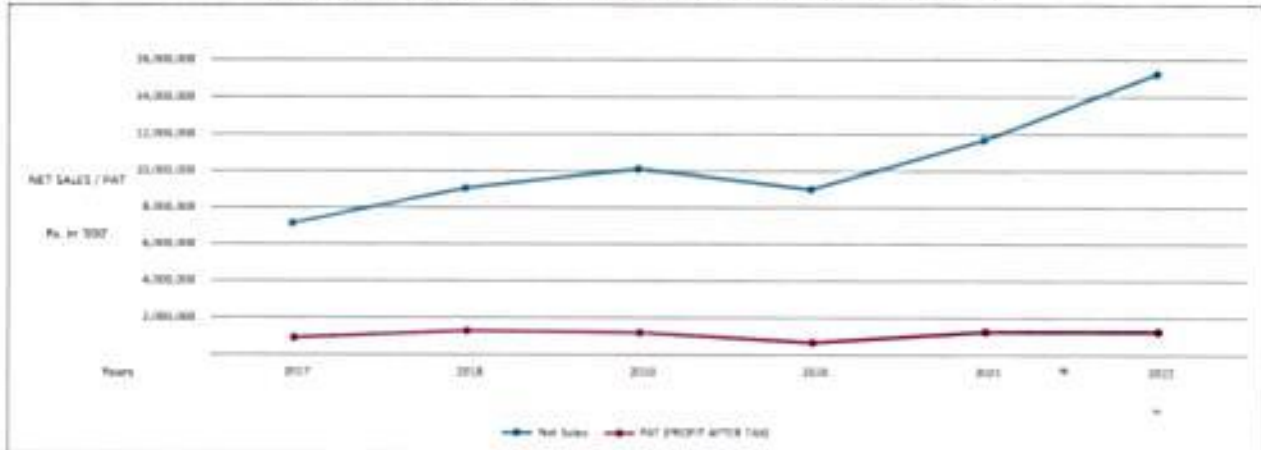
SIX YEARS AT A GLANCE

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

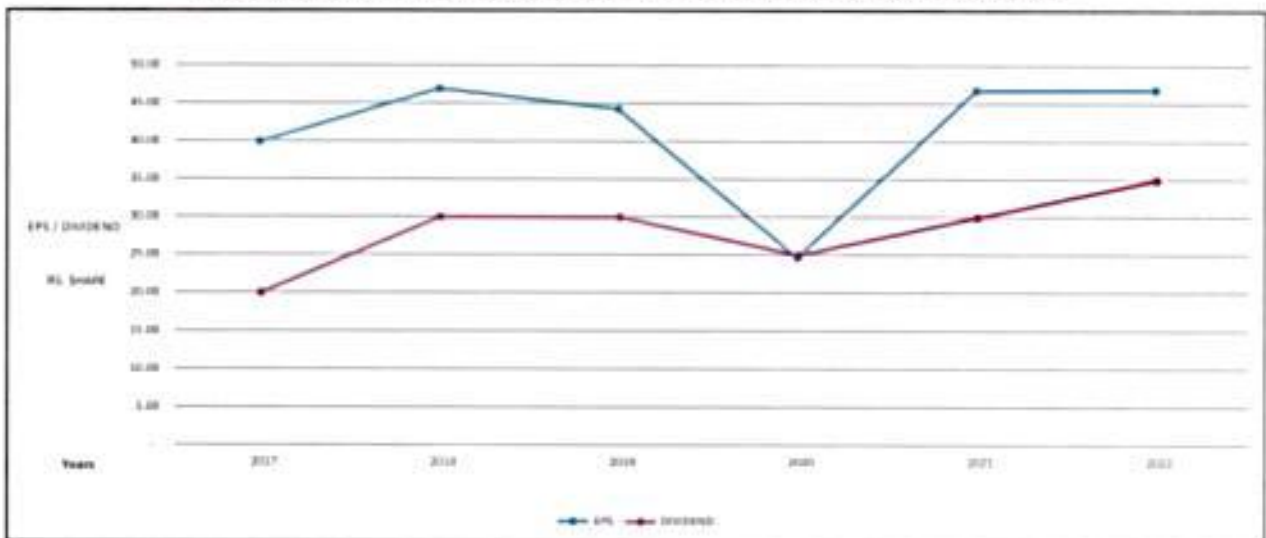
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Murree Brewery Company Limited

NET SALES vs PROFIT AFTER TAX COMPARISON



EARNINGS PER SHARE vs CASH DIVIDEND COMPARISON



Murree Brewery Company Limited

STATEMENT OF PROFIT & LOSS

	2022	22 vs 21	2021	21 vs 20	2020	20 vs 19	2019	19 vs 18	2018	18 vs 17	2017	17 vs 16	2016
	(Rs. '000)	%	(Rs. '000)	%	(Rs. '000)	%	(Rs. '000)	%	(Rs. '000)	%	(Rs. '000)	%	(Rs. '000)
OPERATIONS AT ANNUAL YEAR													
Sales (Note 1)	12,274,519	98.9	11,497,204	98.9	8,596,859	111.31	96,131,348	11.7	8,036,672	86.9	5,239,492	51.2	6,697,214
Cost of Sales	11,693,985	95.9	8,719,174	76.1	6,697,464	77.91	7,729,873	80.6	8,194,222	101.9	4,973,754	51.5	6,411,459
Gross Profit	5,580,534	45.6	2,778,030	24.0	1,899,395	21.95	2,403,475	25.0	2,842,450	30.4	2,265,737	23.4	2,285,755
Distribution Cost	1,007,273	8.2	909,207	8.0	876,114	100.24	1,497,179	16.0	794,751	8.4	909,279	9.4	972,896
Administrative Expenses	604,076	4.9	608,001	5.0	607,148	67.9	798,402	8.5	407,832	4.3	336,213	3.5	262,199
Other Expenses	108,259	0.9	238,138	1.9	273,819	3.0	318,402	3.5	311,212	3.3	304,879	3.2	308,109
Other Income	168,560	1.4	86,219	0.7	69,499	0.8	107,239	1.2	86,621	0.9	58,898	0.6	238,769
Depreciation from non-current assets	897	0.0	3,072	0.0	3,117	0.0	491	0.0	7,968	0.1	1,098,768	11.5	1,304,719
Operating Profit	3,874,351	31.6	1,691,264	14.6	711,259	7.9	1,461,314	15.6	1,637,376	17.3	1,098,768	11.5	1,304,719
Finance Cost	19,689	0.2	38,512	0.3	38,069	0.4	17,093	0.2	26,154	0.3	16,099	0.2	2,823
Finance Income	378,796	3.1	273,191	2.4	304,549	3.4	279,544	3.0	197,899	2.1	197,973	2.1	197,973
Net Profit before taxation	3,933,458	32.3	1,825,933	15.7	977,739	10.9	1,644,765	17.5	1,818,221	19.2	1,280,642	13.4	1,504,695
Provision for taxation	494,330	4.0	976,387	8.7	106,349	1.1	499,888	5.4	913,367	9.8	478,136	5.0	473,613
Net Profit after taxation	3,439,128	28.3	849,546	7.3	871,390	9.6	1,144,877	12.4	904,854	9.7	802,506	8.4	1,031,082
YEARS AT ANNUAL YEAR													
Sales	12,274,519	100.0	11,497,204	93.6	8,596,859	69.9	14,131,392	113.8	8,036,672	65.5	5,194,081	41.8	6,697,214
Cost of Sales	11,693,985	95.9	8,719,174	76.1	6,697,464	53.4	7,729,873	62.8	8,194,222	65.5	4,973,754	39.7	6,411,459
Gross Profit	5,580,534	45.6	2,778,030	23.5	1,899,395	15.1	2,403,519	19.3	2,842,450	22.9	2,220,327	17.3	2,285,755
Distribution Cost	1,007,273	8.2	909,207	7.9	876,114	7.0	1,497,179	11.9	794,751	6.4	909,279	7.1	972,896
Administrative Expenses	604,076	5.0	608,001	5.0	607,148	4.9	798,402	6.4	407,832	3.2	336,213	2.6	262,199
Other Expenses	108,259	0.9	238,138	1.9	273,819	2.2	318,402	2.5	311,212	2.4	304,879	2.3	308,109
Other Income	168,560	1.4	86,219	0.7	69,499	0.6	107,239	0.8	86,621	0.7	58,898	0.5	238,769
Depreciation from non-current assets	897	0.0	3,072	0.0	3,117	0.0	491	0.0	7,968	0.1	1,098,768	8.8	1,304,719
Operating Profit	3,874,351	31.6	1,691,264	13.8	711,259	5.7	1,461,314	11.8	1,637,376	13.0	1,098,768	8.6	1,304,719
Finance Cost	19,689	0.2	38,512	0.3	38,069	0.3	17,093	0.1	26,154	0.2	16,099	0.1	2,823
Finance Income	378,796	3.1	273,191	2.3	304,549	2.4	279,544	2.2	197,899	1.6	197,973	1.5	197,973
Profit before tax	3,933,458	32.3	1,825,933	14.8	977,739	7.8	1,644,765	12.9	1,818,221	14.4	1,280,642	10.0	1,504,695
Provision for taxation	494,330	4.0	976,387	8.1	106,349	1.1	499,888	3.0	913,367	7.4	478,136	3.7	473,613
Net Profit after taxation	3,439,128	28.3	849,546	6.9	871,390	7.0	1,144,877	9.3	904,854	7.9	802,506	5.3	1,031,082

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Murree Brewery Company Limited

MURREE BREWERY COMPANY LIMITED

Pattern of Shareholding

As of June 30, 2022

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

Annual Report 2022

Murree Brewery Company Limited

MURREE BREWERY COMPANY LIMITED

Pattern of Shareholding Report

As of June 30, 2022

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

Annual Report 2022

Murree Brewery Company Limited

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

S.No.	Folio #	Name of shareholder	Number of shares	Pct. %	
Directors, Chief Executive Officer and their spouses/and minor children					
1	90022	MR. ISPHANYAR M. BHANDARA	1,174,540	11.48	
2	261129	MR. ISPHANYAR M. BHANDARA	971,700	9.51	
3	04705-83016	MR. ISPHANYAR M. BHANDARA	457,040	4.45	
4	261023	MRS. JASMINE BHANDARA	319,441	3.13	
5	04705-99009	MRS. JASMINE BHANDARA	14,770	0.05	
6	261129	MRS. GOSHI M. BHANDARA	1,000,074	9.82	
7	03277-107223	MR. AJAMIR HUSSAIN SHIRAZI	1,084	0.01	
8	03459-28005	MR. JAHANARA SAJJAD AHMAD	1,000	0.004	
9	03525-11880	DR. MUJIB AZIZ	3,852	0.01	
10	03525-108190	MR. SHAHBAZ NAIDER AGHA	2,179	0.01	
11	04804-27440	MR. SHAHBAZ NAIDER AGHA	1,200	0.004	
12	05264-140143	MR. PERVAIZ AKHTAR	1,000	0.004	
			12	1,949,879	21.51
Associated companies, undertakings and related parties					
1	261121	MR. ZAME ISPHANYAR BHANDARA	500,008	1.81	
2	130089	MISS. MUNZAR M. BHANDARA	720,813	2.61	
3	130113	MISS. MUNZAR M. BHANDARA & MRS. GOSHI M. BHANDARA	470,232	1.52	
4	261122	MR. JAMSHED NINOO BHANDARA, MRS. GOSHI M. BHANDARA & MR. ISPHANYAR M. BHANDARA	304,060	1.10	
5	261125	MR. JAMSHED NINOO BHANDARA, MRS. GOSHI M. BHANDARA & MR. ISPHANYAR M. BHANDARA	1,701,527	6.15	
6	04705-108227	MR. JAMSHED M. BHANDARA THROUGH MANAGER/GUARDIAN GOSHI M. BHANDARA	790,100	2.86	
7	40029	M/S. D. P. EDULJI & CO. (PVT) LIMITED	4,030,830	14.57	
8	03525-98607	D. P. EDULJI & COMPANY (PVT) LIMITED	879,149	3.18	
9	261064	MR. SAEED U. REHMAN	12	0.00	
			9	9,946,719	35.79
NET & NP					
1	90013	M/S. INVESTMENT CORPORATION OF PAKISTAN	430	0.002	
2	00083-36	(IBL) (ICP) UNIT	18	0.00	
			2	448	0.002
Banks/Development Financial Institutions, Non-Banking Financial Institutions					
1	20042	M/S. BANK OF BANAWALPUR LTD.	5,802	0.02	
2	04127-77	MCB BANK LIMITED - TREASURY	11,541	0.04	
3	05264-153358	CAPITAL ASSETS LEASING CORPORATION LIMITED	5,500	0.01	
			3	20,843	0.07
Insurance Companies					
1	03277-2184	EFU GENERAL INSURANCE LIMITED	657,990	2.31	
2	13746-501	ADAMITE LIFE ASSURANCE COMPANY LTD-IMP	358,700	1.30	
3	13746-543	ADAMITE LIFE ASSURANCE COMPANY LIMITED-NUL Fund	21,650	0.09	
4	13746-915	ADAMITE LIFE ASSURANCE CO LTD - NUL	6,400	0.02	
			4	1,044,740	3.71
Mutual Funds and Mutual Funds					
1	05371-28	CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	167,450	0.68	
2	08411-21	CDC - TRUSTEE AND INDEX TRACKER FUND	2,830	0.01	
3	11262-23	CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	10,850	0.04	
4	11727-22	CDC - TRUSTEE PAKISTAN PENSION FUND - EQUITY SUB FUND	14,500	0.05	
			4	215,530	0.78
General Public Foreign					
1	10004	MR. AHMAD ABUL REHMAN NOOR AHMAD	8,562	0.03	
2	30016	MR. C. C. GARBETT	2,834	0.01	
3	30006	MR. ISRAHIM SALEH BERA	17,194	0.06	
4	30009	MRS. E. M. WILSON	19,115	0.07	
5	70018	DR. G. K. SARDAR	30,050	0.11	
6	80017	MR. H. J. GEY KENSINGTON	8,560	0.03	
7	80035	MR. H. LUND CHRISTIANSEN	60,472	0.22	
8	80009	MRS. I. M. ST. GEORGE BRETT	2,434	0.01	
9	90011	MR. I. H. R. MOSS	1,574	0.01	
10	100002	MR. J. C. BURBIDGE	25,812	0.09	
11	100029	MR. J. M. READY	7,965	0.03	
12	100053	MR. JOHN STUART OLIVER	2,812	0.01	
13	110020	MRS. K. M. WILLIAM	36,165	0.13	
14	110022	MR. KASIM A. NICHAMMAO	1,077	0.02	

