

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 understand our customers' requirement then 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

BOARD OF DIRECTORS

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

PRINCIPAL OFFICERS

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

AUDIT COMMITTEE

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

HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

AUDITORS

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

Murree Brewery Company Limited

ESTABLISHED 1860

CORPORATE INFORMATION

REGISTERED OFFICE

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

(iv) Mohallah Noorpura,
Bahawalpur Bypass Road, **Multan**
Ph: 061-4232964
Mob: 0345-8597704

(v) 164/B, Near Winter Time,
Small Industries Estate, **Sahiwal**
Mob: 0335-5611125
0321-6954001

FACTORIES

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

(2) (a) **Tops Food & Beverages.**
National Park Road, Rawalpindi
Tel: 051-5567041-47, Fax 051-5565461

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

(3) **Murree Sparkletts**
Plot, No. 10/2, Phase-III, Industrial Estate,
Hattar, **District Haripur (K.P.K)**

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

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

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

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 Centre,
1. Mozang Road, Lahore.
Cell # 0300-8430877-0345-8412222

DISTRIBUTION OFFICES

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

TAX ADVISOR

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

MURREE BREWERY COMPANY LIMITED
NATIONAL PARK ROAD RAWALPINDI (PAKISTAN)
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 149th Annual General Meeting of the Company will be held at the Registered Office National Park Road, Rawalpindi on Friday, 28th October, 2016 at 1100 hours to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the Extra Ordinary General Meeting held on 29th September, 2016.
2. To receive, consider and approve the audited Financial Statements of the Company together with the Directors' and Auditors' Reports for the year ended 30th June, 2016.
3. To approve as recommended by the Board of Directors, payment of Final Cash Dividend of hundred percent (100%) for the year ended 30th June, 2016. This is in addition to an Interim Dividend of 100% cash dividend and 1500% (15 share for one share) stock dividend. **Thus making a total of 200% Cash Dividend & 1500% Stock Dividend for FY 2015-16.**
4. To appoint Auditors of the Company for the year ending 30th June, 2017 and fix their remuneration as recommended by the Audit Committee and Board of Directors. The present retiring Auditors M/s KPMG Taseer Hadi & Co. Chartered Accountants, being eligible have offered themselves for re-appointment.
5. **OTHER BUSINESS:**

To transact any other business with the permission of the Chairman.

Rawalpindi
30th September, 2016

BY ORDER OF THE BOARD


M. ZAFFAR IQBAL
Company Secretary

Murree Brewery Company Limited

NOTES:

PARTICIPATION IN THE ANNUAL GENERAL MEETING

A member entitled to attend and vote at the meeting is entitled to appoint any other member as his / her proxy to attend and vote. Proxies in order to be effective must be received at the Registered Office of the Company, Murree Brewery Company Limited, National Park Road, Rawalpindi, Pakistan duly stamped and signed not less than 48 hours before the time of the meeting.

CDC Account Holders will further have to follow the under mentioned guidelines as laid down by the Securities & Exchange of Pakistan.

(A) For attending the Meeting.

- i. In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate identity by showing their original National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii. In case of corporate entity, the Board of Directors Resolution / Power of Attorney with specimen signature of the nominee shall be produced (unless, it has been provided earlier) at the time of attending the meeting.

(B) For appointing proxies:

- i. In case of individuals, the account holder or sub-account holder 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 requirement.
- ii. Any person who is appointed as a proxy by any individual shareholder must himself be a shareholder of the Company u/s 161 of the Companies Ordinance, 1984.
- iii. The proxy form shall be witnessed by two persons whose names, addresses, and CNIC number 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 proxy shall produce his / her original CNIC or passport at the time of meeting.
- vi. In case of corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature of the person nominated to present and vote on behalf of the corporate entity, shall be submitted (unless it has been provided earlier) alongwith the Proxy Form to the Company.

DEDUCTION OF INCOME TAX FOR FILER AND NON FILER AT REVISED RATES.

Pursuant to the provisions of the Finance Act, 2016 effective 1st July, 2016, applicable rates on payment of dividend have been amended and the rates of deduction of income tax under section 150 of Income Tax Ordinance, 2001 have been revised as follows:

1.	Rate of tax deduction for filer of income tax returns	12.5%
2.	Rate of tax deduction for non-filers of income tax returns	20%

In case of joint account, each holder is to be treated individually as either a filer or non filer 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 the Company by sending following details on the registered address of the Company and the members who have deposited their shares into Central Depository Company of Pakistan Ltd (CDC) are requested to send a copy of detail regarding tax payment status also to be relevant member stock exchange and CDC if maintaining CDC investor account, or if no notification, each joint holder shall be assumed to have an equal number of shares.

Company Name	Folio / CDS ID/AC #	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC No.	Shareholding Proportion (No. of Shares)	Name and 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.

Murree Brewery Company Limited

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 at the case may be. Members desiring non-deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat.

SUBMISSION OF COMPUTORIZED NATIONAL IDENTITY CARD (CNIC) FOR PAYMENT OF CASH DIVIDEND

In order to comply with the requirements of Securities & Exchange Commission of Pakistan (SECP) SRO 19(i)/2014 dated 10th January, 2014, those shareholders who have not yet submitted attested copy of their valid CNIC are once again requested to provide the same with their Folio number to the Company Registrar M/s Central Depository Company Of Pakistan, CDC House, 99-B, Block 'B', SMCHS, Main Shahra-e-Faisal, Karachi-74400. Tel:- +(92-21) 0800-CDCPL(23275), Facsimile: +(92-21) 021-4326053, email: info@CDCpak.com. Members holding shares in CDC / Participants accounts are also requested to provide the attested copy of their CNIC to their CDC Participant / Investor / Account Service.

CLOSURE OF SHARE TRANSFER BOOKS

Share Transfer Books of the Company will remain closed and no transfer of shares will accepted for registration from **21st October, 2016 to 28th October, 2016 (both days inclusive)**. Transfer received in order at the Shares Department of M/s Central Depository Company Of Pakistan, CDC House, 99-B, Block 'B', SMCHS, Main Shahra-e-Faisal, Karachi-74400. Tel:- +(92-21) 0800-CDCPL(23275), Facsimile: +(92-21) 021-4326053, email: info@CDCpak.com at the **close of business (5 p.m.) on 20th October, 2016 will be treated in time for the purpose of payment of cash / stock dividend, if approved by the shareholders.**

CHANGE OF ADDRESS

Members are requested to promptly notify any change of address to the Company's Share Registrar immediately notify any change of address to the Company's Registrar M/s Central Depository Company Of Pakistan, CDC House, 99-B, Block 'B', SMCHS, Main Shahra-e-Faisal, Karachi-74400. Tel:- +(92-21) 0800-CDCPL(23275), Facsimile: +(92-21) 021-4326053, email: info@CDCpak.com.

TRANSMISSION OF ANNUAL AUDITED FINANCIAL STATEMENT THROUGH EMAIL

The directive of SECP contained in SRO 787(1)/2014 dated 8th September, 2014, whereby Securities & Exchange Commission of Pakistan (SECP) has allowed companies to circulate annual balance sheet, profit and loss account, auditor's report and directors' report etc (Audited Financial Statement) alongwith notice of annual general meeting (Notice) to its members through e-mail. Members are requested to provide their email addresses on registered address of the Company.

CDC account holders are requested to provide their email addresses to the relevant member stock exchange and CDC if maintaining CDC investor account

AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON COMPANY'S WEBSITE.

The audited financial statements of the Company for the year ended 30th June, 2016 have been made available on the Company's website www.murreebrewery.com in addition to annual and quarterly financial statements for the prior year.

DIVIDEND MANDATE OPTION

In accordance with the SECP's Circular No. 18 of 2012 dated 5th June, 2012, the shareholders have been given an opportunity to authorize the Company to make payment of cash dividend through direct credit to shareholder's bank account. To opt for the dividend mandate option as stated, the Dividend Mandate Form, available at Company's website i.e. www.murreebrewery.com needs to be duly filled and submitted to our Share Registrar at the earliest.

Murree Brewery Company Limited

DIRECTORS' REPORT FOR THE YEAR ENDED JUNE 30, 2016

The Directors take pleasure in presenting their report along with audited financial statements and Auditors' report thereon of the company for the year ended 30th June, 2016.

Murree Brewery has completed 155 years of continuous operations and is the oldest company quoted on the Stock Exchange in Pakistan. The after tax profit of the year under review to 30th June 2016 is the highest in its history. This has been achieved under difficult operating conditions due to load shedding and disturbed law and order conditions. Competition is also intense in the soft drinks market.

The company is progressing due to its policies and procedures adjusted to the changing environment. Market based salaries and benefits together with back to back labour settlement with the Collective Bargaining Agent provide financial benefits and security to the employees who in turn are devoted in their work and loyal to the Company.

The management is constantly reviewing systems and costs, particularly of raw material and studies product demand to improve profitability.

These outstanding results have been achieved by teamwork and the leadership of Mr. Isphanyar M. Bhandara, the Chief Executive of the Company.

Important developments in the year were:

Still Head Duty

The Punjab Government issued a notification # SO(E&M)2-3/2011(P-II) dated 24th June, 2015 through which Still Head Duty was levied from 1st July, 2015 on all Pakistan made Foreign Liquor and Beer meant for consumption outside the Province of Punjab. The Company challenged this notification in the Lahore High Court, Lahore. The notification was set aside by the Honorable High Court on 27th June 2016, The Punjab Government has filed an appeal for review which is pending before the Honorable High Court, Lahore and continue to charge the duty on dispatches outside the province of Punjab.

Since 1st July 2015, the Company has been placed at a disadvantage from other distilleries in Sindh and Baluchistan who are not charged any duty on export of alcoholic products to other provinces.

Due to this disadvantage sales of beer showed a small decrease in the year while liquor products decreased by 11%.

Customer loyalty and the quality of our products helped in achieving these results.

Super Tax

Initially through Finance Act 2015, the Federal Government imposed super tax @3% for the year 2015 which has been extended for a further year. The Company liability is Rs. 44.4 million for 2016.

Gas Infrastructure Development Cess (GIDC)

In September 2014, the Federal Government promulgated Gas Infrastructure Development Cess (GIDC) Ordinance No. VI of 2014 to circumvent earlier decision of the Honourable Supreme Court on the subject, where it upheld that the earlier introduction of GIDC Act of 2011 was unconstitutional and ultravires on the grounds that GIDC was a 'Fee' and not a 'Tax'. In May, 2015, the Government passed the GIDC Act, 2015.

The Company & Industry has challenged the GIDC Act, 2015 and filed a Writ Petition in the High Court including retrospective treatment of the provision of the GIDC Act. The Court has granted a stay under the GIDC Act, 2015. The company has not made provision of GIDC amounting to about Rs.117 million in these Financial Statements as the management is confident the eventual decision will be in favor of the Company.

Murree Brewery Company Limited

GROUP FINANCIAL OVERVIEW & HIGHLIGHTS

Sales revenue	increased by	21.5%	to	Rs. 10,177 Million
Gross Profit	increased by	4.7%	to	Rs. 2,243 Million
Profit before Taxation	decreased by	(3.9)%	to	Rs. 1,567 Million
Profit after Taxation	increased by	15.5%	to	Rs. 115 Million
Earning per share	increased by	15.5%	to	Rs. 49.92

Decrease in Operating Profit is due to decrease in sale of PMFL & Beer as mentioned above and profit after tax increased due to tax depreciation allowances.

DIVISIONAL OPERATING RESULT

The results of our divisions were:

LIQUOR DIVISION

	<u>2016</u> Rs. in million	<u>%</u>	<u>2015</u> Rs. in million	<u>%</u>
Sales exclusive of applicable taxes	5,056		4,886	
Cost of sales	(3,617)	(71.5)	(3,377)	(69.1)
Gross profit	1,438	28.4	1,509	30.9
Operating profit	969	19.2	1,094	22.4

The turnover of the division reflects an increase of Rs. 170 million (3.5%) and operating profit decrease of Rs. 125 million (11.4%) over the previous year.

GLASS DIVISION

	<u>2016</u> Rs. in million	<u>%</u>	<u>2015</u> Rs. in million	<u>%</u>
Sales exclusive of applicable taxes	1,139		944	
Cost of sales	(704)	(61.9)	(580)	(61.4)
Gross profit	434	38.1	365	38.6
Operating profit	403	35.4	338	35.8
Glass Containers sales	24,595	Metric Tons	20,140	Metric Tons

Glass division earned an operating profit of Rs.403 million against Rs.338 million in the previous year due to the operation of the new glass melter from August 2015.

TOPS DIVISION

	<u>2016</u> Rs. in million	<u>%</u>	<u>2015</u> Rs. in million	<u>%</u>
Sales exclusive of applicable taxes	1,899		1,556	
Cost of sales	(1,528)	(80.5)	(1,288)	(82.8)
Gross profit	371	19.5	268	17.2
Operating profit	81	4.3	42	2.7

Tops Division gross profit increased by Rs.103 million and operating profit by Rs.38.5 million as compared to the previous year due to increase in sales

Murree Brewery Company Limited

AUDIT COMMITTEE

The Audit Committee performed its functions under the Code of Corporate Governance and comprises of three non executive directors and one independent director who is the Chairman of the Audit Committee. The committee meets at least once every quarter for the approval of the quarterly accounts of the company by Board of Directors. The statutory committee also reviews Internal Audit Reports on the company's financial procedures and system of internal control and determination of compliance with relevant statutory requirements.

The Audit Committee also recommends the appointment of external auditors to the Board of Directors together with their fee. The Committee also considers of any other issue or matter as may be assigned by the Board of Directors.

The Committee also determines appropriate measures to safeguard the company's assets and discuss auditor's major observation arising from interim and final audits with them.

The Committee reviews the scope and extent of internal audit ensuring that the internal audit function has adequate resources and is appropriately placed. Apart from this consideration of major findings of internal investigation of activities characterized by fraud, corruption and abuse of power and management's response thereto.

The Audit Committee also reviews Company's statement on internal control system prior to endorsement by the Board of Directors and internal audit report.

Audit Committee Meetings held during the year

<u>Name of Directors</u>	<u>Total No. of meetings</u>	<u>No. of Meetings attended</u>
1. Lt. Gen @ Zarrar Azim (Chairman)	6	5
2. Ch. Mueen Afzal (Member)	6	5
3. Mrs. Goshi M. Bhandara (Member)	6	2
4. Mr. Khurram Muzaffar (Member)	6	6

HUMAN RESOURCE AND REMUNERATION (HR & R) COMMITTEE

The Board has a Human Resource and Remuneration Committee comprising three Non-Executive Directors.

The Committee recommends human resource policies to the board.

The Committee is also responsible for recommendation to the board for the selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO, Company Secretary, CFO and Head of Internal Audit.

The Committee considers and approves on recommendations of CEO on such matters for key management position who report directly to CEO.

Industrial relations were managed with harmony and industrial peace through favourable relationship with the Collective Bargaining Agent (CBA) and successful bilateral negotiations. The Company also places special emphasis on fostering a learning culture by empowering its employees to contribute towards a learning organization.