Annual Report 2022

Murree Brewery Company Limited

MURREE BREWERY COMPANY LIMITED

Pattern of Shareholding Report

As of June 30, 2022

S.No.	Folio #	Name of shareholder	Number of shares	Per %
15	120001	MRS. 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. MOGHAL	11,138	0.04
19	140014	MR. NAJMUDDIN MULLAH HAMIDBHAI	8,560	0.03
20	160015	MRS. P. SAWDAY	17,194	0.06
21	160036	MR. PETER JOHN SARGENT	441	0.00
22	180012	MR. RICHARD ANTHONY B. SCOTT	8,560	0.03
23	180024	MR. RALPH JOHN HAMILTON POLLOCK	758	0.00
24	180048	MR. R. E. A. CAUTLEY	146,884	0.53
25	190041	MR. SALEH MUHAMMAD HAJEE AYUB	56,954	0.21
26	210001	DR. UNA DAVISON	17,222	0.06
27	260005	MISS. ZUBEIDA ESSOP MIA	12,592	0.05
28	00521-5550	GREGORY ALEXANDER	678,516	2.45
29	03277-106302	Rizwan Sheriff	100	0.00
30	03277-106486	SYED ATIQUE BUKHARI	100	0.00
31	03277-106814	MUHAMMAD FAZ	736	0.00
32	03277-109110	MUHAMMAD QASIM	200	0.00
33	03277-114733	SADAIN HAIDER	50	0.00
34	03277-115348	Zeshan Zahid	150	0.00
35	03277-115886	JEETENDAR KUMAR	250	0.00
36	03277-117650	MUHAMMAD NAZIM AMEER CHAUDHRY	100	0.00
37	03277-118908	NAJEEB ULLAH DURRANI	2,000	0.01
38	03277-119299	HINA IRAM	20	0.00
39	06601-32103	JAI HEMNANI	450	0.00
39			1,276,215	4.81

Foreign Companies

1	80077	M/S. HONGKONG BANK INTER (TRUSTEE) LTD.	1,810	0.01
2	00521-13356	TENCORE II PARTNERS LP	48,000	0.17
3	00547-9251	KINGSWAY FUND-FRONTIER CONSUMER FRANCHISES	5,914,825	21.38
4	00547-10301	KINGSWAY FUND-FRONTIER CONSUMER FRANCHISES EXTORA	470,060	1.70
5	00695-10791	SCB NOMINEES (CI) LIMITED [1250-2]	469,509	1.70
5			6,908,198	24.96

Others

1	20041	M/S. BUSINESS INVESTMENTS LTD.	81	0.00
2	80037	M/S. H. M. INVESTMENTS (PVT) LTD	96	0.00
3	140075	M/S. N. H. SECURITIES (PVT) LTD.	14	0.00
4	180018	M/S. RAWALPINDR 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	688	0.00
7	03210-28	V. S. SECURITIES & SERVICES (PVT) LTD.	88	0.00
8	03277-6164	TRUSTEES KANDAWALLA TRUST	20,278	0.07
9	03277-13154	TRUSTEES HONNIBELIANSHED NUSSEWANJEE C.T	5,580	0.02
10	03277-61491	M/S RANG COMMODITIES (PVT) LTD	10,360	0.04
11	03277-96529	FREE DEVELOPMENTS CORPORATION (PRIVATE) LIMITED	9,470	0.03
12	05293-12	S. H. BUKHARI SECURITIES (PVT) LIMITED	454	0.00
13	03525-57191	SARFRAZ MAHMOOD (PRIVATE) LTD	94	0.00
14	03525-63416	H. M. INVESTMENTS (PVT) LIMITED	2,870	0.01
15	03525-63817	NH SECURITIES (PVT) LIMITED	392	0.00
16	03525-66812	TRUSTEES NESTLE PAKISTAN LTD EMPLOYEES PROVIDENT FUND	39,000	0.14
17	03939-62	PEARL SECURITIES LIMITED	4,650	0.02
18	07450-1040	TRUSTEE-FIRST DAWOOD INV. BANK LTD. & OTHER EMPLOYEES F FUND	960	0.00
19	08847-1447	Crescent Standard Business Management (Pvt) Limited	1	0.00
20	12666-700	ISPI Corporation (Private) Limited	50	0.00
21	12666-1831	TRUSTEE PAKISTAN PETROLEUM SENIOR PROVIDENT FUND	11,850	0.05
22	12666-1849	TRUSTEE PAKISTAN PETROLEUM NON-EXECUTIVE STAFF PENSION FUND	18,050	0.07
23	12666-1856	TRUSTEE PAKISTAN PETROLEUM NON-EXECUTIVE STAFF GRATUITY FUND	6,100	0.02
24	12666-1864	TRUSTEE PAKISTAN PETROLEUM JUNIOR PROVIDENT FUND	8,750	0.03
25	12666-1872	TRUSTEE PAKISTAN PETROLEUM EXECUTIVE STAFF PENSION FUND	58,700	0.14
26	12666-1880	TRUSTEE PAKISTAN PETROLEUM EXECUTIVE STAFF GRATUITY FUND	4,500	0.02
27	12666-2045	TRUSTEE PAK. PETROLEUM EXEC. STAFF PEN. FUND DC CONVENTIONAL	2,850	0.01
28	11748-980	TRUSTEE - GUL AHMED TEXTILE MILLS LTD. EMP. PROVIDENT FUND	4,200	0.02
29	14241-22	FREEES (PRIVATE) LIMITED	1,766	0.01
30	07419-17966	ATC HOLDINGS (PRIVATE) LIMITED	5,050	0.02
31	14746-21	KTRADE SECURITIES LIMITED	1	0.00
31			207,587	0.75

CODE OF CONDUCT

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Murree Brewery Company Limited

Foreword

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

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

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

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

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

Murree Brewery Company Limited

General Principles

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

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

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

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

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

Murree Brewery Company Limited

Ethics, Transparency, Fairness, Professionalism

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

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

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

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

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

Company Information

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

Murree Brewery Company Limited

Conflict of Interest

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

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

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

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

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

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

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

Murree Brewery Company Limited

Confidentiality

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

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

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

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

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

Workplace Harassment

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

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

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

Murree Brewery Company Limited

Equal Opportunity Environment

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

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

Protection of Company Assets and Proprietary Information

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

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

Dealing in Securities/Shares & Insider Trading

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

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

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

END

Murree Brewery Company Limited

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Murree Brewery Company Limited

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

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

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

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

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

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

Ushty Taseer Hadi A/c.

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

**Islamabad
Date: 30 September 2022**

UDIN: CR202210245BfMP8zXnJ

Murree Brewery Company Limited

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

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

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

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

a) Male	:	Six
b) Female	:	Two

2. The composition of the Board is as follows:

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

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

Murree Brewery Company Limited

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

a) Audit and Risk Management Committee

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

b) HR & Remuneration and Nomination Committee

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

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;
14. The frequency of meetings (quarterly / half yearly / yearly) of the committees during the year 2021-22, were as per following:

Four (04) Audit and Risk Management Committee and two (02) HR & Remuneration and Nomination Committee.

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

Murree Brewery Company Limited

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

ON BEHALF OF THE BOARD


Ch. Muneen Afzal
Chairman


Shaukat Haider Agha
Director

Rawalpindi September 22, 2022

Murree Brewery Company Limited

INDEPENDENT AUDITORS' REPORT

To the members of Murree Brewery Company Limited

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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Murree Brewery Company Limited

Following are the key audit matters:

S. No.	Key audit matter	How the matter was addressed in our audit
1	<p>Revenue recognition</p> <p>Refer notes 4.13 and 31 to the financial statements.</p> <p>During the year ended 30 June 2022, the Company recognised net revenue of Rs. 15,246 million from sale of food and beverages.</p> <p>We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> obtaining an understanding of the process relating to recognition of revenue and testing the design and implementation of key internal controls over recording of revenue; comparing a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents; comparing a sample of revenue transactions recorded before and after the year-end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period; comparing the details of a sample of journal entries posted to revenue accounts during the year, which met certain specific risk-based criteria, with the relevant underlying documentation; assessing whether the accounting policies for revenue recognition complies with the requirements of the accounting and reporting standards as applicable in Pakistan; and evaluating the adequacy of presentation and disclosures related to revenue as required under the accounting and reporting standards as applicable in Pakistan.
2	<p>Revaluation of Property, Plant and Equipment</p> <p>Refer notes 9 and 17 to the financial statements.</p> <p>During the year, the Company recognized surplus aggregating to Rs. 462 million on revaluation of land,</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> involving our own valuation specialist to support us in evaluating the appropriateness of valuation methodology and assessing the reasonableness of key estimates and assumptions used in the valuations conducted by the professional valuer engaged by the Company;

Murree Brewery Company Limited

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Murree Brewery Company Limited

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Murree Brewery Company Limited

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

Report on Other Legal and Regulatory Requirements

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

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

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

Ushty Taseer Hadi & Co.

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

Islamabad

Date: 30 September 2022

UDIN: AR202210245GB6JRzDI5

Murree Brewery Company Limited

Statement of Financial Position As at 30 June 2022

	Note	2022 (Rs. '000)	2021 (Rs. '000)
EQUITY			
Share capital and reserves			
Share capital	6	276,636	276,636
Capital reserve	7	30,681	30,681
Revenue reserves	8	7,784,145	7,425,612
Revaluation surplus on property, plant and equipment and right of use assets - net of tax	9	4,091,322	3,773,307
Total equity		12,182,784	11,506,236
LIABILITIES			
Lease liabilities	10	7,936	3,754
Long term loan	11	-	124,749
Deferred grant	11.1	-	2,859
Employee benefits	12	296,669	281,974
Deferred tax liability - net	13	647,977	401,352
Non-current liabilities		852,582	814,688
Trade and other payables	14	1,379,011	1,218,348
Contract liabilities	15	295,986	202,616
Lease liabilities	16	8,798	22,046
Current portion of long term loan	11	124,748	156,417
Current portion of deferred grant	11.1	2,859	13,724
Provision for income tax - net	29	125,027	-
Unpaid dividend		96,840	76,003
Unclaimed dividend		31,818	32,579
Current liabilities		2,064,587	1,721,733
Total liabilities		2,917,169	2,536,421
Total equity and liabilities		15,099,953	14,042,657
Contingencies and commitments			
	16		

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


CHIEF FINANCIAL OFFICER


DIRECTOR


DIRECTOR

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

	Note	2022 (Rs. '000)	2021 (Rs. '000)
TURNOVER - Net	31	15,234,318	11,687,289
COST OF SALES	32	(11,694,003)	(8,710,319)
GROSS PROFIT		3,540,315	2,976,970
Selling and distribution expenses	33	(1,165,223)	(909,207)
Administrative expenses	34	(560,056)	(469,581)
Other expenses	35	(160,254)	(239,158)
Other income	36	180,366	81,233
(Allowance for) / Reversal of impairment loss on trade debts	26.1	(867)	5,013
OPERATING PROFIT		1,834,281	1,445,270
Finance cost	37	(19,609)	(29,512)
Finance income	38	378,756	252,101
NET FINANCE INCOME		359,147	222,589
PROFIT BEFORE TAX		2,193,428	1,667,859
Income tax expense	39	(899,320)	(176,387)
PROFIT FOR THE YEAR		1,294,108	1,291,472
		2022	2021
Earnings per share - basic and diluted (Rupees)	40	46.78	46.68

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


CHIEF FINANCIAL OFFICER


DIRECTOR


DIRECTOR

Annual Report 2022

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

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

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


 CHIEF FINANCIAL OFFICER


 DIRECTOR


 DIRECTOR

Murree Brewery Company Limited
Statement of Changes in Equity
For the year ended 30 June 2022

Annual Report 2022

	Share capital	Capital reserve	Revaluation surplus on property, plant and equipment and ROU assets - 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	127,042	20,000	6,438,134	9,985,672
Total comprehensive income for the year							
Profit for the year	-	-	-	-	-	1,291,472	1,291,472
Other comprehensive income for the year - net	-	-	-	-	-	(20,467)	(20,467)
Revaluation surplus on property, plant and equipment ROU assets - net of deferred tax	-	-	941,149	-	-	-	941,149
Total comprehensive income for the year	-	-	941,149	-	-	1,271,005	2,212,154
Transfer within equity							
Revaluation surplus on property, plant and equipment realized through depreciation for the year - net of deferred tax (refer note 9)	-	-	(73,713)	-	-	73,713	-
Transferred from revaluation surplus on property, plant and equipment on disposal - net of deferred tax (refer note 9)	-	-	12,692	-	-	(12,692)	-
Transactions with members recorded directly in equity	-	-	(61,020)	-	-	61,021	-
Distribution							
Final cash dividend 30 June 2020 (Rs. 05 per share)	-	-	-	-	-	(138,318)	(138,318)
First interim cash dividend 30 June 2021 (Rs. 05 per share)	-	-	-	-	-	(138,318)	(138,318)
Second interim cash dividend 30 June 2021 (Rs. 10 per share)	-	-	-	-	-	(276,636)	(276,636)
Third interim cash dividend 30 June 2021 (Rs. 05 per share)	-	-	-	-	-	(138,318)	(138,318)
Total distribution	-	-	-	-	-	(691,590)	(691,590)
Balance at 30 June 2021	276,636	30,681	3,771,307	127,042	20,000	7,078,570	11,506,216

Signature

CHIEF FINANCIAL OFFICER

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DIRECTOR

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DIRECTOR

Murree Brewery Company Limited
Statement of Changes in Equity
For the year ended 30 June 2022

Annual Report 2022

	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 2021	278,636	30,681	3,773,307	327,842	28,000	7,878,579	11,506,236
Total comprehensive income for the year							
Profit for the year	-	-	-	-	-	1,294,108	1,294,108
Other comprehensive income for the year - net	-	-	-	-	-	7,753	7,753
Revaluation surplus on property, plant and equipment - net of tax	-	-	342,913	-	-	-	342,913
Total comprehensive income for the year	-	-	342,913	-	-	1,301,861	1,644,774
Transfers within equity							
Revaluation surplus on property, plant and equipment realized through depreciation for the year - net of deferred tax (refer note 9)	-	-	(24,563)	-	-	24,563	-
Transferred from revaluation surplus on property, plant and equipment on disposal - net of deferred tax (refer note 9)	-	-	(335)	-	-	335	-
Transactions with members recorded directly in equity							
Distribution							
Final cash dividend 30 June 2021 (Rs. 10 per share)	-	-	-	-	-	(278,636)	(278,636)
First interim cash dividend 30 June 2022 (Rs. 05 per share)	-	-	-	-	-	(139,318)	(139,318)
Second interim cash dividend 30 June 2022 (Rs. 10 per share)	-	-	-	-	-	(278,636)	(278,636)
Third interim cash dividend 30 June 2022 (Rs. 10 per share)	-	-	-	-	-	(278,636)	(278,636)
Total distribution	-	-	-	-	-	(966,226)	(966,226)
Balance at 30 June 2022:	278,636	30,681	4,091,322	327,842	28,000	7,437,103	12,182,784

(Signature)

CHIEF FINANCIAL OFFICER

(Signature)
DIRECTOR

(Signature)
DIRECTOR

Annual Report 2022

Murree Brewery Company Limited

Statement of Cash Flow

For the year ended 30 June 2022

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2022 (Rs. '000)	2021 (Rs. '000)
Profit before tax		2,193,428	1,067,859
Adjustments for:			
Employee benefits - charge to profit or loss	12.1.2 & 12.2.4	42,720	34,787
Depreciation	17.1.3	377,391	425,330
Amortization	19.1	519	519
Provision for slow moving inventories	34	43,671	11,765
Provision for workers' profit participation fund	35	85,904	68,553
Provision for workers' welfare fund	35	43,870	32,536
Gas tariff differential	14	69,860	133,245
Provision for water tax	14	92,596	46,307
Gain on remeasurement of investment property to fair value	36	(113,241)	(39,259)
Gain on disposal of property, plant and equipment	36	(24,418)	(5,465)
Amortisation of deferred grant		(13,724)	(17,814)
Allowance/(reversal) for expected credit losses	26.1	867	(5,013)
Finance cost	37	19,609	29,512
Return on deposit accounts	38	(131,375)	(80,180)
Interest on Pakistan investment bonds	38	(40,962)	(40,761)
Interest on advances	38	(257)	(348)
Dividend income	38	(175,365)	(114,651)
Unrealized gain on re-measurement of short term investments	38	(4,172)	(754)
		273,492	478,330
Operating profit before working capital changes		2,466,920	2,146,189
Changes in:			
Inventories		(544,401)	(87,267)
Trade debts		15,486	(433)
Advances, prepayments and other receivables		(108,238)	5,935
Trade and other payables		(63,813)	(196,812)
Contract liabilities		93,370	92,774
		(606,796)	(185,803)
Cash generated from operating activities		1,860,124	1,960,386
Finance cost paid		(1,378)	(3,707)
Employee benefits paid	12.1 & 12.2	(26,470)	(64,472)
Workers' profit participation fund paid	14.2	(68,553)	(35,859)
Income taxes paid	29	(495,586)	(316,770)
Net cash from operating activities		1,268,418	1,539,578
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(227,141)	(156,113)
Proceeds from disposal of property, plant and equipment	17.1.6	30,007	26,066
Long term advances paid		1,468	3,138
Long term deposits paid		(1,416)	(2,312)
Realization/(acquisition) of short term investments		24,512	(269,844)
Return on deposits received		172,594	121,629
Dividends received		175,365	114,651
Net cash from/(used in) investing activities		175,389	(182,785)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment against lease liabilities	10	(12,281)	(96,996)
Proceeds from long term loan	11	-	340,285
Repayment of loan	11	(171,939)	(44,172)
Dividend paid		(948,151)	(713,451)
Net cash used in financing activities		(1,132,367)	(514,334)
Net increase in cash and cash equivalents		311,440	862,459
Cash and cash equivalents at beginning of the year		2,197,788	1,335,329
Cash and cash equivalents at end of the year	41	2,509,228	2,197,788

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


CHIEF FINANCIAL OFFICER


DIRECTOR


DIRECTOR

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

1 THE COMPANY AND ITS OPERATIONS

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

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

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

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

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

2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

Murree Brewery Company Limited**Notes to the Financial Statements***For the year ended 30 June 2022***2.2 Basis of measurement**

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

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

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

2.3 Functional and presentation currency

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

2.4 Use of judgments and estimates

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

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

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

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

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

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

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 Accounting and reporting standards as applicable in Pakistan

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 July 2022

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

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

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Notes to the Financial Statements

For the year ended 30 June 2022

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

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

4 SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Property, plant and equipment and advances for capital expenditures

Recognition and measurement

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

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

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

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

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

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

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

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

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

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

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

Subsequent expenditure

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

Depreciation

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

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

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

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

Reclassification to investment property

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

4.2 Intangible assets

Recognition and measurement

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

Subsequent expenditure

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

Amortization

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

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

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

4.3 Investment property

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

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

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

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

4.4 Inventories

Stores, spare parts and loose tools

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

Stock in trade

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

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

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

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Notes to the Financial Statements

For the year ended 30 June 2022

4.5 Financial instruments

Recognition and initial measurement

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

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

Classification and subsequent measurement

Financial asset

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

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

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

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

a) Amortized cost

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

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

b) Fair value through other comprehensive income (FVOCI)

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

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

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

c) Fair value through profit or loss (FVTPL)

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

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For the year ended 30 June 2022

Subsequent measurement and gains and losses

Financial assets at amortised cost

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

Debt investments at FVOCI

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

Financial assets at FVTPL

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

Equity investment at FVOCI

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

Financial liabilities—Classification, subsequent measurement and gains and losses

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

De-recognition

Financial assets

The Company derecognizes a financial asset when:

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

Financial liabilities

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

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For the year ended 30 June 2022

Offsetting

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

4.5 Trade and other receivables

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

4.6 Trade and other payables

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

4.7 Impairment

4.7.1 Financial assets

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

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

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

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

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

4.7.2 Non-financial assets

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

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For the year ended 30 June 2022

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

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

4.8 Provisions

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

4.9 Contingent liabilities

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

4.10 Share capital and dividends

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

4.11 Employee benefits

4.11.1 Short-term employee benefits

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

4.11.2 Defined contribution plan – provident fund

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

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Notes to the Financial Statements

For the year ended 30 June 2022

4.11.3 Defined benefit plans

a. Gratuity and pension plans

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

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

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

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

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

b. Compensated leave absences

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

4.12 Income tax

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

4.12.1 Current tax

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

Murree Brewery Company Limited**Notes to the Financial Statements***For the year ended 30 June 2022***4.12.2 Deferred tax**

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

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

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

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

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

4.13 Revenue from contracts with customers

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

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

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

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

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

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4.13.1 Contract assets

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

4.13.2 Contract liabilities

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

4.13.3 Contract costs

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

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

4.14 Cash and cash equivalents

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

4.15 Foreign currency transactions

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

4.16 Operating profit

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

4.17 Finance income and finance cost

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

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

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For the year ended 30 June 2022

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

4.18 Segment reporting

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

4.19 Earnings per share

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

4.20 Leases

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

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

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

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

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

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Notes to the Financial Statements

For the year ended 30 June 2022

5 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

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

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

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

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Notes to the Financial Statements

For the year ended 30 June 2022

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

10 LEASE LIABILITIES

	Note	2022 (Rs. '000)	2021 (Rs. '000)
Lease liabilities		16,234	25,800
Less: current portion		(8,298)	(22,646)
Non-current portion of lease liabilities		7,936	3,154

Movement of lease liabilities is as follows:

Balance at 01 July	25,800	112,420
New lease liabilities	-	4,820
Interest	2,715	6,356
Payments during the year	(12,281)	(96,996)
Balance at 30 June	16,234	25,800
Current portion of lease liabilities	8,298	22,646
Non-current portion of lease liabilities	7,936	3,154

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

	2022 (Rs. '000)	2021 (Rs. '000)
Less than one year	9,792	12,237
One to two years	8,462	8,928
Two to three	-	7,467
	18,254	28,627

10.1 Lease liabilities include Rs. 1,426,068 (2021: Rs. 8,369,384) against leased vehicles from financial institutions. The lease term for these arrangements is 3 years and these carry markup ranging from 8.56% to 14.50% (2021: 8.56% to 14.50%) per annum. At the completion of the lease term, the Company has the option to acquire the assets upon complete payment of all instalments and adjustment of lease key money. The facility is secured by way of ownership of the leased vehicles by the financial institutions.

11 LONG TERM LOAN

		2022 (Rs. '000)	2021 (Rs. '000)
Balance at 01 July		281,166	-
Receipt of loan	11.2	-	340,295
Recognition of deferred grant	11.1	-	(34,397)
Effective interest		15,517	19,450
Repayment		(171,935)	(44,172)
Balance at 30 June		124,748	281,166
Non-current portion		-	124,749
Current portion		124,748	156,417
		124,748	281,166

11.1 RECOGNITION OF GOVERNMENT GRANT

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

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Notes to the Financial Statements

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- 11.2** In order to mitigate the effect of the COVID 19 pandemic, the State Bank of Pakistan ("SBP") introduced "Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns" whereby financing at low mark-up rates was made available to the entities on the condition of not laying off the workers/employees and payment of salaries and wages of permanent, contractual, daily wagors and outsourced employees from April 2020 to June 2020. During the year ended 30 June 2020, the Company obtained long term loan facility amounting to Rs. 340.28 million under this scheme from United Bank Limited which is secured by first charge over fixed assets of the Company excluding land and building amounting to Rs 534 million. The loan is repayable in 8 equal quarterly instalments due from 1 April 2021. Interest chargeable under the refinance scheme is 0.75% per annum. Accordingly, an amount of Rs 34.39 million was recognised as deferred grant income representing the difference between the loan proceeds and present value of repayments of principal and interest at incremental borrowing rate of the Company i.e. 6 months' KIBOR + 1% per annum. Deferred grant is being amortized over the term of the loan. There were no unfulfilled conditions related to this grant at the reporting date.

12 EMPLOYEE BENEFITS

	Note	2022 (Rs. '000)	2021 (Rs. '000)
Net defined benefit liability - gratuity	12.1	282,686	266,759
Net defined benefit liability - compensated leave absences		13,983	15,214
Total employee benefit liability		296,669	281,974
Net defined benefit asset - pension	12.2	40,204	30,189
12.1 Net defined benefit liability - gratuity			
The Company operates an unfunded gratuity scheme for its eligible employees.			
<i>Movement in net defined benefit liability - gratuity</i>			
Balance at 01 July		266,759	249,266
Charge for the year	12.1.2	44,692	34,846
Experience adjustments on defined benefit liability	12.1.3	(9,278)	38,025
Benefits paid		(19,487)	(55,378)
Balance at 30 June	12.1.4	282,686	266,759
12.1.1 Reconciliation of liability recognised in the statement of financial position			
Present value of defined benefit obligation		282,686	266,759
Net defined benefit liability		282,686	266,759

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For the year ended 30 June 2022

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

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

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

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

12.1.5 Sensitivity analysis

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

	2022 Increase (Rs.'000)	2022 Decrease (Rs.'000)	2021 Increase (Rs.'000)	2021 Decrease (Rs.'000)
Discount rate	266,272	307,617	240,654	281,196
Salary increase rate	307,680	265,887	281,215	240,264

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

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

12.1.7 Risks associated with defined benefit liability - gratuity

Final Salary Risk (linked to inflation risk)

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

Salary Increase Risk

- Mortality risk

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

- Withdrawal Risk

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

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For the year ended 30 June 2022

12.1.8 Expected maturity profile

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

	2022 (Rs.'000)	2021 (Rs.'000)
Year 1	16,839	12,045
Year 2	33,385	26,321
Year 3	38,139	32,645
Year 4	46,782	36,363
Year 5	42,290	43,616
Year 6 to Year 10	205,288	154,031
Year 11 and beyond	2,585,039	1,462,944

12.1.9 Historical information

	2022 (Rs.'000)	2021 (Rs.'000)
2022		282,686
2021		266,758
2020		249,266
2019		247,678
2018		242,426
	2022	2021
	7	8

12.1.10 Weighted average duration of defined benefit liability (years)

12.2 Net defined benefit asset/pension

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

Movement in net defined benefit asset/pension

	Note	2022 (Rs.'000)	2021 (Rs.'000)
Balance at 01 July		(30,189)	(15,334)
Charge for the year	12.2.4	(1,972)	(59)
Remeasurement gain recognized in other comprehensive income	12.2.6	(2,293)	(9,198)
Contributions by the Company		(5,781)	(5,598)
Balance at 30 June	12.2.1	(40,205)	(30,189)

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

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

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

Present value of defined benefit liability at 01 July	40,874	47,494
Current service cost	1,332	1,482
Interest cost	3,973	3,943
Benefits paid during the year	(2,254)	(2,207)
Remeasurement gain	(5,394)	(9,538)
Present value of net defined benefit liability at 30 June	40,531	40,874