HR & R Committee Meetings held during the year

<u>Name of Director</u>	<u>Total No. of Meetings</u>	<u>No. of meetings attended</u>
Ch. Mueen Afzal (Chairman)	3	2
Mrs. Goshi M. Bhandara (Member)	3	1
Mr. Khurram Muzaffar (Member)	3	2

Murree Brewery Company Limited

SAFETY COMMITTEE

Safety remained one of the focus areas of the Company. The safety committee comprises of Management staff who review and monitor the Company's safety practices. Its oversees the safety planning function such as fire equipment and fire hydrants of the company and is responsible for safety training, regular drills and believes that practically accidents are prevented by appropriate control. During the period under review, different seminars / conferences were held in the Company.

ENVIRONMENT, QUALITY, HEALTH & SAFETY MANAGEMENT SYSTEM

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

The Company seeks to conduct its activities in such a way as to avoid harm to the health of its employees and others.

CORPORATE SOCIAL RESPONSIBILITY

Murree Brewery Company is one of the oldest Companies meeting its obligation as a social corporate citizen. The Company *always* takes constructive interest in social matters which may not be directly related to the business and is giving donations to Charitable Institutions / Hospitals / Trust and also helping needy people through a welfare fund.

The Company gave the use of property to Association for Special Persons (DARAKHSHAN), presently 50 ladies are getting training in this Vocational Schools for transforming destitute handicapped women located in the peri-urban areas of Rawalpindi to self reliant, computer literate & contributing members of the society.

The above property has been provided free of charge by the company with furniture and fittings and also bears the cost of utilities and maintenance.

The Company also constructed a Social Security Dispensary which was constructed for about Rs.4 million for the treatment of workers.

CONTRIBUTION TO THE NATIONAL EXCHEQUER

Your company contributed a sum of Rs. 4,143.1 million (previous year Rs. 3,081.2 million) to the Government exchequer on account of duty and taxes.

SHAREHOLDING

The total number of Company's shareholders as at 30th June, 2016 was 865 against 768 on 30th June, 2015. This pattern of shareholding as at 30th June, 2016 is annexed.

EARNING PER SHARE

Earning per share for the current year is Rs. 49.92 against Rs. 43.21 last year.

Murree Brewery Company Limited

DIVIDEND / BONUS SHARES

Interim Dividend / Bonus Shares

1. Dividend

The Board declared an interim cash dividend of 100% (Rs.10 per share) for the year ended 30th June 2016 at its meeting on 20th August 2016. This dividend is payable to shareholders on the Register of Members at the close of business on 15th September 2016.

2. Bonus Shares

The Company felt there is a growing imbalance between the issued capital and un-appropriated profit under reserves. To correct this imbalance and to provide for the capital investment requirements of the Company as identified by the Management the Board decided to issue an interim stock dividend of 1500% (bonus of 15 shares for 1 share) at its meeting held on 20th August 2016 for which the closing date was also 15th September 2016.

On 9th September 2016, the Securities and Exchange Commission of Pakistan (SECP) directed that the Company should first increase its authorized capital and thereafter fix a date for the closure of books for the entitlement to the interim stock dividend of 1500% (bonus share of 15 for 1 share). The SECP also issued corresponding necessary directions to the Chief Regulatory Officer Pakistan Stock Exchange.

In compliance with SECP's direction to increase the authorized capital before the issuance of (Interim) bonus shares the Company held an Extra Ordinary General Meeting on 29th September 2016, and shareholders approved the increase in authorized capital from Rs. 300 million to Rs. 4 billion.

The BOD at its meeting on 30th Sept 2016 announced revised book closure date for the issue of 1500% interim bonus shares declared on 20th Aug, 2016 to be from 21st Oct, 2016 to 28th Oct, 2016.

The Board has recommended payment of Final Cash Dividend hundred percent (100%) for the year ended 30th June 2016. This is in addition to an Interim Dividend of 100% cash dividend and 1500% (15 share for one share) stock dividend. Thus making a total of 200% Cash Dividend & 1500% Stock Dividend for FY 2015-16.

CASE FILED BY SHAREHOLDER

For information of the members, one of our Shareholder M/s Kingsway Fund has filed a petition in the Lahore High Court, Rawalpindi Bench praying therein to restrain Murree Brewery Co. Ltd. from increasing the Authorized Share Capital and from issuing the proposed Stock Dividend @1500% and also to restrain announcing the Book Closure in September 2016. The Company has followed the Law and SECP directions and is contesting shareholder petition.

Murree Brewery Company Limited

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Directors state that:

- The financial statements for the year ended 30th June, 2016 prepared by the management of the Company fairly present its state of affairs, the result of operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements.
- The system of internal control is sound in design and has been effectively implemented.
- There are no significant doubts about the company's ability to continue as a going concern.
- There are no statutory payments on account of taxes, levies and charges outstanding as on June 30, 2016, except as disclosed in the financial statements.
- The Board arranged regular training programs for its directors during the year.
- There has been no material departure from the best practices of Corporate Governance as detailed in the listing regulations.
- Key operating and financial data of the last six years in summarized form are annexed.
- The value of the Provident Fund and Pension Fund investment at June 30, 2016 was Rs. 95.4 million and Rs. 34 million respectively.
- During the year four meetings of the Board of Directors were held. Attendance of each director is as follows:

BOARD OF DIRECTORS MEETINGS HELD DURING THE YEAR

<u>Name of Director</u>	<u>Total No. of Meeting</u>	<u>No. of meeting attended</u>
Mr. Khurram Muzaffar	4	4
Mr. Isphanyar M. Bhandara	4	3
Ch. Mueen Afzal	4	3
Mr. Aamir H. Sherazi	4	1
Mrs. Goshi M. Bhandara	4	1
Lt. Gen @ Zarrar Azim	4	3
Mr. Osman Khalid Waheed	4	1

FUTURE OUTLOOK

The country continues to face the problems arising from load shedding, terrorism and political unrest, but expects to continue operating profitability.

ACKNOWLEDGEMENT

The outstanding performance of the Chief Executive along with his management, staff and the workers sincere efforts and loyalty have resulted in the growth of the company and the success of its operations. The valuable advice and guidance of the directors is also greatly appreciated. The company is grateful for the support of all stakeholders which include Government departments, distributors, contractors and shareholders.

On behalf of the Board



Khurram Muzaffar
Chairman

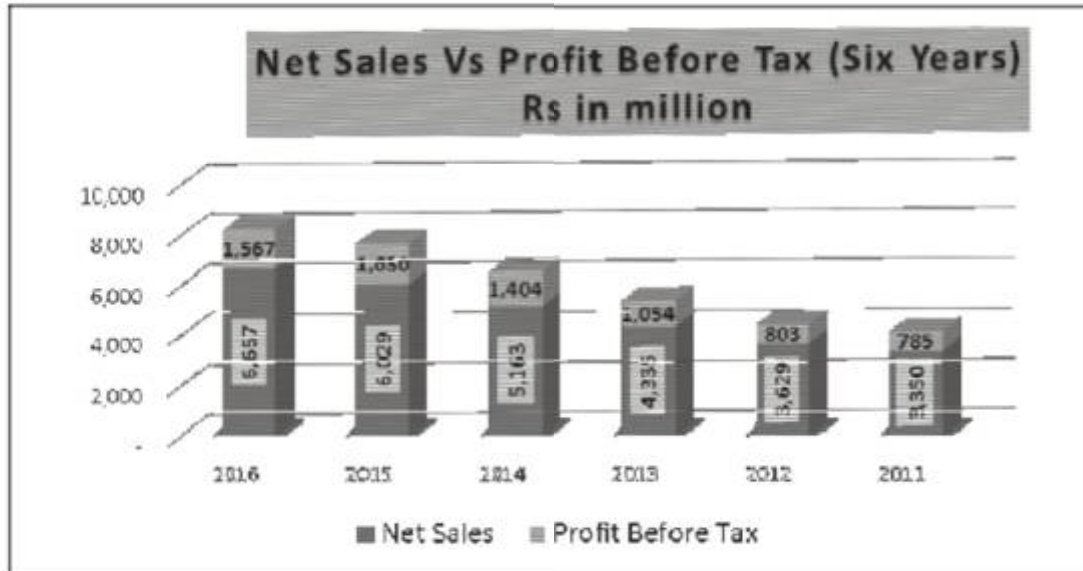
Rawalpindi 30th September 2016

MURREE BREWERY COMPANY LIMITED

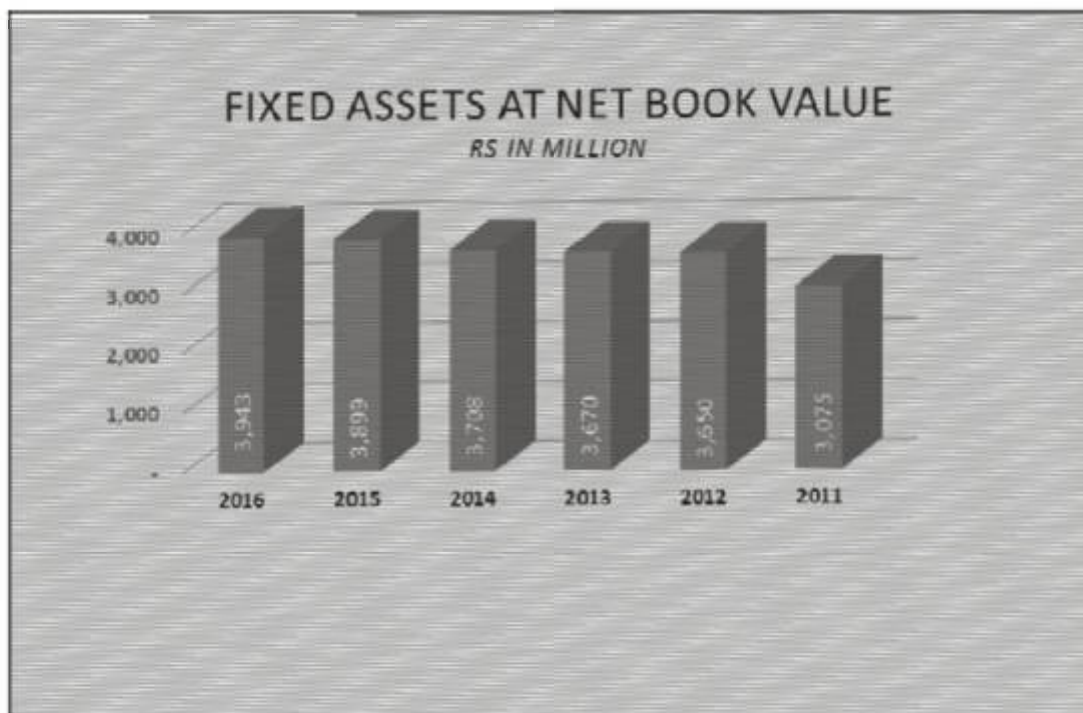
SIX YEARS AT A GLANCE

S. #	PARTICULARS	RS. "MILLION"					
		2016	2015	2014	2013	2012	2011
1	PAID UP CAPITAL	230.5	230.5	230.5	209.6	190.2	173.2
2	RESERVE & SURPLUS	5,567.5	4,571.3	3,667.8	2,824.3	2,162.9	1,725.4
3	FIXED ASSETS (LESS DEPRECIATION)	3,942.9	3,898.9	3,708.2	3,670.4	3,649.7	3,074.9
4	NET SALES	6,657.3	6,029.3	5,163.5	4,334.9	3,628.9	3,349.8
5	COST OF SALES	4,414.0	3,887.1	3,340.4	2,871.7	2,496.0	2,216.9
6	GROSS PROFIT	2,243.4	2,142.2	1,823.1	1,463.1	1,132.8	1,132.9
7	PROFIT BEFORE TAX	1,566.7	1,630.0	1,403.6	1,054.1	802.8	784.7
8	CASH DIVIDEND %	200	65	60	60	50	50
9	STOCK DIVIDEND %	1,500	-	-	10	10	10
10	RETURN ON EQUITY %	21.7	22.9	27.8	26.6	24.7	31.2
11	BREAK-UP VALUE OF SHARE OF RS. 10 EACH	251.5	208.3	169.1	144.8	123.5	109.6
12	EARNINGS PER SHARE (E.P.S)	49.9	43.2	41.8	31.2	25.1	30.0

Murree Brewery Company Limited
SIX YEARS AT A GLANCE (GRAPHICAL PRESENTATION)
SALES AND PROFITABILITY ANALYSIS



FIXED ASSETS ANALYSIS



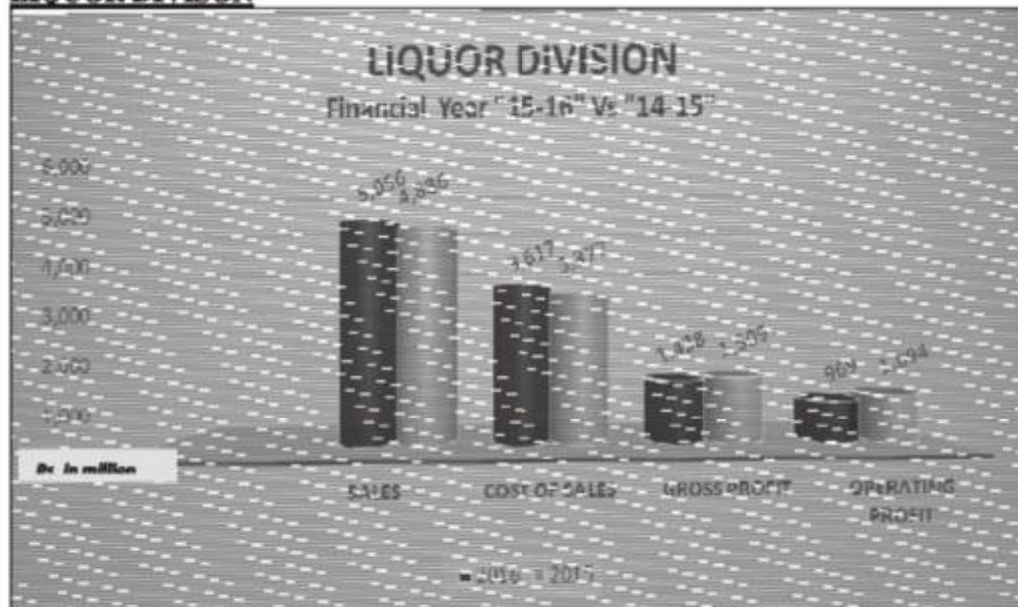
Murree Brewery Company Limited

GROUP & DIVISION WISE OPERATING RESULTS (GRAPHICAL PRESENTATION)