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		2022 (Rs. '000)	2021 (Rs. '000)
12.2.3 The movement in the fair value of defined plan assets is as follows	Note		
Fair value of plan assets at 01 July		71,063	62,829
Contributions paid into the plan		5,751	5,598
Expected return on plan assets		7,281	5,484
Benefits paid by the plan		(2,258)	(2,207)
Return on plan asset excluding interest income		(1,101)	(641)
Fair value of plan assets at 30 June	12.2.5	80,736	71,063
12.2.4 Expense recognized in profit or loss			
Current service cost		1,334	1,482
Interest cost on defined benefit plan		(7,280)	3,943
Interest income on plan assets		3,974	(5,484)
		(1,972)	(59)
12.2.5 Plan assets comprise of			
Units in open end funds		25,178	18,628
Defence saving certificates		53,759	49,266
Cash at banks		1,799	3,167
		80,736	71,063
12.2.6 Remeasurement gain recognized in other comprehensive income			
Actuarial gains from changes in financial assumptions		(9,269)	(4,724)
Experience adjustments on defined benefit asset		5,875	(5,114)
Remeasurement gain		1,181	640
		(2,293)	(9,198)
12.2.7 Key actuarial assumptions		2022	2021
Discount rate used for interest cost in profit or loss		10.00%	8.50%
Discount rate used for reporting date asset		13.25%	10.00%
Salary increase used for reporting date asset		N/a	N/a
Salary growth rate for 2022 and onwards		N/a	10.00%
Next expected salary increase		01 August 2022	01 August 2021
Mortality rate	12.2.8	SLIC 2001-2005	SLIC 2001-2005
Withdrawal rates		Age - Based	Age - Based
Retirement assumption		Age 60	Age 60
12.2.8	Assumption regarding future mortality has been based on State Life Insurance Corporation (SLIC 2001-2005), ultimate mortality rate with 1 year setback as per recommendation of Pakistan Society of Actuaries (PSOA)		
12.2.9	The calculation of the defined benefit asset is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit asset / liability at the reporting date would have increased / decreased as a result of a change in respective assumptions by 100 basis points		

	2022 Increase (Rs. '000)	2022 Decrease (Rs. '000)	2021 Increase (Rs. '000)	2021 Decrease (Rs. '000)
Discount rate	37,876	44,639	36,455	46,194
Salary increase rate	42,846	39,147	42,961	34,977

12.2.10 Risks associated with defined benefit asset - pension

Final Salary Risk (linked to inflation risk)

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

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Salary Increase Risk

- Mortality risk

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

- Withdrawal Risk

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

Investment Risk

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

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

	Note	2022 (Rs.'000)	2021 (Rs.'000)
13 DEFERRED TAX LIABILITY - NET			
Deferred tax liability - net	13.1	847,977	401,352

13.1 Movement in deferred tax liability - net

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

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14	TRADE AND OTHER PAYABLES	Note	2022 (Rs. '000)	2021 (Rs. '000)
	Payable to contractors and suppliers	14.4	498,562	260,393
	Accrued liabilities		161,501	151,893
	Security deposits	14.1	63,311	32,331
	Payable to Workers' Profit Participation Fund (WPPF)	14.2	127,902	110,551
	Payable to Workers' Welfare Fund (WWF)	14.3	79,452	35,582
	Provision for Gas Infrastructure Development Cess (GIDC)		-	138,901
	Provision for gas tariff differential	16.2	69,868	133,245
	Provision for water tax/charges	16.3	92,596	46,307
	Withholding tax payable		21,732	4,186
	Sales tax payable - net		113,330	150,649
	Export duty payable on Pakistan made foreign liquor and beer		110,821	110,821
	Zila tax payable		6,818	6,818
	Unearned income		2,609	2,002
	Other payables		36,517	34,669
			<u>1,379,011</u>	<u>1,218,348</u>
14.1	Security deposits			
	Security deposits	14.1.1	<u>63,311</u>	<u>32,331</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. 29,017 million (2021: Rs. 23,144 million) is kept in a separate bank account.			
14.2	Payable to Workers' Profit Participation Fund (WPPF)	Note	2022 (Rs. '000)	2021 (Rs. '000)
	Balance at 01 July		110,551	77,857
	Charge for the year	35	85,904	68,553
	Payments to the Fund during the year		<u>(68,553)</u>	<u>(75,859)</u>
	Balance at 30 June		<u>127,902</u>	<u>110,551</u>
14.3	Payable to Workers' Welfare Fund (WWF)			
	Balance at 01 July		35,582	18,497
	Charge for the year	35	43,870	52,536
	Adjustments claimed against income tax	29	-	(15,451)
	Balance at 30 June		<u>79,452</u>	<u>35,582</u>
14.4	Procurement during the year includes procurement of services amounting to Rs. 656.99 million (2021: Rs. 191.24 million) subject to Provincial Sales Tax.			
15	CONTRACT LIABILITIES			
	Contract liabilities	15.1	<u>295,986</u>	<u>202,616</u>
15.1	These represent unearned advances from customers against sale of goods.			
16	CONTINGENCIES AND COMMITMENTS			
(a)	Contingencies:			
16.1	Letter of guarantee issued by banks on behalf of the Company	16.1.1	<u>112,942</u>	<u>102,577</u>
16.1.1	These represent bank guarantee issued in the normal course of business to Sui Northern Gas Pipelines Limited ("SNGPL") amounting to Rs. 110.2 million (2021: Rs. 102.58 million) for commercial and industrial use of gas and bank guarantee issued to Oil and Gas Development Company Limited ("OGDCL") amounting to Rs. 2.7 million (2021: Nil) against supply of Murree Sparkle water to OGDCL. Securities against these guarantees have been disclosed in note 30.5(c) to these financial statements.			

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- 16.2** The Company has been paying 'net gas industrial bills' based on gas tariff at Rs. 488 per MMBTU and Rs. 373 per MMBTU for captive power meter, as compared to the bill raised by SNGPL at Rs. 609 per MMBTU due to the litigations along with the industry. In this respect, SNGPL raised demand amounting to Rs. 254.7 million, being original gas tariff differential amounting to Rs. 105.9 million, related sales tax amounting to Rs. 14 million and late payment surcharge amounting to Rs. 130.8 million.

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

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

The Punjab Water Act, 2019 was promulgated with effect from 13 December 2019. Based on legal consultation, the Company has recognised liability amounting to Rs. 68,270 million for water consumed at Rawalpindi, Punjab and Rs. 0.038 million at Lahore, Punjab with effect from 13 December 2019 at the rate of Rs. 0.25 per litre of sales made till 30 June 2022. Company has also paid 2.5 million to Punjab authorities against water tax provision during the year.

The Company had received notice from the Government of Khyber Pakhtunkhwa on account of water charges. The Company had filed with petition in the Peshawar High Court against recovery of billed amounts. In this respect, the Khyber Pakhtunkhwa Water Act, 2020 was promulgated with effect from 24 July 2020, containing a clause validating the orders issued and actions taken by the Government and its related agencies in relation to water charges prior to 24 July 2020. The Khyber Pakhtunkhwa Water Act, 2020 comes into force in such areas and on such dates as the Irrigation Department with approval of Chief Minister may specify. In the absence of such specification, the Company has recognised liability amounting to Rs. 26,785 million for water consumed at Hattar, Khyber Pakhtunkhwa with effect from 24 July 2020 at the rate of Rs. 0.25 per litre of sales made till 30 June 2022. The Company believes that the validation of the orders and/or actions of the Government of Khyber Pakhtunkhwa and related agencies prior to promulgation of the aforesaid Act are not supported by any legislation, and therefore are considered illegal. In this respect, the Company has filed a petition before the Peshawar High Court which is pending adjudication.

The Company has not recognised any provision for water consumed prior to enactment of the Punjab Water Act, 2019 and the Khyber Pakhtunkhwa Water Act, 2020 amounting to approximately Rs. 23,481 million and Rs. 13,924 million respectively.

- 16.4** Tax returns up to and including Tax Year 2021 have been filed. The tax authorities amended the assessments from time to time and the assessment orders were contested by the Company before the appellate forums. As of date, the re-assessments for the Tax Years 2013, 2014, 2015, 2018 and 2019 made by the tax authorities, mainly in the matter of additions to income, disallowance of expenses and tax credits, are under appeal and are pending decision by the Commissioner Inland Revenue (Appeals). The total amount of exposure involved is Rs. 9,700.58 million. The Company's management is confident of a favorable resolution of these matters and hence no provision has been made in these financial statements.

- 16.5** The tax authority has issued an order to recover tax allegedly not short withheld by the Company from payments made under various heads of accounts for the Tax Year 2018. The tax authority has also ordered to charge default surcharge. Through the said order, tax demand of Rs. 176.24 million has been raised. Being aggrieved with the said order, the Company has filed an appeal before the Commissioner (Appeals), which is pending disposal till to-date. The Company's management is confident of a favorable resolution of these matters and hence no provision has been made in these financial statements.

- 16.6** In respect of tax years from 2017 to 2020, the Additional Commissioner, Punjab revenue Authority ("PRA") has raised a demand amounting to Rs. 80.65 million against alleged non-withholding of tax on services procured by the Company. The Company has filed appeal to the Commissioner, PRA, which is pending disposal till to date. Management believes that the above matter will be decided in favor of the Company.

- 16.7** In June 2020, the taxation officer issued order in remand under section 25 and 72B of the Sales Tax Act, 1990 for the period July 2012 to June 2013 mainly on account of unreconciled input tax of the Company with the output tax of suppliers, Non withholding of sales tax on advertisement services, Sales tax payable on by product. The total amount of exposure involved is Rs. 73.664 million. The Company has filed appeal before the Commissioner Inland Revenue (Appeals) and has obtained stay against recovery measures. The Company's management is confident of a favorable resolution of these matters and hence no provision has been made in these financial statements.

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

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

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	Motor vehicles	Leasehold land (Note 17.1.2)	Total

	(Rs. '000)						
Balance at 01 July 2020	2,765,600	530,362	3,361,136	46,470	120,546	42,505	6,866,619
Additions	-	28,721	155,247	1,597	9,969	-	195,534
Transfers from right of use assets (note 18)	-	-	355,360	-	-	-	355,360
Revaluation surplus	405,982	111,504	594,795	-	-	33,695	1,145,976
Transfers from CWIP (note 17.2)	-	760	137	-	-	-	897
Disposals	-	-	(70,137)	-	(11,106)	-	(81,333)
Balance at 30 June 2021	3,171,582	671,347	4,396,558	48,067	119,319	76,200	8,483,073

Balance at 01 July 2021

Additions	3,171,582	671,347	4,396,558	48,067	119,319	76,200	8,483,073
Transfers from right of use assets (note 18)	-	44,204	51,139	1,280	42,456	-	139,079
Revaluation surplus	-	-	-	-	1,879	-	1,879
Disposals	186,800	72,238	196,685	-	-	6,350	462,073
Balance at 30 June 2022	3,358,382	787,789	4,642,655	(709)	(37,773)	-	(38,209)
				48,638	135,881	82,550	9,055,895

Accumulated Depreciation

Balance at 01 July 2020	-	196,773	1,370,439	42,254	100,693	-	1,710,159
Depreciation (note 17.1.3)	-	43,788	333,755	1,402	10,394	-	389,339
Transfers from Right of Use assets	-	-	89,241	-	-	-	89,241
Disposals	-	-	(55,123)	-	(5,609)	-	(60,732)
Balance at 30 June 2021	-	240,561	1,738,312	43,656	105,478	-	2,128,007

Balance at 30 June 2021

Depreciation (note 17.1.3)	-	240,561	1,738,312	43,656	105,478	-	2,128,007
Transfers from Right of use assets	-	43,918	318,652	2,040	4,837	-	369,447
Disposals	-	-	(1,051)	(616)	(22,953)	-	(24,620)
Balance at 30 June 2022	-	284,479	2,055,913	45,080	89,241	-	2,474,713

Carrying amounts

At 30 June 2021	3,171,582	430,786	2,658,246	4,411	13,841	76,200	6,355,066
At 30 June 2022	3,358,382	503,310	2,586,742	3,558	46,640	82,550	6,581,182
Depreciation rates per annum	-	5-10%	10-20%	10-13%	20%	-	-

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

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

17.1.2 Surplus on revaluation of property, plant and equipment

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

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

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

17.1.3 Depreciation charge has been allocated as follows:

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

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

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

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

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For the year ended 30 June 2022

17.1.6 Detail of disposals of operating fixed assets

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

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

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

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For the year ended 30 June 2022

			2022 (Rs.'000)	2021 (Rs.'000)
18.1	Depreciation charge has been allocated as follows:	Note		
	Cost of sales	32	719	36,091
	Selling and distribution expenses	33	4,601	4,601
	Administrative expenses	34	2,624	3,269
			7,944	43,961
18.2	As of the reporting date, right of use assets consist of leased premises and vehicles.			
19	INTANGIBLE ASSET			
	Computer software	19.1	263	782
19.1	Reconciliation of carrying amounts			
	Cost			
	Balance at 01 July		2,595	2,595
	Balance at 30 June		2,595	2,595
	Accumulated amortization			
	Balance at 01 July		1,813	1,294
	Amortization	34	519	519
	Balance at 30 June		2,332	1,813
	Carrying value		263	782
	Rate of amortization per annum		20%	20%
19.2	Amortization charge for the year has been allocated to administrative expenses.			
20	ADVANCES FOR CAPITAL EXPENDITURES			
	Advances for civil works		48,398	7,064
	Advances for purchase of fixed assets		-	35,414
			48,398	42,478
21	INVESTMENT PROPERTIES			
21.1	Reconciliation of carrying amount:			
		Note	2022 (Rs.'000)	2021 (Rs.'000)
	Balance at 01 July		397,886	358,627
	Change in fair value	36	113,241	39,259
	Balance at 30 June	21.1.1	511,127	397,886
21.1.1	The investment property represents lands and buildings held for capital appreciation and to earn rental income. On 30 June 2022, an exercise was carried out by an independent valuer to ascertain the fair value of investment property. The price of land of the investment property is assessed based on market research carried out in the area where the property is situated. The fair value of the property is based on independent valuer's judgment about average prices prevalent on the said date and has been prepared on openly available / provided information after making relevant inquiries from the market. Changes in fair value are recognized as gains in profit or loss and included in 'other income'. All gains are unrealized.			
21.2	Particulars of investment property of the Company and the forced sale values are as follows:			
			Area	Forced Sale
	Location		Sq. Fts	value (Rs.'000)
1)	Plot 121/3, Township Industrial Area, Lahore		8,115	224,898
2)	Office Suite 509, 5th Floor, Islamabad Stock Exchange Tower, Blue Area, Islamabad		1,348	36,666
3)	Office 411, Fourth Floor, The Forum, Block 9, Clifton, Karachi		1,038	28,234
4)	NBP Building, Murree Brewery Estate, National Park Road, Rawalpindi		1,487	4,925
5)	House no. 20, Street no. 37, Sector F-7/1, Islamabad		5,999	126,530
				420,453

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Notes to the Financial Statements

For the year ended 30 June 2022

21.3 Measurement of fair values

21.3.1 Fair value hierarchy

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

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

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

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

23 LONG TERM INVESTMENTS

Amortised cost

Pakistan Investment Bonds (PIBs)	23.1	511,459	514,466
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23.1 This represents investment in Pakistan Investment Bonds (PIBs) having face value of Rs. 500 million (2021: Rs. 500 million). These PIBs carry a coupon rate of 8.75% (2021: 8.75%) per annum with profit payable on a half yearly basis. The maturity date of PIBs is 21 April 2026.

24 LONG TERM DEPOSITS

Long term deposits	24.1	39,482	38,666
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24.1 These represent deposits maintained with the utility companies. These are unsecured, interest free and refundable on termination of services.

25 INVENTORIES

Stores, spare parts and loose tools

Stores		213,426	180,279
Spare parts and loose tools		78,845	64,542
		284,271	244,821

Stock in trade

Raw material		1,694,828	1,243,687
Work in process		161,313	130,916
Stock under maturation - WIP	25.1	201,811	167,939
Finished goods		218,962	216,065
		2,268,914	1,758,607

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

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

25.2 Movement in provision for slow moving inventories

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

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

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Notes to the Financial Statements

For the year ended 30 June 2022

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

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

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

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

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

30.5 Financing facilities

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

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

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Notes to the Financial Statements

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		2022 (Rs. '000)	2021 (Rs. '000)
31 NET TURNOVER	Note		
Turnover	31.1	20,252,774	16,087,879
Sales tax		(3,286,699)	(2,541,128)
Federal and provincial excise duty		(1,146,328)	(1,428,991)
Trade discounts		(653,281)	(432,471)
Sales returns		(12,258)	-
Revenue from contracts with customers		15,234,318	11,687,289
31.1 Disaggregation of local and international sales			
Local sales	31.2	15,285,871	11,678,507
Export sales		29,247	8,782
		15,234,318	11,687,289
31.2 Disaggregation of revenue from contracts with customers			
In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.			
Primary geographical markets		2022 (Rs. '000)	2021 (Rs. '000)
Punjab		6,299,682	4,529,543
Sindh		8,347,787	4,088,394
Khyber Pakhtunkhwa		1,788,744	1,477,796
Balochistan		1,241,929	1,116,328
Islamabad Capital Territory		534,596	354,778
Others		181,610	120,452
		15,234,318	11,687,289
Major products/service lines			
Pakistan Made Foreign Liquor (PMFL)		4,816,366	3,518,744
Beer		2,745,841	2,375,503
Non alcoholic beverages and products		4,318,719	3,346,861
Tetrapak juices		1,858,793	1,128,974
Juices Non Returnable		548,610	332,746
Sparklers bottled drinking water		946,433	546,612
Glass products		283,411	324,855
Others		112,987	112,984
		15,234,318	11,687,289
Timing of revenue recognition			
Products transferred at a point in time		15,234,318	11,687,289
31.3 Revenue amounting to Rs. 202,616 million (2021: Rs. 109,842 million) included in the opening contract liability balance has been recognised during the year.			
32 COST OF SALES	Note	2022 (Rs. '000)	2021 (Rs. '000)
Raw materials consumed	32.1	8,778,406	6,177,966
Stores and spares consumed		234,818	(85,784)
Fuel and power		882,239	762,772
Salaries, wages and other benefits	32.2	787,889	577,602
Repairs and maintenance		133,326	117,643
Depreciation	17.1.3	356,459	370,914
Depreciation- Right of Use Asset	18.1	719	36,091
Cost to fulfil a contract - transportation		448,296	316,143
Other manufacturing expenses		149,729	117,058
		11,753,169	8,670,173
Work in process including stock under maturation			
Opening stock at 01 July		298,855	250,380
Closing stock at 30 June		(363,124)	(298,855)
		(64,269)	(48,475)
Cost of goods manufactured		11,688,900	8,621,698
Finished goods			
Opening stock at 01 July		216,885	304,686
Closing stock at 30 June		(218,962)	(216,885)
		8,183	88,801
		11,694,083	8,710,519
32.1 Raw materials consumed			
Opening stock at 01 July		1,243,687	1,153,133
Purchases		8,229,547	6,268,520
Closing stock at 30 June		(1,694,828)	(1,243,687)
		8,778,406	6,177,966
32.2 This includes staff retirement benefits amounting to Rs. 33.22 million (2021: Rs. 20.12 million).			

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33	SELLING AND DISTRIBUTION EXPENSES	Note	2022 (Rs.'000)	2021 (Rs.'000)
	Salaries, wages and other benefits	33.1	185,623	154,171
	Advertisement and publicity		84,715	71,834
	Selling expenses		265,241	210,148
	Incremental cost of obtaining a contract - sales commission		104,324	91,373
	Samples		11,685	11,663
	Sales promotion		18,526	13,455
	Freight		114,249	84,524
	Depreciation- property, plant and equipment	17.1.3	1,792	2,864
	Depreciation- right of use asset	18.1	4,601	4,601
	Service charges and commission to D.P. Edulji & Co. (Private) Limited, a related party	46	207,096	141,686
	Rent of vehicles		-	36,197
	Others		167,371	86,691
			1,165,223	909,207

33.1 This includes staff retirement benefits amounting to Rs. 4.44 million (2021: Rs. 3.77 million).

34 ADMINISTRATIVE EXPENSES

	Salaries, wages and other benefits	34.1	343,469	269,486
	Travelling and conveyance		10,674	6,100
	Printing and stationery		11,847	10,435
	Repairs and maintenance		17,372	17,149
	Fuel and power		33,137	38,919
	Directors' fees and travelling		6,843	7,234
	Communication		9,038	7,942
	Entertainment		10,386	6,847
	Legal and professional		9,986	12,849
	Security		22,637	21,009
	Donations	34.2	3,585	4,120
	Provision for slow moving inventories	25.2	43,671	11,765
	Insurance		7,971	8,408
	Rent, rates and taxes		10,481	10,765
	Depreciation- property plant & equipment	17.1.3	11,196	15,074
	Depreciation- right of use asset	18.1	2,624	3,269
	Amortization	19.1	519	519
	Others		4,620	17,691
			560,056	469,581

34.1 This includes staff retirement benefits amounting to Rs. 7.02 million (2021: Rs. 10.95 million).

34.2 Donations include Rs. 1.50 million (2021: Rs. 1.50 million) paid to Bhandara Foundation, located at 10 Commercial Building, Shahrah-e-Quaid-i-Azam, Lahore, in which Chief Executive Officer of the Company is a Trustee.

35	OTHER EXPENSES	Note	2022 (Rs.'000)	2021 (Rs.'000)
	Workers' Profit Participation Fund (WPPF)	14.2	85,904	68,553
	Workers' Welfare Fund (WWF)	14.3	43,878	32,536
	Provision for gas tariff differential		22,745	133,245
	Auditors' remuneration	35.1	5,455	2,299
	Other certifications		480	793
	Internal audit fee		1,800	1,732
			160,254	239,158

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

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

Murree Brewery Company Limited

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

38 FINANCE INCOME

	Note	2022 (Rs.'000)	2021 (Rs.'000)
Income from financial assets:			
Interest on advances		257	348
Interest on Pakistan Investment Bonds		40,962	40,761
Return on deposit accounts		131,346	80,180
Dividend income		175,365	114,651
Amortization of deferred grant		13,724	17,814
Interest on term deposit receipts		29	340
Unrealized gain on remeasurement of short term investments		4,172	734
Exchange (loss)/gain		12,901	(2,727)
		378,756	252,101

39 INCOME TAX EXPENSE

39.1 Amounts recognized in profit or loss:

Tax			
Current year		875,672	497,760
Prior year		-	(79,674)
	29	875,672	418,086
Deferred	13.1	23,648	(41,699)
Tax expense for the year		899,320	376,387

39.2 Reconciliation of tax charge for the year

	2022 (Rs.'000)	2021 (Rs.'000)
Accounting profit before tax	2,193,428	1,667,859
Tax rate	29%	29%
Tax on accounting profit	636,094	483,679
Tax effect of income taxable at lower rates	(30,286)	(16,051)
Effect of change in rate	18,161	-
Prior year charge	-	(79,674)
Effect of zero rated income	(44,164)	(11,385)
Effect of super tax	239,721	-
Others	79,793	(182)
Tax expense for the year	899,320	376,387

39.3 The Government through Finance Act, 2022, introduced section 4C in Income Tax Ordinance, 2001, and imposed super tax at the rate of 10% on taxable income as defined in the said section, for tax year 2022.

40 EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share of the Company, which is based on:		
Net profit for the year (Rs.'000)	2022 1,294,188	2021 1,291,472
Weighted average number of shares (Numbers)	27,663,630	27,663,630
Earnings per share (Rupees)	46.78	46.68

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

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

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

	Loans liabilities	Long term loan	Unpaid dividend and undivided dividend	Total
	(Rs.'000)			
Balance at 01 July 2020	112,620	-	130,663	243,283
<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	-	(44,177)	-	(44,177)
Total changes from financing cash flows	(96,996)	296,108	(713,451)	(514,339)
<i>Other changes</i>				
Recognition of lease liability against RCU assets	-	-	-	-
Interest charges	6,356	10,450	-	16,806
Recognition of deferred grant	-	(54,597)	-	(54,597)
Lease additions	4,020	-	-	4,020
	10,376	(44,147)	-	(33,771)
Dividend declared	-	-	601,590	601,590
Total liability related changes	-	-	601,590	601,590
Balance at 30 June 2021	29,680	281,166	108,563	419,409
Balance at 30 June 2021	29,680	281,166	108,563	419,409
<i>Changes from financing activities</i>				
Dividend paid	-	-	(948,190)	(948,190)
Repayment of Finance lease	(12,281)	-	-	(12,281)
Repayment of loan	-	(171,935)	-	(171,935)
Total changes from financing cash flows	(12,281)	(171,935)	(948,190)	(1,132,406)
<i>Other changes</i>				
Interest charges	2,719	18,817	-	21,536
Recognition of deferred grant	-	-	-	-
Lease additions	2,719	18,817	-	21,536
Dividend declared	-	-	948,190	948,190
Total liability related changes	-	-	948,190	948,190
Balance at 30 June 2022	16,154	114,749	139,658	269,649

42 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

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

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

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

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

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For the year ended 30 June 2022

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 Division (Rs.'000)	Glass Division (Rs.'000)	Tops Division (Rs.'000)	Corporate office (Rs.'000)	Total (Rs.'000)
Assets	2022	11,144,474	1,092,855	2,754,601	108,823	15,099,953
	2021	7,919,819	631,402	2,263,291	3,228,145	14,042,657
Liabilities	2022	1,146,197	237,804	521,327	1,018,641	2,917,169
	2021	1,720,823	312,574	382,499	120,325	2,536,421

(i) Non current assets - additions

Property, plant and equipment	2022	92,553	4,566	41,960	-	139,079
	2021	166,815	1,064	27,655	-	195,534
Right of Use asset	2022	-	-	-	-	-
	2021	4,295	1,396	-	-	5,694

(ii) Other material items

External revenue	2022	14,216,908	237,991	5,803,876	-	20,252,775
	2021	11,477,344	380,080	4,230,055	-	16,087,479
Inter-segment revenue	2022	746,241	1,761,861	12,616	-	2,520,718
	2021	627,262	1,424,689	37,021	-	2,088,972
Other income	2022	92,997	6,925	88,444	-	180,366
	2021	28,520	8,318	44,395	-	81,233
Finance cost	2022	(16,913)	(178)	(2,518)	-	(19,609)
	2021	(22,135)	(1,218)	(6,179)	-	(29,532)
Finance income	2022	366,420	2,265	10,871	-	379,556
	2021	244,939	1,078	6,084	-	252,101
Net finance income	2022	349,507	2,087	7,353	-	359,147
	2021	222,824	(1,140)	(95)	-	222,589
Depreciation	2022	143,731	117,840	107,878	-	369,447
	2021	161,684	150,857	76,797	-	389,338

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

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

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

Murree Brewery Company Limited

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

43.3 SEGMENT INFORMATION

	Liquor Division		Glass Division		Taps Division		Total	
	2022 (Rs. '000)	2021 (Rs. '000)	2022 (Rs. '000)	2021 (Rs. '000)	2022 (Rs. '000)	2021 (Rs. '000)	2022 (Rs. '000)	2021 (Rs. '000)
TURNOVER								
Third party turnover - gross	14,210,908	11,477,744	237,991	380,080	5,803,876	4,230,055	20,252,775	16,087,879
Less: trade discounts	(114,113)	(91,423)	-	-	(539,148)	(341,049)	(653,261)	(432,472)
Less: Sales return	-	-	-	-	(12,258)	-	(12,258)	-
Third party turnover - net	14,096,795	11,386,321	237,991	380,080	5,252,470	3,889,006	19,587,256	15,655,407
Inter division sales	746,241	627,262	1,761,861	1,424,689	12,616	37,021	-	-
Sales tax and excise duty	14,843,036	12,013,583	1,999,852	1,804,769	5,285,086	3,926,027	19,587,256	15,655,407
Revenue	(3,203,797)	(2,964,194)	(34,580)	(55,225)	(1,114,561)	(948,699)	(4,352,938)	(3,968,118)
	11,639,239	9,049,389	1,965,272	1,749,544	4,150,525	2,977,328	15,234,318	11,687,289
COST OF SALES								
Third parties	(7,516,831)	(5,498,632)	(1,450,370)	(1,333,621)	(2,726,802)	(1,878,066)	(11,694,003)	(8,710,319)
Inter division cost	(1,654,254)	(1,398,778)	-	-	(866,464)	(660,194)	-	-
	(9,171,085)	(6,897,410)	(1,450,370)	(1,333,621)	(3,593,266)	(2,538,260)	(11,694,003)	(8,710,319)
GROSS PROFIT	2,468,154	2,151,979	514,902	415,923	557,259	409,068	3,540,315	2,976,970
Selling and distribution expenses	(609,476)	(466,338)	(7,441)	(6,265)	(548,306)	(416,604)	(1,165,223)	(909,207)
Administrative expenses	(321,532)	(322,075)	(86,996)	(39,296)	(151,528)	(108,210)	(560,056)	(469,581)
Other expenses	-	-	-	-	-	-	(160,254)	(239,158)
Other income	92,997	28,520	6,925	8,318	80,444	44,395	180,366	81,233
Impairment loss on trade debts	-	-	-	-	(867)	5,013	(867)	5,013
Operating profit	1,630,143	1,372,086	427,390	378,680	(62,998)	(66,338)	1,834,281	1,445,270
Finance cost	(16,913)	(22,115)	(178)	(1,218)	(2,518)	(6,179)	(19,609)	(29,512)
Finance income	366,420	244,939	2,265	1,078	10,071	6,084	378,756	252,101
Net finance income	349,507	222,824	2,087	(140)	7,553	(95)	359,147	222,589
Profit/(loss) before tax	1,979,650	1,594,910	429,477	378,540	(55,445)	(66,433)	2,193,428	1,667,859