GROUP HIGHLIGHTS

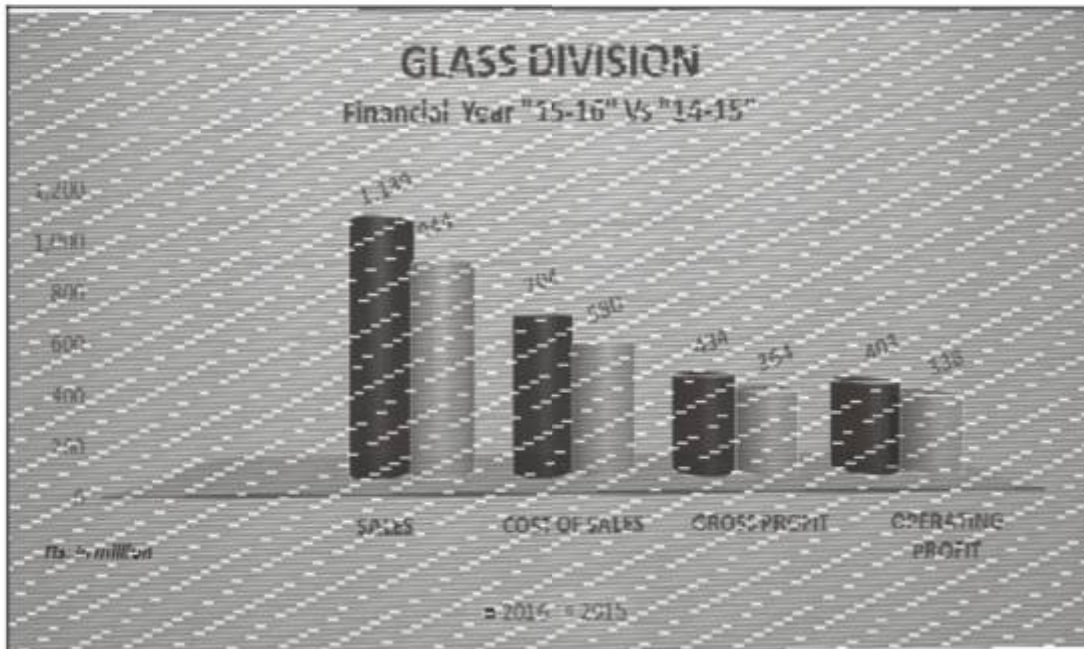


LIQUOR DIVISION

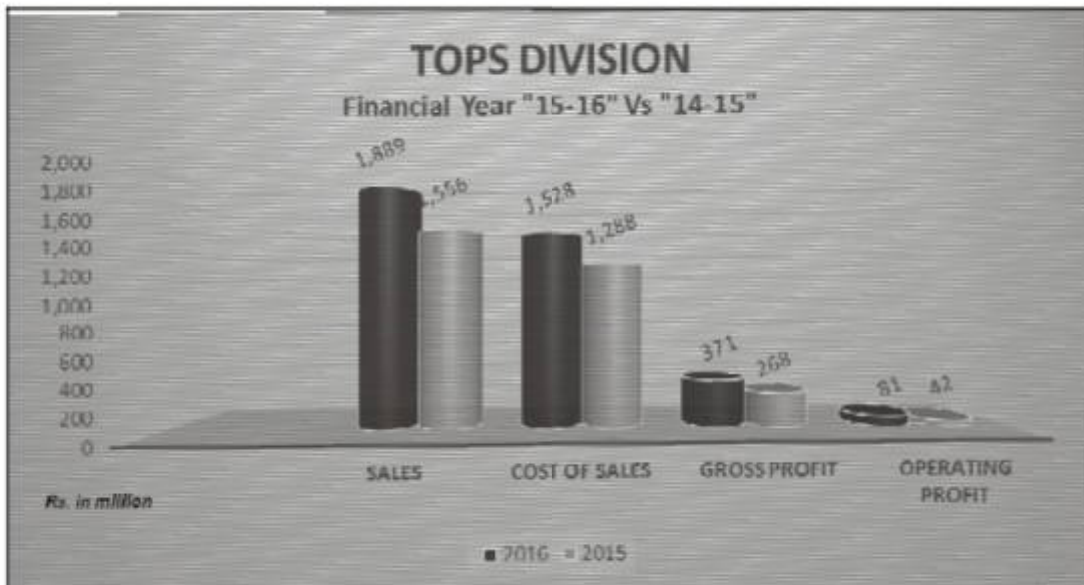


Murree Brewery Company Limited

GLASS DIVISION



TOPS DIVISION



MURREE BREWERY COMPANY LIMITED

BALANCE SHEET VERTICAL ANALYSIS

	2016		2015		2014		2013		2012		2011	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
EQUITY AND LIABILITIES												
EQUITY												
Share Capital	230,530	2.4	230,530	2.7	230,530	3.0	209,572	3.2	190,520	3.2	173,201	3.5
Capital Reserve	30,681	0.3	30,681	0.4	30,681	0.4	30,681	0.5	30,681	0.5	30,681	0.6
Contingency Reserve	20,000	0.2	20,000	0.2	20,000	0.3	20,000	0.3	20,000	0.3	20,000	0.4
General Reserve	327,042	3.4	327,042	3.9	327,042	4.3	327,042	4.9	327,042	5.5	327,042	6.6
Unappropriated profit	5,189,816	54.7	4,193,571	49.5	3,290,048	43.2	2,463,072	37.0	1,785,127	29.9	1,347,693	27.2
	5,798,069	61.1	4,801,824	56.6	3,898,301	51.2	3,050,367	45.9	2,353,370	39.4	1,898,617	38.3
Surplus on revaluation of assets	2,571,936	27.1	2,605,931	30.7	2,651,945	34.8	2,692,870	40.5	2,785,871	46.6	2,334,615	47.1
NON - CURRENT ASSETS												
Liabilities against assets to finance lease	12,345	0.1	-	-	1,360	0.0	1,879	0.0	4,096	0.1	3,258	0.1
Deferred liabilities - staff retirement	176,286	1.9	113,042	1.3	71,500	0.9	43,775	0.7	36,307	0.6	29,619	0.6
Deferred taxation	88,649	0.9	106,073	1.3	148,693	2.0	190,377	2.9	231,889	3.9	137,616	2.8
	277,280	2.9	219,115	2.6	221,553	2.9	236,031	3.5	272,292	4.6	170,493	3.4
CURRENT LIABILITIES												
Current portion of liabilities against assets subject to finance lease	8,059	0.1	1,360	0.0	2,791	0.0	2,785	0.0	2,715	0.0	1,996	0.0
Trade and other payable	836,374	8.8	830,068	9.8	781,000	10.3	615,586	9.3	553,115	9.3	536,097	10.8
Provision for taxation	-	-	21,160	0.2	59,409	0.8	54,564	0.8	4,960	0.1	15,421	0.3
	844,433	8.9	852,588	10.1	843,200	11.1	672,935	10.1	560,810	9.4	553,514	11.2
NON - CURRENT ASSETS	9,491,718	100	8,479,458	100	7,614,999	100	6,652,203	100	5,972,343	100	4,957,239	100
Property, plant and equipment	3,942,906	41.5	3,898,900	45.98	3,708,169	48.70	3,670,403	55.18	3,649,647	61.11	3,074,902	62.03
Investment property	284,570	3.0	272,274	3.21	262,734	3.45	212,437	3.19	136,152	2.28	111,149	2.24
Long term advances - consolidated good	9,910	0.1	7,516	0.09	4,436	0.06	5,519	0.08	5,790	0.10	4,694	0.09
Long term investment	323,497	3.4	-	-	-	-	-	-	-	-	-	-
Long term deposits	22,785	0.2	20,473	0.24	19,458	0.26	18,353	0.28	15,781	0.26	14,773	0.30
	4,583,668	48.3	4,199,163	49.52	3,994,797	52.46	3,906,712	58.73	3,807,370	63.75	3,205,518	64.66
CURRENT ASSETS												
Stores, spare parts and loose tools	106,572	1.1	87,212	1.0	74,081	1.0	80,800	1.2	79,444	1.3	82,235	1.7
Stock in trade	1,477,354	15.6	994,816	11.7	891,006	11.7	863,675	13.0	811,577	13.6	799,342	16.1
Trade debts - unsecured	57,736	0.6	24,383	0.3	12,148	0.2	34,859	0.5	39,528	0.7	55,285	1.1
Advances and other receivable	52,125	0.5	37,943	0.4	60,520	0.8	48,389	0.7	33,865	0.6	23,685	0.5
Short term prepayments	61,064	0.6	62,179	0.7	7,296	0.1	15,352	0.2	13,613	0.2	10,752	0.2
Short term investment	1,283,131	13.5	43,873	0.5	34,051	0.4	31,619	0.5	82,224	1.4	84,132	1.7
Advance tax	168,372	1.8	16,270	0.2	16,270	0.2	16,270	0.2	-	-	-	-
cash and bank balances	1,701,696	17.9	3,013,619	35.5	2,524,830	33.2	1,654,527	24.9	1,104,722	18.5	696,290	14.0
	4,908,050	51.7	4,280,295	50.5	3,620,202	47.5	2,745,491	41.3	2,164,973	36.2	1,751,721	35.3
	9,491,718	100	8,479,458	100	7,614,999	100	6,652,203	100	5,972,343	100	4,957,239	100

MURREE BREWERY COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

HORIZONTAL ANALYSIS

	2016	16 Vs 15	2015	15 Vs 14	2014	14 Vs 13	2013	13 Vs 12	2012	12 Vs 11	2011
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.
Sales (Net)	6,657,314	10.4	6,029,292	16.8	5,163,496	19.1	4,334,850	19.5	3,628,873	8.3	3,349,788
Cost of Sales	4,413,950	13.6	3,887,109	16.4	3,340,430	16.7	2,861,207	14.6	2,496,038	12.6	2,216,880
Gross Profit	2,243,364	4.7	2,142,183	17.5	1,823,066	23.7	1,473,643	30.1	1,132,835	(0.01)	1,132,908
Distribution Cost	522,096	23.0	424,442	18.6	357,971	24.4	287,772	18.4	243,068	(1.9)	247,735
Administrative Expenses	265,198	10.3	240,391	22.1	196,805	11.8	176,065	11.6	157,801	20.6	130,892
Finance Cost	2,023	2.8	1,967	3.6	1,898	(34.9)	2,916	36.7	2,133	(51.0)	4,350
Other Expenses	108,100	(1.2)	109,412	12.0	97,732	12.2	87,111	57.2	55,414	(1.1)	56,026
Other Income	220,748	(16.4)	263,997	12.4	234,943	75.0	134,286	4.6	128,390	41.4	90,781
Net Profit before taxation	1,566,695	(3.9)	1,629,968	16.1	1,403,603	33.2	1,054,065	31.3	802,809	2.3	784,686
Provision for taxation	415,884	(34.4)	633,885	43.8	440,780	31.2	336,027	21.0	277,770	4.9	264,765
Net profit after taxation	1,150,811	15.5	996,083	3.5	962,823	34.1	718,038	36.8	525,039	1.0	519,921

VERTICAL ANALYSIS

	2016	2015	2014	2013	2012	2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Sales	6,657,314	6,029,292	5,163,496	4,334,850	3,628,873	3,349,788
Cost of Sales	4,413,950	3,887,109	3,340,430	2,861,207	2,496,038	2,216,880
Gross Profit	2,243,364	2,142,183	1,823,066	1,473,643	1,132,835	1,132,908
Distribution Cost	522,096	424,442	357,971	287,772	243,068	247,735
Administrative Expenses	265,198	240,391	196,805	176,065	157,801	130,892
Finance Cost	2,023	1,967	1,898	2,916	2,133	4,350
Other Expenses	108,100	109,412	97,732	87,111	55,414	56,026
Other Income	220,748	263,997	234,943	134,286	128,390	90,781
Net Profit before taxation	1,566,695	1,629,968	1,403,603	1,054,065	802,809	784,686
Provision for taxation	415,884	633,885	440,780	336,027	277,770	264,765
Net profit after taxation	1,150,811	996,083	962,823	718,038	525,039	519,921

MURREE BREWERY COMPANY LIMITED
Pattern of Shareholding
As of June 30, 2016

# Of Shareholders	Shareholdings' Slab			Total Shares Held
322	1	to	100	11,948
182	101	to	500	45,935
76	501	to	1000	55,985
135	1001	to	5000	342,509
45	5001	to	10000	313,231
23	10001	to	15000	287,392
18	15001	to	20000	307,666
11	20001	to	25000	250,400
5	25001	to	30000	130,715
6	30001	to	35000	195,130
1	35001	to	40000	37,874
3	40001	to	45000	126,158
3	45001	to	50000	145,112
4	50001	to	55000	203,742
1	55001	to	60000	57,000
1	60001	to	65000	60,500
3	65001	to	70000	204,440
3	70001	to	75000	222,999
1	85001	to	90000	85,984
1	110001	to	115000	112,000
1	120001	to	125000	122,404
1	130001	to	135000	130,406
1	140001	to	145000	140,808
1	165001	to	170000	168,000
1	180001	to	185000	181,920
1	215001	to	220000	220,000
1	235001	to	240000	235,240
1	240001	to	245000	243,080
1	245001	to	250000	246,430
1	265001	to	270000	266,201
1	350001	to	355000	350,194
1	390001	to	395000	391,253
1	420001	to	425000	425,000
1	530001	to	535000	531,659
1	555001	to	560000	560,000
1	565001	to	570000	565,430
1	685001	to	690000	687,064
1	2660001	to	2665000	2,660,586
1	3050001	to	3055000	3,053,890
1	3355001	to	3360000	3,359,009
1	5315001	to	5320000	5,317,731
865				23,053,025

Murree Brewery Company Limited

Categories of Shareholders

Directors and their spouse(s) and minor children

S. No.	F. No.	Name of Shareholder	No. of Shareholders	Shares Held	Holding %
1	90022	Mr. Isphanyar M. Bhandara	2	3,273,890	14.20
2	03459-2042	Mr. Khurram Muzaffar	1	3,909	0.02
3	03525-11880	Ch. Mueen Afzal	1	3,210	0.01
4	03277-2966	Mr. Aamir H. Shirazi	1	2,570	0.01
5	120025	Lt. Gen. (R) Zarrar Azim	1	1,756	0.01
6	70021	Mrs. Goshi Minoo Bhandara	1	2,660,586	11.54
7	261002	Mr. Osman Khalid Waheed	1	1,756	0.01
8	261023	Mrs. Jasmin Bhandara	1	66,201	1.15
9	140030	Mrs. Naseem Muzaffar	1	11,674	0.05
10	100033	Mr. Jamshed M. Bhandara	2	930,144	4.03
11	130089	Miss. Munizeh M. Bhandara	2	585,434	2.54

- In Civil Original No.05/2013, title Mr. Isphanyar M. Bhandara S/o M. P. Bhandara vs Mrs. Goshi M. Bhandara W/o M. P. Bhandara and others, the Honourable Lahore High Court, Rawalpindi bench issued following order:
That the shares in question to the extent of the petitioner's share shall neither be further alienated nor any dividend shall be apportioned / paid to the respondent (Mrs. Goshi M. Bhandara).
- Also the guardian certificate issued in favor of Mrs. Goshi M. Bhandara for Jamshed M. Bhandara was ordered to be revoked by learned Guardian Judge, Rawalpindi. Now Bhandara Foundation (Charity organization) founded by late CEO M.P. Bhandara, has applied for the appointment of manager before district judge Rawalpindi under Mental Health Ordinance 2002.

Associated Companies, undertakings and related parties

1	40029	M/S. D. P. Edulji & Co. (Pvt) Ltd.,	2	3,368,592	14.61
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Executives

1	261064	Maj. (R) Sabih Ur Rehman	1	10	0.00
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Public Sector Companies and Corporations

1	90013	M/S. Investment Corporation Of Pakistan	1	359	0.00
2	00083-36	IDBL (JCP Unit)	1	379	0.00

Banks, development finance institutions, non-banking finance co, Insurance Co., Takaful, Modaraba and Pension Funds

1	20042	M/s. Bank Of Bahawalpur Ltd.,	1	4,835	0.02
2	130068	MCB Bank Limited	1	9,451	0.04
3	04127-28	MCB Bank Limited – Treasury	1	3,650	0.02
4	06239-23	First Dawood Investment Bank Limited	1	2,451	0.01
5	03277-2184	Efu General Insurance Limited	1	531,659	2.31
6	13748-501	Adamjee Life Assurance Co. Ltd-IMF	1	25,000	0.11
7	13755-21	Adamjee Insurance Company Limited	1	140,808	0.61
8	10660-25	CDC - Trustee Js Pension Savings Fund - Equity Account	1	8,500	0.04
9	15727-22	CDC - Trustee Pakistan Pension Fund - Equity Sub Fund	1	13,000	0.06

Mutual Funds

1	05371-28	CDC - Trustee MCB Pakistan Stock Market Fund	1	112,000	0.49
2	05520-28	Golden Arrow Selected Stocks Fund Limited	1	25,000	0.11
3	06411-21	CDC - Trustee AKD Index Tracker Fund	1	2,317	0.01
4	06619-26	CDC - Trustee AKD Opportunity Fund	1	25,000	0.11
5	11262-23	CDC - Trustee MCB Pakistan Asset Allocation Fund	1	50,000	0.22

General Public

	a. Local		770	2,746,823	11.91
	b. Foreign		30	1,090,891	4.73
	Foreign Companies		10	7,095,253	30.78
	Others		22	55,917	0.24

TOTAL **865** **23,053,025** **100.00**

Murree Brewery Company Limited

Directors and their spouse(s) and minor children

<u>S. No.</u>	<u>Folio #</u>	<u>Name of shareholder</u>	<u>Number of shares</u>	<u>Holding %</u>
1	90022	Mr. Isphanyar M. Bhandara	3,053,890	13.25
2	04705-83016	Mr. Isphanyar M. Bhandara	220,000	0.95
3	03459-2042	Mr. Khurram Muzaffar	3,909	0.02
4	03525-11880	Ch. Mueen Afzal	3,210	0.01
5	03277-2966	Mr. Aamir H. Shirazi	2,570	0.01
6	120025	Lt. Gen. (R) Zarrar Azim	1,756	0.01
7	70021	Mrs. Goshi Minoos Bhandara	2,660,586	11.54
8	261002	Mr. Osman Khalid Waheed	1,756	0.01
9	261023	Mrs. Jasmin Bhandara	266,201	1.15
10	140030	Mrs. Naseem Muzaffar	11,674	0.05
11	100033	Mr. Jamshed M. Bhandara	687,064	2.98
12	100054	Jamsheed M. Bhandara & Mrs. Goshi M. Bhandara	243,080	1.05
13	130089	Miss. Munizeh M. Bhandara	235,240	1.02
14	130313	Miss. Munizah M Bhandara & Mrs. Goshi M. Bhandara	350,194	1.52
			7,741,130	33.57

Associated companies, undertakings and related parties

<u>S. No.</u>	<u>Folio #</u>	<u>Name of shareholder</u>	<u>Number of shares</u>	<u>Holding %</u>
1	40029	M/s. D. P. Edulji & Co. (Pvt) Ltd.	3,359,009	14.57
2	00935-12755	M/s. D. P. Edulji & Co. (Pvt) Ltd	9,583	0.04
			3,368,592	14.61

Executive

<u>S. No.</u>	<u>Folio #</u>	<u>Name Of Shareholder</u>	<u>Number Of Shares</u>	<u>Holding %</u>
1	261064	Maj. (R) Sabih Ur Rehman	10	0.00
			10	0.00

Public Sector Companies And Corporations

<u>S. No.</u>	<u>Folio #</u>	<u>Name Of Shareholder</u>	<u>Number Of Shares</u>	<u>Holding %</u>
1	90013	M/S. Investment Corporation Of Pakistan	359	0.00
2	00083-36	IDBL (ICP Unit)	379	0.00
			738	0.00

Murree Brewery Company Limited

Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas And Pension Funds

<u>S. No.</u>	<u>Folio #</u>	<u>Name Of Shareholder</u>	<u>Number Of Shares</u>	<u>Holding %</u>
1	20042	M/S. Bank Of Bahawalpur Ltd.,	4,835	0.02
2	130068	M/S. MCB Bank Limited	9,451	0.04
3	04127-28	MCB Bank Limited - Treasury	3,650	0.02
4	06239-23	First Dawood Investment Bank Limited	2,451	0.01
5	03277-2184	EFU General Insurance Limited	531,659	2.31
6	13748-501	Adamjee Life Assurance Co. Ltd-IMF	25,000	0.11
7	13755-21	Adamjee Insurance Company Limited	140,808	0.61
8	10660-25	CDC - Trustee Js Pension Savings Fund - Equity Account	8,500	0.04
9	15727-22	CDC - Trustee Pakistan Pension Fund - Equity Sub Fund	13,000	0.06
			739,354	3.22

Mutual Funds

<u>S. No.</u>	<u>Folio #</u>	<u>Name Of Shareholder</u>	<u>Number Of Shares</u>	<u>Holding %</u>
1	05371-28	CDC - Trustee Mcb Pakistan Stock Market Fund	112,000	0.49
2	05520-28	Golden Arrow Selected Stocks Fund Limited	25,000	0.11
3	06411-21	CDC - Trustee Akd Index Tracker Fund	2,317	0.01
4	06619-26	CDC - Trustee Akd Opportunity Fund	25,000	0.11
5	11262-23	CDC - Trustee Mcb Pakistan Asset Allocation Fund	50,000	0.22
			214,317	0.94

Murree Brewery Company Limited

General Public Foreign

<u>S. No.</u>	<u>Folio #</u>	<u>Name Of Shareholder</u>	<u>Number Of Shares</u>	<u>Holding %</u>
1	10004	Mr. Ahmad Abdul Rehman Noor Ahmad	7,135	0.03
2	30016	Sir C. C. Garbett	2,029	0.01
3	50006	Mr. Ebrahim Saljee Bera	14,329	0.06
4	50009	Miss. E. M. Wilson	15,928	0.07
5	70018	Dr. G. K. Sawday	25,042	0.11
6	80007	Mr. H. S. Gladestone	14,329	0.06
7	80017	Mr. H. Le. Geyt Kensington	7,134	0.03
8	80035	Mr. H. Lund Christiansen	50,394	0.22
9	90009	Miss. I. M. St. George Brett	2,029	0.01
10	90011	Mr. I. H. R. Moss	1,312	0.01
11	100002	Mr. J. C. Burbidge	21,510	0.09
12	100029	Mr. J. M. Keady	6,638	0.03
13	100053	Mr. John Stuart Oliver	2,344	0.01
14	110020	Mrs. K. M. William	30,138	0.13
15	110022	Mr. Kassim A. Mohammad	4,227	0.02
16	120001	Miss. Lucy Charles	1,117	0.00
17	120004	Mr. W. L. Kirely	632	0.00
18	130006	Mrs. M. M. Cautley	69,103	0.30
19	130048	Mr. M. A. Moghal	9,282	0.04
20	140014	Mr. Najumuddin Mullah Hamjabhai	7,134	0.03
21	160015	Mrs. P. Sawday	14,329	0.06
22	160036	Mr. Peter John Sargent	368	0.00
23	180012	Mr. Richard Anthony B. Scott	7,134	0.03
24	180024	Mr. Ralph John Hamilton Pollock	632	0.00
25	180048	R. E. A. Cautley	122,404	0.53
26	190041	Mr. Saleh Muhammad Hajee Ayub	47,462	0.21
27	210001	Dr. Una Davison	14,352	0.06
28	260005	Miss. Zubeida Essop Mia	10,494	0.05
29	00521-5550	Gregory Alexander	565,430	2.45
30	00521-5568	Girish Bhakoo	16,500	0.07
			1,090,891	4.72

Foreign Companies

<u>S. No.</u>	<u>Folio #</u>	<u>Name Of Shareholder</u>	<u>Number Of Shares</u>	<u>Holding %</u>
1	00521-2946	Frontier Market Select Fund II, L.P.	57,000	0.25
2	00521-5527	GRO Banyan Partners LP	33,620	0.15
3	00521-5642	AFC Umbrella Fund	52,220	0.23
4	00695-10791	SCB Nominees (Ci) Limited [1250-2]	391,253	1.70
5	00547-8222	Tundra Pakistan Fund	425,000	1.84
6	00547-8545	Tundra Frontier Opportunities Fund	75,000	0.33
7	00547-9253	Kingsway Fund-Frontier Consumer Franchises	5,317,731	23.07
8	00547-10301	Kingsway Fund-Frontier Consumer Franchises Extoba	560,000	2.43
9	00547-10392	Stichting Bermont Limited	181,920	0.79
10	80077	M/S. Hongkong Bank Inter (Trustee) Ltd.	1,509	0.01
			7,095,253	30.80

Murree Brewery Company Limited

Others

<u>S. No.</u>	<u>Folio #</u>	<u>Name Of Shareholder</u>	<u>Number Of Shares</u>	<u>Holding %</u>
1	80037	M/S. H. M. Investments (Pvt.) Ltd	96	0.00
2	140075	M/S. N. H. Securities (Pvt.) Ltd.,	14	0.00
3	60021	M/S. Fikree Development Corporation,	7,892	0.03
4	180019	M/S. Rawalpindi Electric Power Co. Ltd.	3,140	0.01
5	200006	M/S. The Deputy Administrator (A/C Dr. T. H. Khan)	3,999	0.02
6	01917-41	Prudential Securities Limited	572	0.00
7	03210-28	Y.S. Securities & Services (Pvt) Ltd.	74	0.00
8	03244-25	Zafar Securities (Pvt) Ltd.	1,450	0.01
9	03277-6164	Trustees Kandawalla Trust	16,899	0.07
10	03277-13154	Trustees Hommie & Jamshed Nusserwanjee C.T	4,650	0.02
11	03277-83462	Nadeem International (Pvt.) Ltd.	4,000	0.02
12	03293-12	S.H. Bukhari Securities (Pvt) Limited	379	0.00
13	03525-57191	Sarraz Mahmoed (Private) Ltd	79	0.00
14	03525-63416	H M Investments (Pvt) Limited	2,376	0.01
15	03525-63817	NH Securities (Pvt) Limited.	325	0.00
16	04952-28	Sherman Securities (Private) Limited	2,740	0.01
17	07419-11803	Topline Commodities (Pvt.) Limited	5,279	0.02
18	08847-1447	Crescent Standard Business Management (Pvt) Limited	1	0.00
19	10181-24	Horizon Securities Limited	55	0.00
20	14241-22	Fikree's (Smc-Pvt) Ltd.	1,429	0.01
21	20041	M/S. Business Investments Ltd.	68	0.00
22	16261-28	Axis Global Limited – Mf	400	0.00
			55,917	0.23

Shareholders Holding 5% Or More

<u>S. No.</u>	<u>Folio #</u>	<u>Name Of Shareholder</u>	<u>Number Of Shares</u>	<u>Holding %</u>
1	00547-9253	Kingsway Fund-Frontier Consumer Franchises	5,317,731	23.07
2	40029	M/S. D. P. Edulji & Co. (Pvt) Ltd.,	3,368,592	14.61
3	90022	Mr. Ispharyar M. Bhandara	3,273,890	14.20
	70021	Mrs. Goshi Minoo Bhandara	2,660,586	11.54
			14,620,799	63.42

No trade in has been made in Shares of the Company by Directors, CEO, Company Secretary, CFO, Executive Officer and their spouse and minor children during the year.

Murree Brewery Company Limited

CODE OF CONDUCT

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Murree Brewery Company Limited

Foreword

Murree Brewery Company Ltd 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 four days from the date of the transaction.

END

Murree Brewery Company Limited

REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

Review report to the members on statement of compliance with the code of corporate governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors of Murree Brewery Company Limited ("the Company") for the year ended 30 June 2016 to comply with the requirements of Listing Regulation No.5.19.23 clause (b) of the Pakistan Stock Exchange Limited, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

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 Code requires 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. 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. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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 best practices contained in the Code as applicable to the Company for the year ended 30 June 2016.

Islamabad
30 September 2016



KPMG Taseer Hadi & Co.
Chartered Accountants
Engagement partner: Riaz Pesnani

Murree Brewery Company Limited

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE.

Name of Company Murree Brewery Co. Ltd.

Year Ended 30th June, 2016

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No.5.19 of Listing Regulations of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed Company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interest on its Board of Directors. At present the Board includes:

Category	Names
Independent Directors	Lt. Gen (R) Zarrar Azim Mr. Osman Khalid Waheed
Executive Director	Mr. Isphanyar M. Bhandara
Non-Executive Directors	Mr. Khurram Muzaffar Ch. Mueen Afzal Mr. Aamir H. Shirazi Mrs. Goshi M. Bhandara

The independent directors meet the criteria of independence under the clause 5.19.1(b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking Company, a Development Finance Institution (DFI), or a Non-Banking Finance Institution (NBF), and none are a member of stock exchange.
4. No casual vacancy occurred on the Board of Directors during the year ended June 30, 2016.
5. 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.

Murree Brewery Company Limited

6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies alongwith the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer (CEO), other executives and non executive directors, have been taken by the Board / shareholders.
8. The meetings of the Board were presided over by the Chairman and in his absence by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Board arranged regular training programs for its directors during the year.
10. The Company has a Company Secretary, Chief Financial Officer (CFO), and Head of Internal Audit. The Board has approved their appointments including their remuneration and terms & conditions of employment.
11. The Directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by the CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises four members, of whom three are non-executive directors and the Chairman of the Committee is an independent director.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has formed a Human Resource and Remuneration Committee. Its comprises three members, all of whom are non-executive directors.

Murree Brewery Company Limited

18. The Board has outsourced the internal audit function to M/s Ford Rhodes Sidat Hyder & Co. who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period' prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to the directors, employees and the stock exchange.
22. Material / price sensitive information has been disseminated among all market participants at once through the stock exchange(s).
23. We confirm that all other material principles enshrined in the CCG have been complied with.