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44 FINANCIAL INSTRUMENTS

44.1 Accounting classifications and fair values

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

On-balance sheet financial instruments

On-balance sheet financial instruments									
	Note	Carrying amount			Fair value				
		Fair value through profit or loss	Amortised Cost	Financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3	Total
30 June 2022									
Financial assets measured at fair value									
Short term investments	28	1,976,441	-	-	1,976,441	1,976,441	-	-	1,976,441
		1,976,441	-	-	1,976,441	1,976,441	-	-	1,976,441
Financial assets not measured at fair value									
Long term advances	22 and 44.4	-	12,480	-	12,480	-	-	-	-
Long term investments	23	-	511,459	-	511,459	-	415,799	-	415,799
Long term deposits	24 and 44.4	39,482	-	-	39,482	-	-	-	-
Trade debts	26 and 44.4	-	15,019	-	15,019	-	-	-	-
Advances and other receivables	27 & 44.2	-	15,311	-	15,311	-	-	-	-
Cash and bank balances	30 & 44.4	-	2,509,228	-	2,509,228	-	-	-	-
		39,482	3,063,497	-	3,102,979	-	415,799	-	415,799
Financial liabilities not measured at fair value									
Long term loan	11	-	-	124,748	124,748	-	-	-	-
Lease liabilities	10 & 44.4	-	-	16,234	16,234	-	-	-	-
Trade and other payables	14 & 44.3	-	-	1,044,249	1,044,249	-	-	-	-
Unpaid dividend	44.4	-	-	96,840	96,840	-	-	-	-
Unclaimed dividend	44.4	-	-	31,818	31,818	-	-	-	-
		-	-	1,313,839	1,313,839	-	-	-	-

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On-balance sheet financial instruments

30 June 2021

Financial assets measured at fair value

Short term investments

	Fair value through profit or loss	Amortized Cost	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
	1,993,774	-	-	1,993,774	1,993,774	-	-	1,993,774
	1,993,774	-	-	1,993,774	1,993,774	-	-	1,993,774

Financial assets not measured at fair value

Long term advances

Long term investments

Long term deposits

Trade debts

Advances and other receivables

Cash and bank balances

	-	13,948	-	13,948	-	-	-	-
	-	514,466	-	514,466	-	502,377	-	502,377
	38,066	-	-	38,066	-	-	-	-
	-	31,372	-	31,372	-	-	-	-
	-	16,732	-	16,732	-	-	-	-
	-	2,197,788	-	2,197,788	-	-	-	-
	38,066	2,774,306	-	2,812,372	-	502,377	-	502,377

Financial liabilities not measured at fair value

Long term loan

Lease liabilities

Trade and other payables

Unpaid dividend

Unclaimed dividend

	-	-	281,166	281,166	-	-	-	-
	-	-	25,800	25,800	-	-	-	-
	-	-	908,290	908,290	-	-	-	-
	-	-	76,003	76,003	-	-	-	-
	-	-	32,579	32,579	-	-	-	-
	-	-	1,373,838	1,373,838	-	-	-	-

44.2 It excludes advances to suppliers.

44.3 It excludes advances from customers, withholding tax payable, sales tax payable - net, excise duty payable, export duty payable on PNFT, and beer, unearned income, Worker's Welfare Fund (WWF) and Zila tax payable.

44.4 The Company has not disclosed the fair values for these financial assets and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

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Notes to the Financial Statements

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44.5 FINANCIAL RISK MANAGEMENT

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

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

Risk management framework

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

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

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

44.5.1 Credit risk

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

i. Trade and other receivables

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

ii. Concentration of credit risk

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

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

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

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

iii. Loss allowance for expected credit loss

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

	2022 Gross (Rs.'000)	2022 Impairment (Rs.'000)	2021 Gross (Rs.'000)	2021 Impairment (Rs.'000)
Less than one year	17,027	(2,008)	32,513	(1,141)
	17,027	(2,008)	32,513	(1,141)

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

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

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

Credit quality of financial assets

The credit quality of company's financial assets have been assessed below by reference to external credit rating of counterparties determined by Moody's Investor Services Inc., Pakistan Credit Rating Agency Limited (PACRA) and JCR - VTS Credit Rating Company Limited (JCR - VTS). 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	2022 (Rs.'000)	2021 (Rs.'000)
Long term advances			
Counterparties without external credit rating		12,480	13,948
Long term investments			
Counterparties with external credit rating	B-	511,459	514,466

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

		2022 (Rs.'000)	2021 (Rs.'000)
Long term deposits	Rating		
Counterparties with external credit rating	AA+	4	4
Counterparties with external credit rating	AA	-	7,634
Counterparties with external credit rating	AA-	17,596	21,768
Counterparties with external credit rating	AAA	7,629	-
Counterparties without external credit rating		14,253	8,660
		39,482	38,066
Trade debts			
Counterparties with external credit rating	A1	6,220	4,648
Counterparties with external credit rating	AAA	848	1,532
Counterparties without external credit rating		6,999	26,333
		17,827	32,513
Advances and other receivables			
Counterparties with external credit rating		-	-
Counterparties without external credit rating		15,311	16,732
		15,311	16,732
Bank balances			
Counterparties with external credit rating	A1+	2,380,445	2,070,659
Counterparties with external credit rating	A-1	19,889	16,067
Counterparties with external credit rating	A-3	74	70
Counterparties without external credit rating		-	-
		2,400,408	2,086,796
		2,996,168	2,707,520

44.5.2 Liquidity risk

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

Exposure to liquidity risk

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

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

	Carrying amount	Contractual cash flows	Maturity in less than 1 year	Maturity after one year and up to five years	Maturity after five years
			Rupees		
2022					
Long term loan	124,748	128,090	128,090	-	-
Lease liabilities	16,234	18,254	9,792	8,462	-
Trade and other payables	1,844,249	1,844,249	1,844,249	-	-
Unpaid dividend	96,840	96,840	96,840	-	-
Unclaimed dividend	31,818	31,818	31,818	-	-
	1,313,889	1,319,251	1,310,789	8,462	-
	Carrying amount	Contractual cash flows	Maturity in less than 1 year	Maturity after one year and up to five years	Maturity after five years
			Rupees		
2021					
Long term loan	281,166	300,626	171,936	128,690	-
Lease liabilities	25,800	28,627	12,237	16,390	-
Trade and other payables	908,290	908,290	908,290	-	-
Unpaid dividend	76,003	76,003	76,003	-	-
Unclaimed dividend	32,579	32,579	32,579	-	-
	1,323,838	1,345,825	1,297,045	144,480	-

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

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

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

44.5.3 Market risk

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

Foreign currency risk

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

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

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

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

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

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

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

	2022		2021	
	Rs.	USD	Rs.	USD
	in '000		in '000	
Bank balances	2,988	15	49,401	314

The following significant exchange rates were applied during the year:

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

iv. Foreign currency sensitivity analysis

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

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

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

Interest rate risk

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

I. Exposure to interest rate risk

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

	Effective interest rate		Note	Carrying amounts	
	2022 (%)	2021 (%)		2022 (Rs.'000)	2021 (Rs.'000)
Interest rate risk					
Fixed rate instruments					
Financial assets	0.25% to 11% per annum	0.23% to 12.62% per annum	22, 23 and 30	1,928,665	1,892,524
Financial liabilities	8.56% to 14.50% per annum	8.24% to 14.65% per annum	10	16,234	25,800
				1,944,899	1,918,324

II. Fair value sensitivity analysis for fixed rate instruments

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

III. Cash flow sensitivity analysis for variable rate instruments

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

Other market price risk

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

Sensitivity analysis - equity price risk

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

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

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

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

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

46 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of directors, entities over which the directors are able to exercise significant influence, entities with common directors, major shareholders, staff retirement funds and key management personnel. Balances with related parties are shown in note 6 to the financial statements. The transactions with related parties, other than those which are disclosed in note 17.16 and 41 to the financial statements, are as follows:

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

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

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

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

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

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

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

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Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2022

47 EMPLOYEES PROVIDENT FUND TRUST

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

48 NUMBER OF EMPLOYEES

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

49 SUBSEQUENT EVENTS

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

50 GENERAL

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

51 APPROVAL OF FINANCIAL STATEMENTS

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


CHIEF FINANCIAL OFFICER


DIRECTOR


DIRECTOR

Murree Brewery Company Limited

قانونی آڈیٹرز

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

توقعات

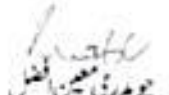
آر پی کمپنی کو ایک مشکل معاشی ماحول میں چیلنجوں کا سامنا کرنا پڑ رہا ہے لیکن کمپنی شیئر ہولڈرز کو زیادہ سے زیادہ منافع کی فراہمی کے ساتھ صارفین کی ضروریات کو پوری کرتی رہے گی۔

خدمات کا اعتراف

ہم کمپنی کے ماحول میں مسلسل گمن اور کوششوں پر غور کیا کرتے ہیں۔ ہمارے گاہکوں، سپلائرز، منیجرز، مشینروں، حصص داروں اور مختلف سرکاری تنظیموں کو ان کی مسلسل حمایت کے لئے بھی ہم ان کے ممنون ہیں۔

بورڈ کی جانب سے


شباز حیدر
ڈائریکٹر


چوہدری معین افضل
چیرمین

راہ پابندی، 22 ستمبر 2022ء

Murree Brewery Company Limited

انوار صفت پر فائز ایجنسی سے منظور شدہ، ہارڈ ویئر اور سافٹ ویئر کا معیار جاری رکھا ہوا ہے۔ کمپنی کی سرکاری ویب پر پاکستان پمپل انڈسٹریز کوٹ (پما انڈیا سی) نے ISO 17025:2017 تسلیم کیا ہے۔

پیشہ ورانہ صحت اور حفاظت

کبھی اپنے ہر کارکن کو محفوظ اور مستند اندازوں کے لئے کوشاں ہے۔ اسی لئے اس نے HSE منجمنت سسٹم تیار کیا ہے جو پیشہ ورانہ چٹوں اور بیماری کے واقعات کے حوالے سے کارکنان کی حفاظت کو یقینی بناتا ہے۔ کبھی کا سسٹم طرزیہ کار پیشہ ورانہ حفاظت اور صحت کو ایسی طرح سے طے شدہ معیارات اور تقاضوں کے مطابق قائم کیا گیا ہے۔

کبھی نے تمام ادارہ میں کے لئے ادارے کو محفوظ مقام بنانے کی فرض سے ہر جگہ حفاظتی آپریشنل کنٹرولز کے سسٹم طرزیہ کو خطرات کے انزالہ کا کرتے ہوئے ہے۔ کنٹرولز کا مکمل نرہ اس بات کو یقینی بناتا ہے کہ کبھی اپنے تمام ادارہ میں کے لئے ایسے محفوظ کام کی جگہ فراہم کر رہی ہے۔

توانائی کا تحفظ

قدرتی وسائل کو محفوظ اور بھرتی انداز میں استعمال کرنے کے لئے کمپنی نے دوری مسئلہ فرائنسی (وی ایف ای) انصہب کی ہیں جس کے نتیجے میں بجلی کی بچت ہوئی ہے۔ کمپنی نے قدرتی گیس کے ذرائع کے حصول کے لئے اپنے تمام راجی، قی آلات، ٹینکوں کو قدرتی گیس سے متحول کر دیا ہے۔ حوا، کمپنی نے اپنے ہاؤس میں G3 مینٹ کے متبادل کا ممبر فیس اور اس کا فیس استعمال کیا جس کے باعث بجلی کے استعمال میں کمی کا اثر رہا۔ سمجھو کہ وہ فن کیا ہے۔ جس سے کام کرنے والی جگہوں میں قدرتی سورج کی روشنی آتی ہے۔

ماحولیاتی تحفظ کے اقدامات

کمپنی نے عرصہ فسط کے انتظام (ریڈیو، س، م، کے ماوروی سائیکل) کے 3 آروا پتایا ہے: کہ کمپنی قدرتی وسائل کو زیادہ طور پرینے سے معظم کر سکے اور ہر عرصہ فسط کو ماہر بھرتہ از میں شائع کر سکے۔ اس سلسلے میں کمپنی نے عرصہ فسط پلانٹ نصب کیا ہے جو کمپنی کے فسط کے پانی کو اس کے دربارہ استعمال یا ماحول میں مٹھو فٹلانے لگانے کے لیے: پلانٹ کرنے کے لیے: ان پلانٹ کیا گیا ہے۔ پچا کمپنی نے اپنے فسط کے پانی کے مینا ع کو 45.6 فیصد سے کم کر کے 0 فیصد کر دیا ہے۔