Rawalpindi
30th September, 2016



Isphanyar M. Bhandara
Chief Executive

Murree Brewery Company Limited

AUDITORS' REPORT TO THE MEMBERS OF MURREE BREWERY COMPANY LIMITED

We have audited the annexed balance sheet of **Murree Brewery Company Limited** ("the Company") as at 30 June 2016 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion-
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the changes as stated in note 3.18 with which we concur;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, 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 2016 and of the profit, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980) was deducted by the Company and deposited in Central Zakat Fund established under section 7 of that Ordinance.

Islamabad
30 September 2016



KPMG Taseer Hadi & Co.
Chartered Accountants
Engagement partner: Riaz Pesnani

Murree Brewery Company Limited

Balance Sheet

As at 30 June 2016

	Note	2016 (Rs.'000)	2015 (Rs.'000)	Note	2016 (Rs.'000)	2015 (Rs.'000)
SHARE CAPITAL AND RESERVES						
Share capital	5	230,530	230,530		3,942,906	3,898,900
Reserves:					284,570	272,274
Capital reserve		30,681	30,681	13	9,910	7,516
Contingency reserve		20,000	20,000	14	323,497	-
General reserve		327,042	327,042	15	22,785	20,473
Unappropriated profit		5,189,816	4,193,571	16	4,583,668	4,199,163
		<u>5,567,539</u>	<u>4,571,294</u>			
		5,798,069	4,801,824			
NON - CURRENT ASSETS						
Property, plant and equipment	13					3,898,900
Investment property	14					272,274
Long term advances - considered good	15					7,516
Long term investment	16					-
Long term deposits						20,473
					<u>4,583,668</u>	<u>4,199,163</u>
CURRENT ASSETS						
Stores, spare parts and loose tools	17				106,572	87,212
Stock in trade	18				1,477,354	994,816
Trade debts - unsecured	19				57,736	24,383
Advances and other receivables - considered good	20				52,125	37,943
Short term prepayments					61,064	62,179
Short term investments	21				1,283,131	43,873
Advance tax	11				168,372	16,270
Cash and bank balances	22				1,701,696	3,013,619
					<u>4,908,050</u>	<u>4,280,295</u>
NON - CURRENT LIABILITIES						
Liabilities against assets subject to finance lease						
Deferred liabilities - staff retirement benefits	7	12,345	-			
Deferred taxation	8	176,286	113,042			
	9	88,649	106,073			
		<u>277,280</u>	<u>219,115</u>			
CURRENT LIABILITIES						
Current portion of liabilities against assets subject to finance lease	7	8,059	1,360			
Trade and other payables	10	836,374	830,068			
Provision for taxation	11	-	21,160			
		<u>844,433</u>	<u>852,588</u>			
		9,491,718	8,479,458		9,491,718	8,479,458
CONTINGENCIES AND COMMITMENTS						
	12					

The annexed notes 1 to 42 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR

Murree Brewery Company Limited

Profit And Loss Account

For the year ended 30 June 2016

Note	Liquor Division		Glass Division		Tops Division		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)
TURNOVER								
23	7,555,282	6,445,148	224,050	-	2,397,787	1,933,249	10,177,119	8,378,397
23.1	460,279	377,714	947,203	944,242	29,004	35,358	-	-
23.2	8,015,561	6,822,862	1,171,253	944,242	2,426,791	1,968,607	10,177,119	8,378,397
	(2,959,259)	(1,936,320)	(32,554)	-	(527,992)	(412,785)	(3,519,805)	(2,349,105)
	5,056,302	4,886,542	1,138,699	944,242	1,898,799	1,555,822	6,657,314	6,029,292
COST OF SALES								
24	(2,680,968)	(2,439,747)	(704,585)	(579,604)	(1,028,397)	(867,758)	(4,413,950)	(3,887,109)
	(936,876)	(937,360)	-	-	(499,609)	(419,954)	-	-
	(3,617,844)	(3,377,107)	(704,585)	(579,604)	(1,528,006)	(1,287,712)	(4,413,950)	(3,887,109)
GROSS PROFIT	1,438,458	1,509,435	434,114	364,638	370,793	268,110	2,243,364	2,142,183
25	(280,290)	(244,528)	(5,931)	(3,270)	(235,875)	(176,644)	(522,096)	(424,442)
26	(187,252)	(168,451)	(24,306)	(22,990)	(53,640)	(48,950)	(265,198)	(240,391)
27	(1,028)	(1,680)	(475)	(41)	(520)	(246)	(2,023)	(1,967)
	(468,570)	(414,659)	(30,712)	(26,301)	(290,035)	(225,840)	(789,317)	(666,800)
28	969,888	1,094,776	403,402	338,337	80,758	42,270	1,454,047	1,475,383
29							(108,100)	(109,412)
30	969,888	1,094,776	403,402	338,337	80,758	42,270	220,748	263,997
							1,566,695	1,629,968
							(415,884)	(633,885)
							1,150,811	996,083
Earnings per share - basic and diluted (Rupees)							49.92	43.21

The annexed notes 1 to 42 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR

Murree Brewery Company Limited

Statement of Comprehensive Income

For the year ended 30 June 2016

	Note	2016 (Rs.'000)	2015 (Rs.'000)
Net profit after taxation		1,150,811	996,083
<i>Items that will never be reclassified to profit or loss</i>			
Remeasurement on defined benefit obligation - gratuity	8.1	(50,066)	(31,384)
Remeasurement on defined benefit obligation - pension	10.5.1	(5,243)	19,431
		(55,309)	(11,953)
Related tax effect		16,593	3,586
Total other comprehensive income for the year - loss		(38,716)	(8,367)
Total comprehensive income for the year		1,112,095	987,716

The annexed notes 1 to 42 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR

Murree Brewery Company Limited

Cash Flow Statement

For the year ended 30 June 2016

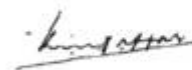
	Note	2016 (Rs.'000)	2015 (Rs.'000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit before taxation		1,566,695	1,629,968
Adjustments for non cash items:			
Depreciation	13	241,967	159,487
Provision for staff retirement benefits		21,755	20,438
Return on deposits	29	(155,111)	(189,554)
Dividend income	29	(7)	(3)
Asset written off		-	14,040
Finance cost	27	2,023	1,967
Unrealized gain on re-measurement of short term investments	29	(1,743)	(1,822)
Gain on remeasurment of investment property to fair value	29	(12,296)	(9,540)
Gain on sales of investment	29	(1,511)	-
Loss / (gain) on disposal of property, plant and equipment	29	9,169	(1,513)
		<u>104,246</u>	<u>(6,500)</u>
Operating profit before working capital changes		1,670,941	1,623,468
Increase in stores, spare parts and loose tools		(19,360)	(13,131)
Increase in stock in trade		(482,538)	(103,810)
Increase in trade debts - unsecured		(33,353)	(12,235)
(Increase) / decrease in advances and other receivables- considered good		(11,817)	25,487
Decrease / (increase) in short term prepayments		1,115	(54,883)
Increase in trade and other payables		13,876	76,246
		<u>(532,077)</u>	<u>(82,326)</u>
Cash generated from operations		1,138,864	1,541,142
Change in long term advances		(2,394)	(3,080)
Change in long term deposits		(2,312)	(1,015)
Finance cost paid		(2,023)	(1,967)
Staff retirement benefits paid		(11,185)	(11,584)
Income taxes paid	11	(589,977)	(732,071)
Net cash generated from operating activities		530,973	791,425
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	13	(301,371)	(372,627)
Proceeds on disposal of property, plant and equipment		6,229	9,883
Acquisition of investments		(1,609,517)	(8,000)
Proceeds from sale of investment		44,995	-
Return on deposits received		150,114	187,890
Dividends received	29	7	3
Net cash used in investing activities		(1,709,543)	(182,851)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of finance lease		(7,055)	(2,791)
Dividend paid		(126,298)	(116,995)
Net cash used in financing activities		(133,353)	(119,786)
Net (decrease) / increase in cash and cash equivalents		(1,311,923)	488,789
Cash and cash equivalents at beginning of the year		3,013,619	2,524,830
Cash and cash equivalents at end of the year		1,701,696	3,013,619

The annexed notes 1 to 42 form an integral part of these financial statements.



CHIEF EXECUTIVE

40



DIRECTOR

Murree Brewery Company Limited

Statement of Changes in Equity

For the year ended 30 June 2016

	Share capital (Rs.'000)	Capital reserve (Rs.'000)	General reserve (Rs.'000)	Contingency reserve (Rs.'000)	Unappropriated profit (Rs.'000)	Total equity (Rs.'000)
Balance at 01 July 2014	230,530	30,681	327,042	20,000	3,290,048	3,898,301
Total comprehensive income for the year	-	-	-	-	987,716	987,716
Surplus on revaluation of property, plant and equipment realized through depreciation for the year - net of deferred tax	-	-	-	-	44,999	44,999
Transferred from surplus on revaluation of property, plant and equipment on written off /disposal - net of deferred tax	-	-	-	-	9,126	9,126
	-	-	-	-	1,041,841	1,041,841
Transactions with owners, recorded directly in equity						
Final dividend for the year ended 30 June 2014 (Rs. 6.0 per share)	-	-	-	-	(138,318)	(138,318)
Balance as at 30 June 2015	230,530	30,681	327,042	20,000	4,193,571	4,801,824
Balance at 01 July 2015	230,530	30,681	327,042	20,000	4,193,571	4,801,824
Total comprehensive income for the year	-	-	-	-	1,112,095	1,112,095
Surplus on revaluation of property, plant and equipment realized through depreciation for the year - net of deferred tax	-	-	-	-	28,068	28,068
Transferred from surplus on revaluation of property, plant and equipment on written off /disposal - net of deferred tax	-	-	-	-	5,927	5,927
	-	-	-	-	1,146,090	1,146,090
Transactions with owners, recorded directly in equity						
Final dividend for the year ended 30 June 2015 (Rs. 6.5 per share)	-	-	-	-	(149,845)	(149,845)
Balance as at 30 June 2016	230,530	30,681	327,042	20,000	5,189,816	5,798,069

The annexed notes 1 to 42 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2016

1 THE COMPANY AND ITS OPERATIONS

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared on historical cost basis except the following material items in the balance sheet:

- certain classes of property, plant and equipment are measured at revalued amounts;
- investment property is measured at fair values;
- investment held for trading is measured at fair value; and
- liability and assets for defined benefit plans are measured on present values determined through actuarial valuation.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupee, which is the Company's functional and presentation currency. All amounts have been rounded off to nearest thousand.

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2016

2.4 Significant accounting estimates

The preparation of financial statements in conformity with the approved accounting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and 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 the judgments about 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 in the period in which the estimates are revised, if the revision effects only that period, or in the period of the revision and future periods if the revision effects both current and future periods.

Judgments made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in subsequent years are discussed in the ensuing paragraphs:

(a) Income taxes

The Company takes into account the current income tax law and decisions taken by the appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its view on items is of material nature is in accordance with law, the amounts are shown as contingent liabilities.

(b) Staff retirement benefits

Certain actuarial assumptions have been adopted for valuation of present value of defined benefit obligations and fair value of plan assets. Changes in these assumptions in future years may affect the liability under these schemes in those years..

(c) Property, plant and equipment and fair value of investment property

The Company reviews the useful life and residual values of property, plant and equipment on regular basis. Further, the Company reviews the value of the assets for possible impairment or possible adjustment in revalued amounts for assets which are carried at revalued amounts on regular basis. Fair value of the equipment is determined by the independent surveyor on the market value / existing use value method. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding affect on the depreciation charge, impairment, revaluation surplus and related deferred tax liability. Further the Company also carries out an exercise to determine fair value of investment property and any change in fair value is recognised in the profit and loss account.

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2016

(d) Stores, spare parts and loose tools and stock in trade including stocks under maturation

The Company reviews the value of inventory of stores, spare parts and loose tools and stock in trade including stocks under maturation for possible impairment or to determine adjustment to carry the inventory on net realizable value, on a regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of stores and spare parts and loose tools and stock in trade with a corresponding affect on the provision.

(e) Provision against trade debts and other receivables

The Company reviews its trade debts and other receivables to assess any amount of bad debts and provision required there against on regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective assets with a corresponding affect on profit and loss account.

(f) Investment at fair value through profit and loss account - held for trading

The fair value of held for trading investment is determined by reference to their quoted closing repurchase price at the reporting date. Any change in the estimates in future years might affect the carrying amounts of the respective assets with a corresponding affect on profit and loss account.

(g) Impairment of financial assets

In making an estimate of future cash flows of the Company's financial assets including investments in subsidiaries, associates and joint ventures, the management considers estimated cash flows and their terminal value for impairment testing.

(h) Impairment of non-financial assets

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated using criteria given in respective accounting standards to determine the extent of impairment loss, if any.

(i) Provision and contingencies

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost, if any.

Where 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, it is disclosed as contingent liability.

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2016

2.5 Application of new accounting standards

Following standards became applicable during the year, however, these standards are not relevant to the financial statements of the Company:

- a. IFRS 10 - Consolidated Financial Statements
- b. IFRS 11 - Joint Arrangements
- c. IFRS 12 - Disclosure of Interest in Other Entities
- d. IAS 27 - Separate Financial Statements
- e. IAS 28 - Investment in Associates and Joint Ventures

- a- IFRS 10 'Consolidated Financial Statements' became effective from financial periods beginning on or after 1 January 2015. IFRS 10 introduces a new control model, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. The Company has no investment in other entity. Accordingly, IFRS 10 is not relevant to the Company and its application has no effect on the financial statements of the Company.
- b- IFRS 11 'Joint Arrangements' is a replacement of IAS 31 'Interest in Joint Ventures' and modifies the accounting for joint arrangements. Under IFRS 11, the Company classifies its interests in joint arrangements as either joint operations or joint ventures depending on the Company's rights to the assets and obligations for the liabilities of the arrangements. When making this assessment, the Company considers the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances. The Company is not involved in any joint arrangements. Accordingly, IFRS 11 is not relevant to the Company and its application has no effect on the financial statements of the Company.
- c- IFRS 12 'Disclosure of Interest in Other Entities' became effective from financial periods beginning on or after 01 January 2015. The application of IFRS 12 does not have any impact on the financial statements of the Company.
- d- IAS 27 'Separate Financial Statements' (revised 2011) deals only with accounting for subsidiaries, associates and joint ventures in separate financial statements of the parent company. This standard does not have any impact on the Company's financial statements.
- e- IAS 28 'Investment in associates and joint ventures (revised 2011)' sets out the requirements of application of equity method of accounting when accounting for investment in associates and joint ventures. This standard does not have any impact on the Company's financial statements.

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2016

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except for changes mentioned in note 3.18 below:

3.1 Taxation

Income tax on profit or loss for the year comprises current and deferred taxation. Current and deferred tax is recognized in the profit and loss account except to the extent that it relates to items recognized directly in equity in which case it is recognized in equity or in other comprehensive income.

(a) Current

Taxation charged in the financial statements is based on taxable income at the current rates of taxation after taking into account tax rebates and tax credits available, if any and any adjustment to tax payable in respect of previous years.

(b) Deferred

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted.

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 substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. 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.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2016

3.2 Employee benefits

Salaries, wages and benefits are accrued in the period in which the associated services are rendered by the employees of the Company. The accounting policy for pension, provident fund, gratuity and compensated absences is described below:

(a) Defined contribution plan (Retirement benefit)

The Company operates a Provident Fund Trust for which the Company and the employees contribute equally @ 12% of the basic salaries of employees. The Company's contribution is charged to profit and loss account.

(b) Defined benefit plans (Retirement benefit)

The Company operates pension and gratuity plans for its eligible staff. The Pension Plan is funded while the Gratuity Plan is unfunded. 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. The liabilities under the plans are determined on the basis of actuarial valuations carried out by independent actuary using the Projected Unit Credit Method. Latest valuations of pension and gratuity were conducted as of 30 June 2016. Significant actuarial assumptions used for gratuity plan and pension plan are mentioned in notes 8.4 and 10.5.9 respectively.

(c) Compensated absences

The Company provides for compensated absences according to the Company's rules.

3.3 Property, plant and equipment

(a) Owned

These are stated at cost less accumulated depreciation and impairment losses, if any, except for:

- Land, which was revalued in 1991, 1992, 1995, 2002, 2007 and 2012 is stated at revalued figures.
- Buildings, which were revalued in 1991, 1992, 1995, 2002, 2007 and 2012 are stated at revalued figures less accumulated depreciation and impairment losses, if any.
- Plant and machinery which was revalued in 1991, 1992, 1995, 2002, 2007 and 2012 is stated at revalued amounts less accumulated depreciation and impairment losses, if any.

Surplus on revaluation of property, plant and equipment to the extent of the incremental depreciation charged on the related assets is transferred by the Company to un-appropriated profits (net of deferred tax).

Depreciation is charged to the profit and loss account using straight line method so as to write off the depreciable amount of the property, plant and equipment over their estimated useful lives at the rates specified in note 13. The Company charges depreciation on items to property, plant and equipment and assets subject to finance lease from the date asset is available for use till the date of its disposal.

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2016

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred. Gains and losses on disposals of property, plant and equipment are taken to profit and loss account.

Capital work in progress is stated at cost less impairment losses, if any and are transferred to the respective item of property, plant and equipment when available for intended use.

(b) Leased

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance lease. Assets acquired by way of finance lease are stated at amounts equal to the lower of their fair value and the present value of minimum lease payments at the inception of the lease less accumulated depreciation and impairment losses, if any. Outstanding obligations under the lease less finance charges allocated to the future periods are shown as liability. Value of leased assets is depreciated over the useful life of the asset using the straight line method at the rates given in note 13 to these financial statements.

3.4 Investment property

Investment property is a property held for either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is initially measured at cost on initial recognition and subsequently at fair value with change therein recognized in profit and loss account. Cost includes expenditure that is directly attributable to the acquisition of investment property.

3.5 Borrowing costs

Borrowing costs which are directly attributable to the acquisition, construction or production of qualifying asset are capitalized as part of the cost of that asset. Borrowing cost includes exchange differences arising from foreign currency borrowing to that extent these are regarded as an adjustment to borrowing costs. All other borrowing costs are charged to profit and loss account.

3.6 Stores, spare parts and loose tools

Stores, spare parts and loose tools are stated at lower of cost and net realizable value. Cost is determined using the weighted average method. Items in transit are valued at invoice price and related expenses incurred up to the balance sheet date. Net realizable value represents the estimated selling price in the ordinary course of business less selling expense.

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2016

3.7 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; and
- Cost of finished goods, based on weighted average method, includes prime cost 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 applicable production overhead. 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.

3.8 Revenue recognition

- Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.
- Return on deposits is accounted for on a time proportion basis using the effective rate of interest;
- Capital gains or losses on sale of investments are taken to the profit and loss account in the period in which they arise;
- Dividend income is recognized when the Company's right to receive the dividend is established; and
- Rental income is recognized as revenue on a straight-line basis over the term of the agreement. Rental income is recognized as other income.

3.9 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

3.10 Unearned income

Rental income received in advance from the tenant is shown as unearned income.

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2016

3.11 Foreign currency transactions

Transactions in foreign currencies are translated to the Pak Rupee at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year and the amortized cost in foreign currency translated at the exchange rate at the end of the year. Foreign currency differences arising on retranslation are recognized in profit and loss account.

3.12 Dividend appropriation

Dividends and other reserve movements are recognized in the financial statements in the period in which they are declared or appropriated.

3.13 Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, the assets' recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are recognized as expense in the profit and loss account.

(a) Financial assets

Financial asset not classified as at fair value through profit or losses assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security.

The Company considers evidence of impairment for financial assets measured at amortized cost at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2016

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit and loss account. When an event occurring after the impairment was recognized causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit and loss account.

(b) Non financial assets

The carrying amounts of the Company's non-financial assets other than investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU 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 or CGU. For 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 CGUs.

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 profit or loss. Where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed as a credit to the profit and loss account. Reversal of impairment loss is restricted to the original cost of asset.

3.14 Financial instruments

(a) Non-derivative financial assets

These are initially recognized on the date that they are originated i.e. trade date which is the date that the Company becomes a party to the contractual provisions of the instrument.

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or when the Company transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2016

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss and loans and receivables.

Investments at fair value through profit or loss - Held for trading

Investments which are acquired principally for the purpose of selling in the near term or the investments that are part of a portfolio of financial instruments exhibiting short term profit taking are classified as held for trading and designated as such upon initial recognition. These are stated at fair values with any resulting gains or losses recognized directly in the profit and loss account. The Company recognizes the regular way purchase or sale of investments using settlement date accounting.

Investments - available for sale

These are initially measured at their fair value plus directly attributable transaction cost and at subsequent reporting dates measured at fair values and gains or losses from changes in fair values other than impairment loss are recognized in other comprehensive income until disposal at which time these are recycled to profit or loss. Impairment loss on investments available for sale is recognized in the profit or loss.

Loans and receivables

Loans and receivables comprise investments classified as loans and receivables, deposits, advances, cash and cash equivalents and trade and other receivables.

Trade and other receivables

Trade and other receivable are stated initially at the fair value, subsequent to initial recognition these are stated at their fair value as reduced by appropriate provision for impairment. Known impaired receivables are written off, while receivables considered doubtful of recovery are fully provided for.

The allowance for doubtful accounts is based on the Company's assessment of the collectability of counterparty accounts. The Company regularly reviews its debts and receivables that remain outstanding past their applicable payment terms and establishes allowance and potential write-offs by considering factors such as historical experience, credit quality, age of the accounts receivable balances and current economic conditions that may affect a customer's ability to pay.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Company in the management of its short-term commitments.

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2016

(b) Non-derivative financial liabilities

The Company initially recognizes non derivative financial liabilities on the date that they are originated or the date that the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

These financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. Non derivative financial liabilities comprise markup bearing borrowings including obligations under finance lease, and trade and other payables.

3.15 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal 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.

3.16 Finance income and finance cost

Finance income comprises interest income on funds invested, dividend income, gain on sale of investments and changes in the fair value of investment held for trading. Interest income is recognized in profit or loss, using the effective interest method. Dividend income is recognized in profit or loss on the date that the Company's right to receive payment is established which is in the case of quoted securities is ex-dividend date.

Finance costs comprise interest expense on finance lease and bank charges. Mark up, interest and other charges on borrowings are charged to income in the period in which they are incurred. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.17 Segment reporting

The Company has three reportable segments which are the Company's strategic business units. Related disclosures are given in note 34 to the financial statements. Common expenses of the Company are allocated in reportable segments in the ratio of turnover of the respective segments.

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2016

3.18 Change in accounting policy

The Company has adopted IFRS 13 "Fair Value Measurement", which became applicable to annual financial statements for the period beginning on and after 01 January 2015. IFRS 13 establishes a single framework for measuring fair value and enhances or replaces the disclosure about fair value measurement. Further, it unifies the definition of fair values as 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 dates. This standards does not have significant impact on these financial statements, except for certain additional disclosures.

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

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2016:

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Company's financial statements.
- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 – Consolidated Financial Statements and IAS 28 – Investments in Associates and Joint Ventures) [effective for annual periods beginning on or after 1 January 2016) clarifies (a) which subsidiaries of an investment entity are consolidated; (b) exemption to present consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity; and (c) how an entity that is not an investment entity should apply the equity method of accounting for its investment in an associate or joint venture that is an investment entity. The amendments are not relevant to the Company's financial statements.
- Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2016) clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. The amendments are not relevant to the Company's financial statements.

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2016

- Amendment to IAS 27 'Separate Financial Statements' (effective for annual periods beginning on or after 1 January 2016) allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendment is not relevant to the Company's financial statements. IFRS 12 'Disclosure of Interests in Other Entities' (effective for annual periods beginning on or after 1 January 2015) combines the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities, into one place. The adoption of this standard is not likely to have an impact on the Company's financial statements.

- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction. The amendments are not relevant to the Company's financial statements.

- Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after 1 January 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments are not likely to have an impact on Company's financial statements.

- Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after 1 January 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.

- Amendments to IFRS 2 - Share-based Payment clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognised for new and outstanding awards. The amendments are not likely to have an impact on Company's financial statements.

Murree Brewery Company Limited

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For the year ended 30 June 2016

Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards Application of these amendments is not likely to have an impact on the Company's financial statements:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.
- IFRS 7 'Financial Instruments- Disclosures'. IFRS 7 is amended to clarify when servicing arrangements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety are in the scope of its disclosure requirements. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.
- IAS 19 'Employee Benefits'. IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.
- IAS 34 'Interim Financial Reporting'. IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements and disclosed elsewhere should be cross referred.

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2016

5 SHARE CAPITAL	2016	2015
	(Rs.'000)	(Rs.'000)
5.1 Authorized share capital	300,000	300,000

This represents 30,000,000 ordinary shares of Rs. 10 each (2015: 30,000,000 ordinary shares of Rs. 10 each). Also refer Note 40.

5.2 Issued, subscribed and paid up share capital

2016	2015		2016	2015
Number	Number		(Rs.'000)	(Rs.'000)
264,000	264,000	Ordinary shares of Rs. 10 each fully paid in cash	2,640	2,640
22,789,025	22,789,025	Ordinary shares of Rs. 10 each issued as bonus shares	227,890	227,890
23,053,025	23,053,025		230,530	230,530

5.3 M/s D.P. Edulji & Company (Private) Limited and M/s THS Kingsway Fund ("associated undertakings") hold 3,368,592 (2015: 3,368,592) and 5,877,731 (2015: 5,757,731) ordinary shares respectively of Rs.10 each at the balance sheet date. Further, directors hold 5,947,677 (2015: 5,947,677) ordinary shares of Rs.10 each at the reporting date.

6 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - net of tax

	2016	2015
	(Rs.'000)	(Rs.'000)
Balance at 1 July	2,639,629	2,722,898
Surplus on written off / disposal of property, plant and equipment	(8,467)	(14,040)
	2,631,162	2,708,858
Surplus transferred to unappropriated profit in respect of incremental depreciation charged during the year:		
- Surplus - Net of deferred tax liability	(28,068)	(44,999)
- Related deferred tax liability	(12,029)	(24,230)
	(40,097)	(69,229)
Surplus on revaluation of property, plant and equipment at 30 June	2,591,065	2,639,629
Related deferred tax liability:		
On revaluation surplus at 1 July	(33,698)	(70,954)
On property, plant and equipment disposed off during the year	2,540	4,914
Effect of tax rate change	-	8,112
On incremental depreciation charged during the year	12,029	24,230
	(19,129)	(33,698)
Balance at 30 June	2,571,936	2,605,931

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2016

7 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	Future minimum lease payments	Interest	Present value of minimum lease payments
	2016 (Rs.'000)	2016 (Rs.'000)	2016 (Rs.'000)
Less than one year	8,736	677	8,059
Between one and five years	12,463	118	12,345
	<u>21,199</u>	<u>795</u>	<u>20,404</u>
	2015 (Rs.'000)	2015 (Rs.'000)	2015 (Rs.'000)
Less than one year	1,455	95	1,360
Between one and five years	-	-	-
	<u>1,455</u>	<u>95</u>	<u>1,360</u>

- 7.1 The Company has leased vehicles from financial institutions. The lease term for these arrangements is 3 years and carry markup ranging from 7.36% to 8.98% (2015: 11.81% to 12.72%) per annum. The rentals are payable in thirty six monthly installments up to 02 November 2018 (2015: 11 June 2016). At the end of the lease term, the Company has the option to acquire the assets on payment of all installments and adjustment of lease key money.

8 DEFERRED LIABILITIES - STAFF RETIREMENT BENEFITS

	Note	2016 (Rs.'000)	2015 (Rs.'000)
Present value of defined benefit obligation - gratuity	8.1	<u>176,286</u>	<u>113,042</u>

8.1 Movement in present value of defined benefit obligation

Balance at 1 July		113,042	71,500
Expense for the year	8.2	21,018	18,480
Remeasurement loss recognised in other comprehensive income		50,066	31,384
Benefits paid during the year		(7,840)	(8,322)
Balance at 30 June		<u>176,286</u>	<u>113,042</u>

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2016

	Note	2016 (Rs.'000)	2015 (Rs.'000)
8.2	Expense recognized in profit and loss account is as follows:		
Current service cost		10,379	6,606
Interest cost		10,639	11,874
	8.3	21,018	18,480

8.3 Expense is recognized in the following line items in profit and loss account:

Cost of sales	14,713	12,936
Administrative expenses	6,305	5,544
	21,018	18,480

8.4 Key actuarial assumptions

Discount rate used for interest cost in profit and loss charge	9.75%	12.50%
Discount rate used for year end obligation	7.25%	9.75%
Salary increase used for year end obligation		
Salary increase FY 2016	N / A	9.75%
Salary increase FY 2017 - 2021	7.25%	9.75%
Salary increase FY 2022 onward	7.25%	9.75%
Date of next expected salary increase	01 July 2016	01 July 2015
Mortality rate	SLIC 2001-2005	SLIC 2001-2005
Withdrawal rates	Age - Based	Age - Based
Retirement assumption	Age 60	Age 60

8.5 For a change of 100 basis points, present value of defined benefit obligation as at 30 June 2016 would have been as follows:

	2016 Increase (Rs.'000)	2016 Decrease (Rs.'000)	2015 Increase (Rs.'000)	2015 Decrease (Rs.'000)
Discount rate	(164,896)	189,162	(103,973)	123,474
Salary increase rate	189,179	(164,665)	123,373	(103,895)

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Notes to the Financial Statements

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8.6 The Company's expected charge for defined benefit gratuity plan for the next year is Rs. 23.69 million.

8.7 Risk associated with defined benefit plan

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.

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.