کبھی نے ماحولاتی جھڑک یا پالیسی بھی تیار کی ہے جو رستہ دکھانے، آلودگی کی روک تھام، ماحولاتی بیداری کے سیشن اور تربیتی کے حق میں اور انسانی صحت اور ماحولیات کے جھڑک کے لئے متعدد نگرانیات کو فروغ دیتی ہے۔ حریہ، ناں، کبھی نے ملک کی معاشی ترقی کو فروغ دینے کے لئے بہت سے پروگراموں کا اہتمام کیا ہے جن میں عالمی ہیوم ماحولیات، ملنگی آکسی ہیم، ہولو نور، منٹ وغیرہ شامل ہیں۔

صارفین کے تحفظ کے اقدامات

کھینٹی نے قابل اطلاق قوانین کے مطابق اپنی معنومات کی پیداوار اور فراہمی کے لئے مختلف خطائی جی اینڈ ڈی کو اپنا پورا وقت لگایا ہے۔ یہ جی اینڈ ڈی نہ صرف اس کے کارکنوں کی حفاظت سے متعلق نہیں بلکہ صارفین کی حفاظت سے بھی منسلک ہیں۔ کھینٹی نے اپنی معنومات کے بہترین معیار کو فروغ دینے کے لئے اپنی معنومات پر آکسی میٹر کا لیبل لگا دیا ہے تاکہ یہ یوں میں غیر معیاری مواد کو بھرنے یا دوہرا استعمال سے بچنے کے لئے بائیں توڑا جاسکے۔

خصوصی افراد کے لئے روزگار

کبھی بغیر کسی امتیاز کے ہر جسم کے افراد کے لئے مساوی روزگار کے مواقع کو فروغ دیتی ہے۔ فی الحال کبھی میں مختلف جسمانی معذور ہوں کے ساتھ 20 کارکنان / محکمے، اذیت کرتے ہیں جو سرکاری حکام کی طرف سے مقرر کردہ کوڑے سے زیادہ ہے۔

کاروباری اخلاقیات اور انسداد بدعنوانی کے اقدامات

کتنی اپنے کاروبار کو سالمیت کے ساتھ اور اخلاقی طرز عمل کے اعلیٰ معیار کے مطابق اور ان قوانین / قواعد و ضوابط کی تعمیل میں انجام دیتی ہے جو کتنی کے آپ بشعور کو کنٹرول کرتے ہیں۔ اس سلسلے میں کتنی نے کوآآف کنڈکٹ چارٹر: فنڈ کیا ہے جس میں کاروباری اخلاقیات، شفافیت، مضامین، پیشہ ورانہ مہارت، مذاقات کا گہرا کام کی جگہ، ہر اسان کرنے، مساوی مواقع کا ماحول وغیرہ شامل ہیں۔

حرف: آں، کھنی نے وسل بلوگک: پلیسی بھی چارکی ہے اور اس کی حکمرانی دی ہے کہ اگر لوگوں کی بھی قسم کے معادلات کو خراب کرنے اور پھرت کرنے کی حوصلہ افزائی کی جائے جو ان کی رائے میں: کھنی کو کھنڈ مالی: ساکھ کے نقصان کا سبب بن گئے ہیں۔ یہ پلیسی لفظ کاموں، دھوکہ دی، رشوت، سنی، مافیازی سلوک، بلیک میٹنگ، چوری اور دیگر سرگرمیوں کو بھی کم کرتی ہے کہ یہ عنوانی کے امکا: ت کو کم سے کم کیا جاسکے۔ ہم: پلیسی کے مطابق کھنی کو کم کرنے کا یہ لفظ غور میں کر سکیں۔

Murree Brewery Company Limited

ڈائریکٹر کا نام	ہورا آف ڈائریکٹر	آؤٹ اور رٹک ٹینٹ کینی	ایچ آر ڈی بورڈنگ اور ٹینٹنگ مینی
چوہدری صہب افضل	5/5	4/4	2/2
جناب ملن رام بھٹا	5/5	04 (م ت پ)	2/2
جناب عامر حسین شیرازی	3/5	-	2/2
نیکم کوئی ایم بھٹا	1/5	0/4	-
پروفیسر خالد عزم مرزا	5/5	4/4	2/2
جناب شہباز سعید مانا	5/5	4/4	-
جناب وین اختر	5/5	01 (م ت پ)	2/2
محترمہ جہاں آراء بھٹا	4/5	2/4	-

جو ممبروں اجلاس میں شرکت نہیں کرتے تھے ان کو پمٹی دی گئی تھی

ڈائریکٹرز فریڈنگ پروگرام

سال کے دوران کینی کا یہ ڈائریکٹر نے پاکستان انسٹی ٹیوٹ آف کارپورٹ گورننس سے ڈائریکٹرز فریڈنگ پروگرام کے تحت کامیابی کے ساتھ سرٹیفکیشن حاصل کی ہے۔ 30 جون 2022ء تک ماٹھ میں سے چھ ڈائریکٹرز نے ڈائریکٹرز کے فریڈنگ پروگرام کے تحت سرٹیفکیشن حاصل کر چکے تھے جبکہ باقی دو ڈائریکٹرز کو کینی کی طرف سے مستثنیٰ حاصل ہے۔ لہذا کینی اب مکمل طور پر ریگولیشن نمبر 19 (1) کے مطابق عملی ہے۔

بورڈ کی کارکردگی کی تشخیص

گزشتہ سوں میں کینی، ان روٹی طور پر بورڈ کی کارکردگی کا جائزہ لیتی رہی جس میں سال 2021-22 کے لئے کینی نے ہورا آف ڈائریکٹرز، بورڈ کمیٹیوں اور چیف ایگزیکٹو آفیسر کی کارکردگی کا جائزہ لینے کے لئے میسرز فامکو (FAMCO) ایسی ایس (پرائیویٹ) لمیٹڈ کی خدمات حاصل کیں۔ بورڈ کی کارکردگی کی تشخیص کے نتائج جلیف کے بعد، اور اس خبر میں کو جائزے کے لئے پیش کیے جاتے ہیں اور انے والے بورڈ کا اگلے اجلاس میں چارہ خیال کے لئے پیش کیا جاتا ہے۔

بورڈ کی مجموعی کارکردگی میں کینی کے متبادل کے حصول میں بورڈ کی جانب سے ادا کیے جانے والے کردار کو تسلیم کر لیا گیا۔

ڈائریکٹرز اور افسران کے معاوضہ کی پالیسی

کارپورٹ گورننس کے قوانین کی ضروریات کے مطابق انڈی ڈائریکٹرز کے معاوضے کے منج سے کمیشن کیلئے عمومی اور خلاف طریقہ کار اختیار کیا جاتا ہے۔ کوئی بھی ڈائریکٹر اپنی جگہ کے فیصلے میں خود شامل نہیں ہوتا ہے۔

بورڈ ایگزیکٹو، جن ایگزیکٹو اور بورڈ ڈائریکٹرز جو کہ بورڈ اور مختلف کمیٹیوں کے اجلاس میں حصہ لیتے ہیں ان کے معاوضے کا جائزہ دیتا ہے جو کہ بعد میں حصص داروں کے سامنے سالانہ عمومی اجلاس میں منظور کیے لئے پیش کیا جاتا ہے۔ 30 جون 2022ء کو ختم ہونے والے سال کے لئے چیف ایگزیکٹو، آفیسر اور ڈائریکٹرز کا معاوضہ فائنل سیٹنگ کے نوٹ نمبر 42 میں درج کیا گیا ہے۔

ایچ آر ڈی بورڈنگ مینی نے بورڈ کے افسران کے معاوضوں کی منظوری دے دی ہے۔

متعلقہ پارٹی ٹرانزیکشنز

کمپنیز ایکٹ 2017 کے سیکشن 208 (کمپنیز (حلقہ پارٹی ٹرانزیکشنز) ایکٹ) کے مطابق ہورا آف ڈائریکٹرز اور بورڈ ڈائریکٹرز نے بورڈ کی منظوری سے ایسی کے مطابق آؤٹ کینی کی سہولیات، حلقہ پارٹی ٹرانزیکشنز کی منظوری دے دی ہے۔

حصص کی تجارت

زیر کارہ سال کے دوران، بڑے حصص یافتگان کی طرف سے کینی کے حصص میں کی گئی تمام بڑے نمائندہ ایسکے ایسکے کو تحریری طور پر مطلع کی گئی تھی۔ اس کے علاوہ، کسی بھی ڈائریکٹر یا ایگزیکٹو اور ان کے شریک حیات اور ذیلی بچوں نے کینی کے حصص میں تجارت نہیں کی۔

Murree Brewery Company Limited

بورڈ کی کمیٹیز

1. آڈٹ اور رسک مینجمنٹ کمیٹی

آڈٹ اور رسک مینجمنٹ کمیٹی اپنے افعال لسطہ کمپنیوں (کوڈ آف کارپوریٹ گورننس) (ریگولیشنز) 2019 کے تحت ایسا کرتی ہے اور یہ وہ ان ایگریمنٹس، ڈائریکٹرز اور مین آڈٹ اور ریکورڈز، مشعل ہے جس کی تحصیل درج ذیل ہے:

جناب شہباز علی خان	-	(مختصر ممبر)
چوہدری صبحی افضل	-	(ممبر)
پروفیسر خالد عزیز مرزا	-	(ممبر)
تکریم گوئی ایم بھٹا	-	(ممبر)
مختصر ممبر جہاں آباد ہمدان	-	(ممبر)

آڈٹ اور رسک مینجمنٹ کمیٹی کے چیرمین ایڈ۔ آڈٹ اور ریکورڈز

2. ایچ آر اور ایگزیکٹو اور نوٹیشن کمیٹی

ایچ آر اور ایگزیکٹو اور نوٹیشن کمیٹی کوڈ آف کارپوریٹ گورننس کے تحت تشکیل دی گئی ہے یہ وہ ان ایگریمنٹس، ڈائریکٹرز اور ریکورڈز، مشعل ہے جو درج ذیل ہے:

پروفیسر خالد عزیز مرزا	-	(مختصر ممبر)
چوہدری صبحی افضل	-	(ممبر)
جناب عامر حسین شیرازی	-	(ممبر)
جناب ملین راجہ بھٹا	-	(ممبر)
جناب پروین اختر	-	(ممبر)

ایچ آر اور ایگزیکٹو اور نوٹیشن کمیٹی کے چیرمین ایڈ۔ آڈٹ اور ریکورڈز

کارپوریٹ اینڈ فنانشل رپورٹنگ فریم ورک پر بیان

ڈائریکٹرز کا کہنا ہے کہ

- 30 جون 2022 کو ختم ہونے والے سال کیلئے فنانس ایٹیلنس میں کمپنی انتظامیہ نے اپنے معاملات، آپ بھر کے نتائج، کمپنی کی پیش گوئی اور معیار میں تبدیلیوں کو شفاف طور پر پیش کیا ہے۔
- کمپنی کے حسابات کی کتاب کو، قاعدہ مزید کیا گیا ہے۔
- فنانس ایٹیلنس کی جاری میں اکاؤنٹنگ پالیسی کو، قاعدہ لگایا گیا ہے اور اکاؤنٹنگ ایٹیلنس مناسب اور مشاوری فیصلے پاتی ہیں۔
- فنانس ایٹیلنس کی جاری میں پاکستان میں قابل اطلاق اعتراف فنانس رپورٹنگ ایٹیلنس راز، مل کیا گیا ہے۔
- اعتراف کنٹرول کا کام مستحکم ہے جسے مؤثر طور پر لگایا گیا ہے۔
- معاملات جاری کرنے کے معاملے سے کمپنی کی صلاحیتیں کسی بھی ملک سے ہلاتر ہیں۔
- مالی گوشواروں میں بیان کردہ ادا تیلیوں کے سوا 30 جون 2022 تک جیسر موصولات اور ہا پارز کی مد میں کوئی قانونی داغی نہیں ہے۔
- جیسر اسلٹ فرائیز میں تحصیل طور، دونوں ہے کارپوریٹ گورننس کی باہرین، پکھڑے کوئی رد کردالی نہیں کی گئی۔
- گزشتہ چھ سال کا اہم آپ بٹنگ اینڈ فنانس راز، غلامی سے کی صورت میں منسلک ہے۔

ان آڈٹ اور ایگزیکٹو اور نوٹیشن فنانس ایٹیلنس کی مالیت، 30 جون 2022، 158.899 ملین روپے (2021: 148.871 ملین روپے) اور

78.93 ملین روپے (2021: 71.08 ملین روپے) اختیار کیا گیا ہے۔

2021-22 سال کے دوران پانچ (05) ہزار، پانچ سو چار (04) آڈٹ اینڈ رسک مینجمنٹ کمیٹی، اینڈ (02) ایچ آر اور ایگزیکٹو اور نوٹیشن کمیٹی، اینڈ منصف ہوئی ہیں۔

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

Murree Brewery Company Limited

حصص داری کا پتھر

30 جون 2022ء کے مطابق کمپنی کے شیئر ہولڈرز کی کل تعداد 1,223 کے مقابلے میں 1,226 تھی۔ شیئر ہولڈر: بلین، لالہ بی بی 30 جون 2022ء اور اس کا نظام (اطلاع) منسلک کر دیا گیا ہے۔

منافع فی حصص (EPS)

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

انٹرنل آڈٹ اور کنٹرول

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

کمپنی کا رسک فریم ورک اور انٹرنل کنٹرول سسٹم

کمپنی کا ڈیال ہے کہ رسک مینجمنٹ، کمپنی کی مینجمنٹ کا ایک بنیادی ذریعہ ہے اور اس وجہ سے رسک مینجمنٹ، وراثہ کار کیا ہے جو مل، ملازمین اور حلیات کی ایک سیریز پر مشتمل ہے جو کمپنی کو اس کے خطرات کی شناخت، تشخیص، مگرانی اور انتظام کرنے میں مدد کرتا ہے۔

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

مزید برآں، کمپنی نے رسک مینجمنٹ کمپنی تشکیل دی ہے تاکہ رسک مینجمنٹ اور انٹرنل کنٹرول سسٹم اور مل کو فروغ دیا جاسکے۔ کمپنی ممکنہ کاروباری خطرات کی شناخت اور ان سے نمٹنے میں رسک مینجمنٹ، وراثہ کار کیا ہے تاکہ اس کے بارے میں ہولڈر کو باقاعدگی سے پورس فراہم کرتی ہے۔