	<u>2016</u>	<u>2015</u>
8.8 Weighted average duration of defined benefit obligation (years)	<u>7</u>	<u>9.13</u>

	<u>2016</u>	<u>2015</u>
	(Rs.'000)	(Rs.'000)
9 DEFERRED TAXATION		

Taxable temporary differences:

Surplus on revaluation of property, plant and equipment

Accelerated depreciation

(19,129)	33,698
167,202	117,908
148,073	151,606

Deductible temporary differences:

Provision for employee benefits, finance leases and others

(59,424)	(45,533)
88,649	106,073

9.1 Charge for the year has been allocated as follows:

Profit and loss account

Other comprehensive income

(831)	(30,922)
(16,593)	(3,586)
(17,424)	(34,508)

Murree Brewery Company Limited

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For the year ended 30 June 2016

10	TRADE AND OTHER PAYABLES	Note	2016	2015
			(Rs.'000)	(Rs.'000)
	Creditors	10.1	241,283	195,452
	Accrued liabilities		81,230	56,175
	Advances from customers		122,493	89,381
	Unpaid and unclaimed dividend	10.4	85,258	61,711
	Workers' (Profit) Participation Fund (WPPF)	10.2	93,351	111,706
	Withholding tax payable		1,636	1,461
	Sales tax payable - net		1,688	121,260
	Federal Excise Duty payable		28,252	18,121
	Export duty payable on PMFL and beer		110,821	110,821
	Workers' Welfare Fund (WWF)	10.3	32,016	33,265
	Payable to pension fund	10.5	1,389	-
	Zila tax payable		6,871	6,871
	Unearned income		4,693	4,147
	Other liabilities		25,393	19,697
			836,374	830,068

- 10.1** This includes Rs. 0.024 million (2015: Rs. 5.86 million) payable to an associated undertaking on account of services received for the sale of the Company's products. This balance is unsecured, interest free and payable on demand.

10.2	Workers' (Profit) Participation Fund (WPPF)	Note	2016	2015
			(Rs.'000)	(Rs.'000)
	Balance at 1 July		111,706	90,474
	Charge for the year	28	73,988	74,162
	Payments during the year		(92,343)	(52,930)
	Balance at 30 June		93,351	111,706

10.3	Workers' Welfare Fund (WWF)	Note	2016	2015
			(Rs.'000)	(Rs.'000)
	Balance at 1 July		33,265	29,015
	Charge for the year	28	32,016	33,265
	Advance income tax adjusted against workers' welfare fund	11	(33,265)	(29,015)
	Balance at 30 June		32,016	33,265

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- 10.4** This includes unpaid dividend of a Director of the Company amounting to Rs. 22.689 million (2015 : Rs. 14.85 million) against which dividend warrants are on hold due to matter under dispute being family litigation. The Lahore High Court, Rawalpindi Bench has granted stay orders vide civil original no. 5/2013 and 1/2014 directing the Company not to release dividend / bonus shares to Mrs. Goshi M Bhandara to the extent of shareholding of Mr. Isphanyar Bhandara and Mr. Jamsheed M Bhandara. These shares were in name of late Mr. M P Bhandara (Ex-Chief Executive Officer) of which the inheritance has not yet been divided by Mrs. Goshi M Bhandara.

This also includes unclaimed dividend of Rs. 18.43 million (2015: Rs. 11.99 million) to Mrs. Goshi M Bhandara, Director of the Company and Ms. Munizah Sidva. These dividend warrants remained unrepresented at the year end.

	Note	2016 (Rs.'000)	2015 (Rs.'000)
10.5 Payable to / (receivable from) pension fund		1,389	(1,246)
10.5.1 The movement in net liability / (asset) recognized is as follows:			
Balance at 1 July		(1,246)	19,489
Remeasurement loss recognized in other comprehensive income		5,243	(19,431)
Expense for the year	10.5.7	737	1,958
Contributions by the Company		(3,345)	(3,262)
Balance at 30 June		1,389	(1,246)
10.5.2 The amount recognized in the balance sheet is as follows:			
Present value of defined benefit obligation	10.5.3	35,344	33,050
Fair value of plan assets	10.5.4	(33,955)	(34,296)
Surplus / (deficit)		1,389	(1,246)
10.5.3 The movement in the present value of defined benefit obligation is as follows:			
Present value of defined benefit obligation at beginning of the year		33,050	47,822
Current service cost recognized during the year		1,044	911
Interest cost recognized during the year		3,368	4,547
Benefits paid during the year		(1,942)	(1,894)
Remeasurement gain		(176)	(18,336)
Present value of defined benefit obligation at end of the year		35,344	33,050

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	Note	2016 (Rs.'000)	2015 (Rs.'000)
10.5.4 The movement in the present value of plan assets are as follows:			
Fair value of plan assets at beginning of the year		34,296	28,333
Contributions paid into the plan		3,345	3,263
Expected return on plan assets		3,675	3,500
Benefits paid by the plan		(1,942)	(1,894)
Remeasurement loss		(5,419)	1,094
Fair value of plan assets at end of the year	10.5.8	33,955	34,296
10.5.5 The Company's expected charge to contribute to defined benefit pension plan during the next year is Rs. 0.84 million.			
10.5.6 Actual (loss)/return on plan assets during the year was Rs. 1.744 million (2015: Rs. 4.595 million).			
		2016 (Rs.'000)	2015 (Rs.'000)
10.5.7 Expense recognized in profit and loss account:			
Current service cost		1,044	911
Interest cost on defined benefit obligation		3,368	4,547
Interest income on plan assets		(3,675)	(3,500)
		737	1,958
10.5.8 Plan assets comprise of:			
Units in open end funds		8,479	7,702
Defense saving certificates		24,973	26,434
Cash at banks		503	160
		33,955	34,296
10.5.9 Key actuarial assumptions			
Discount rate used for interest cost in profit and loss charge		10.50%	13.00%
Discount rate used for year end obligation		9.00%	13.00%
Salary increase used for year end obligation			
Salary increase FY 2016		N / A	10.50%
Salary increase FY 2017-2021		9.00%	10.50%
Salary increase FY 2022 onward		9.00%	10.50%
Next expected salary increase		01 July 16	01 July 15
Mortality rate		SLIC 2001-2005	SLIC 2001-2005
Withdrawal rates		Age - Based	Age - Based
Retirement assumption		Age 60	Age 60

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10.5.10 For a change of 100 basis points, present value of defined benefit obligation as at 30 June 2016 would have been as follows:

	2016	2016	2015	2015
	Increase	Decrease	Increase	Decrease
	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)
Discount rate	<u>31,468</u>	<u>40,061</u>	<u>29,981</u>	<u>36,778</u>
Salary increase rate	<u>37,117</u>	<u>33,757</u>	<u>34,762</u>	<u>31,522</u>

10.5.11 Risk associated with defined benefit plan

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.

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

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

	<u>2016</u>	<u>2015</u>
Weighted average duration of defined benefit obligation (years)	<u>12</u>	<u>12</u>

Murree Brewery Company Limited

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	Note	2016 (Rs.'000)	2015 (Rs.'000)
11 TAX REFUNDABLE / PROVISION FOR TAXATION - net			
Advance tax at 01 July		16,270	16,270
Tax refundable at the year end	11.1	152,102	-
Advance tax at 30 June		168,372	16,270
11.1			
Movement in the provision for taxation during the year is as follows:			
Tax payable at beginning of the year		21,160	59,409
Provision for taxation - current	30	443,117	623,689
Provision for taxation - prior year		(26,402)	41,118
Income tax paid during the year		(623,242)	(732,071)
Income tax adjusted against workers' welfare fund	10.3	33,265	29,015
Tax (refundable) / payable at end of the year	11	(152,102)	21,160

12 CONTINGENCIES AND COMMITMENTS

(a) Contingencies:

12.1 The Company is contingently liable in respect of guarantees amounting to Rs. 48.717 million (2015: Rs. 58.3 million) issued by banks on behalf of the Company in normal course of business.

12.2 In September 2014, the Federal Government promulgated Gas Infrastructure Development Cess (GIDC) Ordinance No.VI of 2014 to circumvent earlier decision of the Honorable Supreme Court on the subject, where it upheld that the earlier introduction of GIDC Act of 2011 was unconstitutional and ultra vires on the ground that GIDC was a 'Fee' and not a 'tax'. Government of Pakistan has enacted GIDC Act, 2015 during May 2015 which, including retrospective treatment of the provision of the GIDC Act, has been challenged by the Company through a writ petition in the Lahore High Court. The Court has granted stay against charging of the GIDC under the GIDC Act, 2015. The Company has not made provision of GIDC amounting to Rs. 116.81 million (2015: Rs. 76 million) in financial statements as the management is confident that the eventual decision will be in favour of the Company.

12.3 For contingencies related to tax matters - Refer note 30.2, 30.3 and 30.4.

(b) Commitments:

12.4 The Company has opened Letters of Credit amounting to Rs. 45.9 million (inclusive of the amount of contractual commitments given in note 12.5) for the import of machinery and inventory items valuing approximately Rs. 57.26 million (2015: Rs. 92.6 million).

12.5 The Company's contracted capital commitments outstanding at the reporting date amounted to Rs. 24.25 million (2015: Rs. 7.6 million).

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13 PROPERTY, PLANT AND EQUIPMENT

	Owned										Leased	Grand Total (Rs.'000)
	Freehold land (Rs.'000)	Leasehold land (Rs.'000)	Buildings on freehold land (Rs.'000)	Plant, machinery and equipment (Rs.'000)	Furniture, fixtures, computers and equipment (Rs.'000)	Motor vehicles (Rs.'000)	Capital work in progress (Rs.'000)	Sub total (Rs.'000)	Motor vehicles (Rs.'000)	Sub total (Rs.'000)	Motor vehicles (Rs.'000)	
Original cost /												
reassessed value												
At 1 July 2014	2,499,151	30,500	148,060	975,095	19,432	93,703	302,844	4,068,785	8,981	4,077,766		4,077,766
Additions	40,036	-	12,702	97,607	1,075	26,209	194,998	372,627	-	372,627		372,627
Transfers / adjustment	-	-	-	1,710	-	6,597	(5,175)	3,132	(3,132)	-		-
Disposals	-	-	-	(140)	-	(16,587)	-	(16,727)	-	(16,727)		(16,727)
Write-offs	-	-	-	(95,908)	-	-	-	(95,908)	-	(95,908)		(95,908)
At 30 June 2015	2,539,187	30,500	160,762	978,364	20,507	109,922	492,667	4,331,909	5,849	4,337,758		4,337,758
At 1 July 2015	2,539,187	30,500	160,762	978,364	20,507	109,922	492,667	4,331,909	5,849	4,337,758		4,337,758
Additions	-	-	20,959	197,470	1,425	10,705	44,713	275,272	26,099	301,371		301,371
Transfers / adjustment	-	-	67,271	434,323	-	1,537	(501,594)	1,537	(1,537)	-		-
Disposals	-	-	-	(33,330)	-	(7,221)	-	(40,551)	-	(40,551)		(40,551)
At 30 June 2016	2,539,187	30,500	248,992	1,576,827	21,932	114,943	35,786	4,568,167	30,411	4,598,578		4,598,578
Depreciation												
At 1 July 2014	-	-	29,541	256,303	14,398	65,611	-	365,853	3,744	369,597		369,597
Transfers / adjustment	-	-	-	-	-	2,062	-	2,062	(2,062)	-		-
Charge for the year	-	-	14,994	130,472	1,035	11,345	-	157,846	1,641	159,487		159,487
Disposals	-	-	-	(140)	-	(8,218)	-	(8,358)	-	(8,358)		(8,358)
Write-offs	-	-	-	(81,868)	-	-	-	(81,868)	-	(81,868)		(81,868)
At 30 June 2015	-	-	44,535	304,767	15,433	70,800	-	435,535	3,323	438,858		438,858
At 1 July 2015	-	-	44,535	304,767	15,433	70,800	-	435,535	3,323	438,858		438,858
Transfers / adjustment	-	-	-	-	-	947	-	947	(947)	-		-
Charge for the year	-	-	21,171	205,721	1,122	12,075	-	240,089	1,878	241,967		241,967
Disposals	-	-	-	(20,341)	-	(4,812)	-	(25,153)	-	(25,153)		(25,153)
At 30 June 2016	-	-	65,706	490,147	16,555	79,010	-	651,418	4,254	655,672		655,672
Carrying amounts												
- 30 June 2016	2,539,187	30,500	183,286	1,086,680	5,377	35,933	35,786	3,916,749	26,157	3,942,906		3,942,906
- 30 June 2015	2,539,187	30,500	116,227	673,597	5,074	39,122	492,667	3,896,374	2,526	3,898,900		3,898,900
Depreciation rate per annum	-	-	5-10%	10-20%	10-33%	20%	-	-	-	20%		-

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- 13.1** The Company had its land and buildings revalued in 1991, 1992, 1995, 2002, 2007 and 2012 by independent valuers on market value basis and plant and machinery in 1991, 1992, 1995, 2002, 2007 and 2012 by independent valuers on replacement cost basis. These revaluations resulted in net surplus of Rs. 21.58 million, Rs. 38.48 million, Rs. 15.4 million, Rs. 376.9 million, Rs. 2,107.83 million and Rs. 551.64 million respectively.
- 13.2** 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 comes to Rs. 2,523,240. 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.
- 13.3** Had there been no revaluations, related figures of the revalued assets would have been as follows:

	Cost	Accumulated depreciation	Written down value
	(Rs.'000)	(Rs.'000)	(Rs.'000)
Land	42,384	-	42,384
Buildings	233,600	(83,127)	150,473
Plant and machinery	1,862,105	(806,374)	1,055,731
2016	2,138,089	(889,501)	1,248,588
2015	1,422,264	(702,381)	719,883

- 13.4** Depreciation charge has been allocated as follows:

	Note	2016 (Rs.'000)	2015 (Rs.'000)
Cost of sales	24	219,186	139,095
Distribution cost	25	4,157	3,524
Administrative expenses	26	18,625	16,868
		241,968	159,487

- 13.5** Detail of capital work in progress is as follows:

Plant and machinery	-	472,985
Civil works	30,428	19,682
Others	5,358	-
	35,786	492,667

Murree Brewery Company Limited

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13.6 Detail of property, plant and equipment disposed off during the year:

		Original cost / revalued amount	Book value	Sale proceeds	(Loss) / gain	Sold to	
Note		(Rs. '000)					
Vehicles							
	13.6.1	878	63	640	577	Mr. Muddasar Baig	
	13.6.2	1,400	547	860	313	Mr. Manzoor Alam Shah	
	13.6.2	630	246	387	141	Mr. Ghulam Fareed	
	13.6.2	1,279	512	786	274	Mr. Zaka ud Din	
	13.6.2	645	285	387	102	Mr. Rehan Akhtar	
	13.6.2	1,021	441	620	179	Mr. Fayyaz Ahmed	
	13.6.2	640	243	393	150	Mr. Muhammad Ali	
Plant & Machinery							
	13.6.1	6,554	824	108	(716)	Mr. Abdul Wahab Kabaria	
	13.6.1	3,960	562	49	(513)	Mr. Abdul Wahab Kabaria	
	13.6.1	244	55	22	(33)	Mr. Abdul Wahab Kabaria	
	13.6.1	1,527	596	63	(533)	Mr. Abdul Wahab Kabaria	
	13.6.1	14,324	7,574	996	(6,578)	AZ Engineering Lahore	
	13.6.1	3,662	1,937	255	(1,682)	AZ Engineering Lahore	
	13.6.1	1,874	991	130	(861)	AZ Engineering Lahore	
	13.6.1	440	243	32	(211)	AZ Engineering Lahore	
	13.6.1	366	129	24	(105)	S.T Technologies	
		Aggregate value of other items with individual book value not exceeding Rs. 50,000	1,107	150	477	327	
	2016	40,551	15,398	6,229	(9,169)	Also refer note 29	
	2015	16,727	8,370	9,883	1,513	Also refer note 29	

13.6.1 This disposal is made through tender.

13.6.2 These disposals are made to executives of the Company as per the Company's policy.

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2016

	Note	2016 (Rs.'000)	2015 (Rs.'000)
14 INVESTMENT PROPERTY			
Balance at 1 July		272,274	262,734
Gain on remeasurment of investment property to fair value	29	12,296	9,540
		<u>284,570</u>	<u>272,274</u>

- 14.1** The investment properties are lands and building held for capital appreciation and to earn rental income. On 28 June 2016, an exercise was carried out by an independent valuer to ascertain the fair value of investment property. Based on the exercise, surplus on remeasurment of investment property of Rs. 12.3 million has been recognised during the year.