بورڈ کی تشکیل

کمپنی بورڈ آف ڈائریکٹرز کی تشکیل اور اہلیت پر ریگولیٹری کی ضروریات کی تعمیل کرتی ہے۔ ڈائریکٹرز کی کل تعداد آٹھ (08) ہے۔ بورڈ کی ذمہ داری کے مطابق تشکیل دی گئی ہے:

ر	مرد	:	چ
ب	عاقون	:	د
	زمرہ	:	ڈائریکٹرز کے نام
ا	آزاد ڈائریکٹرز	:	پروفیسر خالد عین مرزا جناب شہباز حیدر جناب یونس اختر محترمہ جہاں آرا مہتاب
ب	غیر وابستہ ڈائریکٹرز	:	چوہدری عین افضل جناب عامر حسین شیرازی تکم کوئی ایم ہنڈا
ج	ایگزیکٹو ڈائریکٹرز	:	جناب سمن ایم ہنڈا
د	غواصین ڈائریکٹرز	:	تکم کوئی ایم ہنڈا محترمہ جہاں آرا مہتاب

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ب۔ گلاس او بیٹن

	2022	(%) نمبر	2021	(%) نمبر
فروخت آمدن (قابل اطلاق ٹیکسز کے علاوہ)	1,965	-	1,750	-
لاگت فروخت	(1,450)	(73.8)	(1,334)	(76.2)
مجموعی منافع	514	26.2	416	23.7
مملی منافع	427	21.7	378	21.6
گلاس کنٹینرڈ کی فروخت	31,077	نہاگن	32,181	نہاگن

ج۔ ٹائپس او بیٹن

	2022	(%) نمبر	2021	(%) نمبر
فروخت آمدن (قابل اطلاق ٹیکسز کے علاوہ)	4,151	-	2,977	-
لاگت فروخت	(3,593)	(86.6)	(2,568)	(86.2)
مجموعی منافع	557	13.4	409	13.7
مملی نقصان	(62)	(1.5)	(66)	(2.4)

اہم مسائل

ا۔ ٹیس انٹرنیشنل ڈیولپمنٹ ایس (GIDC)

پیریم کوٹ آف پاکستان نے GIDC کے معاملے کو حل کرتے ہوئے 13 اگست 2020 کو فیملی حکومت کے حق میں دیا تھا۔ کہنے والے نے ٹیکسز کی درخواست دائر کی لیکن پیریم کوٹ نے اپنے فیصلے کو قرار دیا۔ کہنے والے نے 30 جون 2020 کے باہمی کوٹھاریوں میں GIDC اثر اجات کے لئے پہلے ہی رقم مینا کر دی تھی۔ GIDC کی فیملی 25 اگست 2022 تک کل 284,209,640/- روپے میں ادائیگی کی۔

ii۔ تھارتی استعمال کیلئے پانی کے استعمال پر ٹیکس

پیریم کوٹ آف پاکستان نے سو مو اقدام کرتے ہوئے اپنے ادارے کا اعلیٰ کار کیا تھا کہ پیریم انڈسٹری کو سٹیل زمین اور زمین پانی کے ایک لیٹر پر ایک روپے کا ٹیکس عام ہو گا جسے سارٹمن کو غفلت میں کیا جائے گا۔ یہ جاری کردہ حکم دسمبر 2018 سے مؤثر تھا اور تمام صنعتوں کو لاکھوں روپے کا نقصان میں پانی کا استعمال کرتے ہیں تاہم اس کیلئے قواعد اب تک جاری نہیں کیے گئے ہیں۔ کہنے والے نے پیریم انڈسٹری کی طرف ایک ٹیکسز کی درخواست جمع کرادی ہے جو پیریم کوٹ میں ذرا غلط ہے۔

حتمی منافع منقسمہ

کہنے والے نے 30 جون 2022 کو فتح ہونے والے سال کیلئے 10 روپے فی حصص حتمی منافع منقسمہ جبکہ پورے سال کا 35 روپے فی حصص (350% - ترقی سال 300%) کے حساب سے ادائیگی کی سٹارٹ کی ہے۔ جو 22 اکتوبر 2022 کو منظور ہونے والے اجلاس میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔

خطرہ وغیرہ کی کیفیت

قبیلہ میں کہنے والے اہم خطرات سوئی گیس کے بلوں کی شرح میں فرق کے لیے لیٹ منسٹ سرچارج (LPS) کی ادائیگی/طلب شامل ہیں۔ جس کی مالیت (تقریباً) 130 ملین روپے ہے۔ ٹیکسز، ایمل پی ایس کا معاملہ اور اے کے اس ذرا ممت ہے۔ کہنے والے ایس این بی پی ایمل کی جانب سے طلب کردہ 130 ملین روپے میں سے 59.8 ملین روپے پائل پی ایس کی دیکھ ادائیگی ہیں۔ اس کا تعلق پیری صنعت سے ہے۔

Murree Brewery Company Limited

ڈائریکٹرز کی رپورٹ

برائے 30 جون 2022ء کو ختم شدہ سال

ہیرڈ آف ڈائریکٹرز مری، وری کمپنی لمیٹڈ ("کمپنی") کی کارکردگی اور وضاحت پر سالانہ رپورٹ، اے 30 جون 2022ء کو ختم شدہ سال شامل آڈٹ شدہ مالیاتی کوٹھارے اپنی رپورٹ پیش کرتے ہوئے غور محسوس کر رہے ہیں۔

کمپنی کا کاروباری جائزہ

مری، وری نے مسلسل آپریشن کے 162 سال مکمل کر لیے ہیں۔ اس کا شمار پاکستان اسٹاک ایکسچینج، وریٹن اپلی کمپنیز میں ہے۔

کمپنی اپنی پالیسیوں کو جاری رکھے ہوئے ہے کہ قیصر ہوئے وری سرمایہ کاری میں اضافہ ہوگا۔ کاپے کوکوں اور محال پر سرمایہ کاری کرے گا اپنی مصنوعات کے معیار کو بہتر بنائے گا۔ مالیاتی کارکردگی

1. مجموعی مالیاتی جائزہ اور جھلکیاں:

روپے ملین میں			
15,234 سے 11,687	اضافہ % 30	مصولات فروات (خالص)	
3,540 سے 2,977	اضافہ % 19	مجموعی منافع جات	
2,193 سے 1,668	اضافہ % 31	فعلی ازگس منافع	
1,294 سے 1,291	اضافہ % 0.2	بعد ازگس منافع	
46.78 سے 46.68	اضافہ % 0.2	آمدنی فی شخص	

کمپنی کے بعد ازگس منافع میں چھٹنگ آپرنگ صورتحال کے پورے اضافہ ہوا جو انتظامیہ کی گمن اور محنت کا ثبوت ہے۔

11. شعبہ پانی مٹی مٹی

ہمارے شعبہ جات کے نتائج یہ ہے:

ر لیکور ڈویژن

(%) فیصد	2021	(%) فیصد	2022	
روپے ملین میں	روپے ملین میں			
-	9,049	-	11,639	فروات آمد (فعلی اطلاق ٹیکس کے علاوہ)
(76.2)	(6,897)	(78.8)	(9,171)	لامیج فروات
23.8	2,152	21.2	2,468	مجموعی منافع
15.2	1,372	14.0	1,630	مٹی منافع

مری بروری کمپنی لمیٹڈ

3- نیشنل پارک روڈ راولپنڈی

چیرمین کا جائزہ

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

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

بورڈ نے کمپنی کے انٹرنل آڈٹ کو آڈٹ سروس کر کے 31-05-2022 کو میسرز بی ڈی اے ایم اینڈ کمپنی (M/s BDO Ebrahim & Co.) کی خدمات حاصل کیں۔ انٹرنل آڈٹ رپورٹس کو سرکاری بنیادوں پر بورڈ کی آڈٹ اینڈ ریسک مینجمنٹ کمیٹی کے سامنے پیش کیا جاتا ہے۔ اور انٹرنل کنٹرول پر ویسٹرس کے ساتھ ساتھ کمپنی کو لاحق ممکنہ خطرات کا باقاعدگی سے جائزہ لیا جاتا ہے۔ بورڈ سیکورٹس ہونے والے آڈیٹرز ایم ایف ڈی رولڈز (EY Ford Rhodes) کا اعلیٰ خدمات کے اعتراف میں شکریہ ادا کرتے ہیں۔

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

کمپنی کے بورڈ آف ڈائریکٹرز کو ایجنڈہ اور معاون تحریری مواد بشمول اجماعی مواد بورڈ اور اس کی کمیٹی کے اجلاس سے قبل مناسب وقت میں وصول ہوا۔ بورڈ اپنی ذمہ داریوں کو مناسب طریقے سے چاراکر کرنے کیلئے اکٹھل پٹھنے کا اہتمام کرتے رہتا ہے۔ ان ایگزیکٹو اور ڈائریکٹرز تمام کارروائیوں اور فیصلوں میں براہ کسر یک ہوتے ہیں۔

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

مجھے یقین ہے کہ بورڈ کی کارکردگی کے دوران ڈائریکٹرز نے ذمہ داری کے ساتھ اپنے فرائض سرانجام دیے اور کمپنی کی دائمی صحت مند رہی۔

چوہدری عیمن الغزل
چیرمین

راولپنڈی، 22 ستمبر 2022ء

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 Tuesday, October 25, 2022** at Registered Office, 3-National Park
Road, Rawalpindi or at any adjournment thereof.

Affix Rs. 5/-
Revenue Stamp

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

Dated this _____ day of October, 2022

Witnesses:

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

Important notes:

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

**AFFIX
CORRECT
POSTAGE**

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

کھینچا ایک 2017 کی شق 137

3- میثقل پارک روڈ مراد پورہ می

سوال ۱۱: علامہ کی تعلیم

مری پروری کھیتی باڑہ

3۔ نیشنل پارک ریزرو لینڈ

میں ہم نام رہائش مری بروہی کہنی ایچ ڈا ممبر ہونے کے نام

عمومی شیئہ کا حامل ہر طبقہ رجسٹرڈ فوڈ لائسنس ڈی سی پارسلے آئی ڈی نمبر..... اور سی ڈی سی سب کا ڈائٹ

نہر ای وی سی ڈی بیٹر کاؤنٹ آئی ای نہر..... پوریہ

یہ مختصر ماحولیات دہ کا تقرر کرتا ہوں جس کا رجسٹر افیلیٹی وی سی پارکسٹ آئی وی

نمبر ہوری ڈی سی سب اکاؤنٹ نمبر ای ڈی سی ڈیوٹر اکاؤنٹ آئی ڈی نمبر ہے۔ میرے اہلکارے پر نامی

25 2022 کوہر جسٹس آف انس بدھنگل بدھت 9:30 بجے 3 بیٹھیں پارک روڈ، راولپنڈی میں منعقد ہونے والے سالانہ اجلاس عام پاکستانی انڈیا کی صورت میں میری امدادی جانب سے شرکت

کرنے، بھل کر نے اور تمہاری طرف سے ہوتے والے کی اجازت دی جائے۔

مہر کے تحت

2022ء تا 2021ء 2022ء تا 2021ء

دھڑا مکھن کے ساتھ راجسٹرار نمونے بھیجے ہوئے چاہیے۔

گواہان:

.....: (b) (5) 2: (b) (5) 1

$$\frac{1}{2} \times \frac{1}{2} = \frac{1}{4}$$

.....¹2₉ ¹2₉

کمیٹی کے راز کو قومی منافعتی کا راز یا سپاہیوں کے لئے:

۱. ہم نوٹس:

۹۔ کوئی بھی فیصلہ اس وقت تک نہ لے گا جب تک کہ وہ خود کو یقینی نہ ہو، اس لئے اس کے کہ ایک کارپوریشن اور وہ اپنے فیصلے کی تقرری کر سکتا ہے جو ممبر فیصلے ہے۔ ممبر نہ ہونے کی صورت میں ان کو ہر کسی کارم کے ساتھ پورے کی قرارداد (پاور آف اٹارنی) (مختار نامہ) کی نقل کے ساتھ ہر کسی کی نقل پر خط لکھوا دیا جائے گا۔

2- ممبر کیپول انکوائری کمیٹی کا راز اور پاسپورٹ کی تصدیق شدہ کاپیاں پر ان کی فارم کے ساتھ وٹن کر سٹ گا۔ اجلاس کے وقت پر ان کی اصل CNIC یا اصل پاسپورٹ پر ہی تاج کی جائے گی۔

3- ہاگہاٹھ میں اور حیدرآباد میں ایک قیامی اجلاس عام کے مقررہ وقت سے کم از کم (48) گھنٹے (پچھلی دس دنوں کو چھوڑ کر) قبل مری بروہی یعنی لحاظ 3- پینٹس پارک روڈ اور اپنی بی بی پر موصول ہو جانے چاہئے۔

۴۔ سی ڈی کی شیئر ہولڈرز اور ان کی پراکسیز سے درخواست ہے کہ وہ اپنے معیار اور ان کے قومی شناختی کارڈ (سی این ڈی سی) کی تصدیق شدہ معلومات کو اپنی کمپنی میں جمع کروانے سے پہلے پراکسی فارم کے ساتھ جمع کر دیں (اصل CNIC / پاسپورٹ انجسٹ کے طریقہ کار کے لئے ضروری ہے)۔

5- کاروباری ادارے کی صورت میں پرائیویٹ فارم کے ساتھ پیرا آف (انریکٹرز کی قرارداد) پائریٹ انٹرنی (مٹاریٹر) اور ملز ملنس کے مسئلہ کے نمونے کے ساتھ ہر پرائیویٹ فارم کے قومی منافع کا پاپا پیسٹ کی مسئلہ فیمل بھی منع کر دینی ہوگی۔

GEA Westfalia Separator





MURREE BREWERY

ISO 9001, 14001, 45001 & HACCP Certified Company

3-National Park Road, Rawalpindi

www.murreebrewery.com