	Note	2016 (Rs.'000)	2015 (Rs.'000)
15 LONG TERM ADVANCES - CONSIDERED GOOD			
To employees		11,813	10,805
Less: Due within one year, shown under current assets	20	(1,903)	(3,289)
		<u>9,910</u>	<u>7,516</u>

- 15.1** Long term advances include advances of Rs. 4.97 million (2015: Rs. 4.2 million) to executives. Movement of advances to executives during the year is as follows:

	2016 (Rs.'000)	2015 (Rs.'000)
Balance at 1 July	4,152	318
Disbursements during the year	1,316	5,626
Repayments during the year	(502)	(1,792)
Balance at 30 June	<u>4,966</u>	<u>4,152</u>

- 15.2** These advances carry interest @ 11% per annum (2015: 11% per annum) and are repayable in periods up to three years. The maximum amount of loans and advances to executives outstanding at the end of any month during the year was Rs. 4.9 million (2015: 4.15 million).

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For the year ended 30 June 2016

		2016	2015
		(Rs.'000)	(Rs.'000)
16	LONG TERM INVESTMENT - available for sale		
	Pakistan Investment Bonds (PIBs)	323,497	-
	PIBs with 10 years tenure having aggregate fair value of Rs. 323 million are due to mature with a period of 10 years. Profit is payable of half yearly basis with coupon rates of 8.75% per annum with maturity date of 22 April 2026.		
		2016	2015
		(Rs.'000)	(Rs.'000)
17	STORES, SPARE PARTS AND LOOSE TOOLS		
	Stores	87,925	41,237
	Spare parts and loose tools	18,647	45,975
		106,572	87,212
18	STOCK IN TRADE		
	Raw material	909,936	495,884
	Provision for stock obsolescence	(1,767)	(1,767)
		908,169	494,117
	Work in process	68,666	76,668
	Stock under maturation	250,398	265,100
	Finished goods	249,898	99,846
	Goods in transit	223	59,085
		1,477,354	994,816
18.1	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.		

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For the year ended 30 June 2016

	Note	2016 (Rs.'000)	2015 (Rs.'000)
19	TRADE DEBTS - UNSECURED		
Considered good		57,736	24,383
Considered doubtful		2,424	2,424
		<u>60,160</u>	<u>26,807</u>
Less: Provision for doubtful debts		(2,424)	(2,424)
		<u>57,736</u>	<u>24,383</u>
20	ADVANCES AND OTHER RECEIVABLES - CONSIDERED GOOD		
Advances to employees - secured		9,107	5,384
Current portion of long term advances - secured	15	1,903	3,289
Advances to suppliers		34,329	26,235
Interest accrued		6,786	1,789
Receivable from pension fund		-	1,246
		<u>52,125</u>	<u>37,943</u>
21	SHORT TERM INVESTMENTS		
Investments at fair value through profit or loss - Held for trading			
Shares of listed companies		370	388
Mutual funds		1,251,761	32,785
Loans and receivables			
Term deposit receipts	21.1	31,000	10,700
		<u>1,283,131</u>	<u>43,873</u>

21.1 Effective interest rate on TDRs was 5.5% per annum (2015: 10% per annum).

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For the year ended 30 June 2016

	Note	2016 (Rs.'000)	2015 (Rs.'000)
22 CASH AND BANK BALANCES			
Cash in hand		3,874	4,202
Cash at banks:			
- local currency current accounts		471,409	380,298
- local currency saving accounts	22.1	1,193,465	2,596,597
- foreign currency saving account	22.2	32,948	32,522
		1,697,822	3,009,417
		1,701,696	3,013,619

22.1 These carry interest ranging from 5% to 6% (2015: 5.5% to 7%) per annum.

22.2 This carries interest @ 0.06 % per annum (2015: 0.06% per annum).

22.3 Unavailed financing facilities

At the reporting date, the Company had two unavailed short term finance facilities available from scheduled banks as mentioned below:

- (a) Facility amounting to Rs. 35 million (2015: Rs. 35 million) from Bank Alfalah Limited, Rawalpindi. This facility is available till 30 April 2017 and carries mark up at the rate of 6 months' KIBOR plus 1% (2015: 6 months' KIBOR plus 1%) per annum. Principle 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. 150 million.
- (b) Facility amounting to Rs. 200 million (2015: Rs. 200 million) from Askari Bank Limited. This facility is available till 31 October 2016 and carries mark up at the rate of 3 months' KIBOR plus 1% (2015: 3 months' KIBOR plus 1%) per annum. It is secured against first hypothecation charge by way of equitable mortgage amounting to Rs. 267 million over four bungalows, two buildings and open land measuring 29 kanals and 13 marlas at National Park Road, Rawalpindi.
- (c) Facilities of letters of guarantee and letters of credit amounting to Rs. 10 million (2015: Rs.10 million) and Rs. 350 million (2015: Rs. 165 million) from Bank Alfalah Limited respectively are available to the Company. 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.
- (d) Facilities of letters of guarantee and letters of credit amounting to Rs. 50 million (2015: Rs.50 million) and Rs. 200 million (2015: Rs. 200 million) from Askari Bank Limited respectively are available to the Company. Facilities of letters of guarantee and letters of credit are secured against 100% cash margin and lien on import documents respectively.

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	Liquor Division		Glass Division		Tops Division		Total	
	2016 (Rs. '000)	2015 (Rs. '000)	2016 (Rs. '000)	2015 (Rs. '000)	2016 (Rs. '000)	2015 (Rs. '000)	2016 (Rs. '000)	2015 (Rs. '000)
23 THIRD PARTY SALES - net								
Sales	7,685,346	6,537,128	224,050	-	2,509,075	2,014,454	10,418,471	8,551,582
Less: Discounts	(130,064)	(91,980)	-	-	(111,288)	(81,205)	(241,352)	(173,185)
	7,555,282	6,445,148	224,050	-	2,397,787	1,933,249	10,177,119	8,378,397
23.1 Interdivisional sales are at normal selling prices.								
23.2 Duties and taxes								
Sales tax	1,592,767	1,481,926	32,554	-	441,835	357,026	2,067,156	1,838,952
Excise duty	1,366,492	454,394	-	-	86,157	55,759	1,452,649	510,153
	2,959,259	1,936,320	32,554	-	527,992	412,785	3,519,805	2,349,105
23.3 This includes freight of Rs. 130.08 million (2015 : Rs. 101.8 million) as the Company sold products on delivered basis as per market practices of the comparable industries.								
24 COST OF SALES								
24.1 Raw materials consumed								
Stores and spares consumed	3,070,118	2,974,808	309,544	200,955	1,397,230	1,145,649	4,776,892	4,321,412
Fuel and power	27,332	21,449	68,279	41,492	671	343	96,282	62,984
Salaries, wages and other benefits	177,961	143,154	169,920	166,573	29,644	32,520	377,525	342,247
Repairs and maintenance	228,578	135,129	70,522	53,481	63,209	58,174	362,309	246,784
Property, plant and equipment written off	27,707	32,702	54,394	23,840	18,738	27,539	100,839	84,081
Depreciation	-	-	-	14,040	-	-	-	14,040
Other manufacturing expenses	60,825	54,087	130,874	58,030	27,487	26,978	219,186	139,095
	14,607	14,159	19,138	12,684	11,004	4,877	44,750	31,720
	3,607,128	3,375,188	822,671	571,095	1,547,983	1,296,080	5,977,783	5,242,363
Work in process including stock under maturation								
Opening stock at 1 July	337,721	341,251	-	765	4,047	4,076	341,768	346,092
Closing stock at 30 June	(303,653)	(337,721)	(1,445)	-	(13,966)	(4,047)	(319,064)	(341,768)
	34,068	3,530	(1,445)	765	(9,919)	29	22,704	4,324
Cost of goods manufactured	3,641,196	3,378,718	821,226	571,860	1,538,064	1,296,109	6,000,487	5,246,687
Finished goods								
Opening stock at 1 July	44,059	42,448	960	8,704	54,827	46,430	99,846	97,582
Closing stock at 30 June	(67,411)	(44,059)	(117,601)	(960)	(64,885)	(54,827)	(249,897)	(99,846)
	(23,352)	(1,611)	(116,641)	7,744	(10,058)	(8,397)	(150,051)	(2,264)
Less: Inter divisional transfers	3,617,844	3,377,107	704,585	579,604	1,528,006	1,287,712	5,850,436	5,244,423
	(936,876)	(937,360)	-	-	(499,699)	(419,954)	(1,436,486)	(1,357,314)
	2,680,968	2,439,747	704,585	579,604	1,028,397	867,758	4,413,950	3,887,109
24.1 Raw materials consumed								
Opening stock at 1 July	291,053	301,367	14,824	10,615	188,240	135,350	494,117	447,332
Purchases	3,466,710	2,964,494	311,700	205,164	1,412,535	1,198,539	5,190,945	4,368,197
Closing stock at 30 June	(687,645)	(291,053)	(16,980)	(14,824)	(203,544)	(188,240)	(908,169)	(494,117)
	3,070,118	2,974,808	309,544	200,955	1,397,231	1,145,649	4,776,893	4,321,412

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	Note	2016 (Rs.'000)	2015 (Rs.'000)
25 DISTRIBUTION COST			
Advertisement and publicity		91,244	86,140
Salaries, wages and other benefits	26.1	93,188	65,252
Selling expenses		74,376	63,596
Samples		13,466	11,464
Sales promotion		83,894	55,224
Freight		23,384	12,647
Depreciation	13.4	4,157	3,524
Service charges and commission to M/s D.P. Edulji Limited, an associated undertaking		86,168	88,899
Others		52,219	37,696
		522,096	424,442
26 ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits	26.1	137,997	136,168
Travelling and conveyance		5,891	5,360
Printing and stationery		5,689	6,515
Repairs and maintenance		12,715	12,455
Fuel and power		16,823	14,915
Directors' fees and travelling		1,027	943
Communication		6,318	5,204
Entertainment		7,238	5,418
Advertisement		775	1,044
Legal and professional		5,908	6,357
Security		14,522	3,788
Subscriptions and periodicals		236	292
Donations	26.2	2,080	3,871
Training		167	107
Insurance		5,901	4,166
Rent, rates and taxes		9,720	8,300
Depreciation	13.4	18,625	16,868
Others		13,566	8,619
		265,198	240,390

26.1 This includes staff retirement benefits amounting to Rs. 21.75 million (2015: Rs. 20.43 million).

26.2 Donations include Rs. 1 million paid to Bhandara Foundation, located at 10 Commercial Building, Shahrah-e-Quaid-i-Azam, Lahore, in which Chief Executive of the Company is a Trustee.

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For the year ended 30 June 2016

	Note	2016 (Rs.'000)	2015 (Rs.'000)
27 FINANCE COST			
Finance charge on leased assets		631	327
Bank charges		1,308	580
Bank guarantee commission		84	1,060
		<u>2,023</u>	<u>1,967</u>
28 OTHER EXPENSES			
Workers' (Profit) Participation Fund (WPPF)	10.2	73,988	74,162
Workers' Welfare Fund (WWF)	10.3	32,016	33,265
Auditors' remuneration	28.1	996	955
Internal audit fee		1,100	1,030
		<u>108,100</u>	<u>109,412</u>
28.1 Auditors' remuneration			
Annual audit fee		770	670
Half yearly review		165	200
Other certifications		61	85
		<u>996</u>	<u>955</u>
29 OTHER INCOME			
Income from financial assets:			
Dividend income		7	3
Interest on advances		255	585
Gain on sale of investments		1,511	-
Unrealized gain on remeasurement of short term investments		1,743	1,822
Return on deposit and saving accounts		155,111	189,554
Realized exchange gain		681	1,104
		<u>159,308</u>	<u>193,068</u>
Income from assets other than financial assets:			
(Loss) / gain on disposal of property, plant and equipment	13.6	(9,169)	1,513
Gain on remeasurement of investment property to fair value	14	12,296	9,540
Rental income		12,598	11,301
Sale of by-products		13,167	13,066
Miscellaneous receipts		32,548	35,509
		<u>220,748</u>	<u>263,997</u>

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	Note	2016 (Rs.'000)	2015 (Rs.'000)
30 PROVISION FOR TAXATION			
Current taxation			
Prior year		(26,402)	41,118
Current year	11	443,117	623,689
Deferred		(831)	(30,922)
	30.1	<u>415,884</u>	<u>633,885</u>
30.1 Reconciliation of tax charge for the year			
Accounting profit before taxation		<u>1,566,695</u>	<u>1,629,968</u>
Tax rate		32%	33%
Tax on accounting profit		501,342	537,889
Tax effect of income taxable at lower rates		(1,789)	(1,069)
Prior year charge		(26,402)	41,118
Effect of super tax		44,437	51,166
Effect of change in tax rates		-	(5,154)
Effect of rebates		(75,319)	-
Others		(26,385)	9,935
Tax expense for the year		<u>415,884</u>	<u>633,885</u>

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

30.3 The Company was issued the Order of Rs. 51 million of the short tax paid along with default surcharge, by the Assistant Commissioner Inland Revenue (CIR), Islamabad U/S 161/205 of Income Tax Ordinance 2001, for tax year 2012. Against this Order, the Company filed an appeal before CIR (Appeals) on the grounds that the demand was illegal, arbitrary and department did not provide proper opportunity of being heard to the Company. Finally, the case was remanded back by the CIR (Appeals) vide Order dated 29 April 2016, deleting the aforesaid demand and the assessment may be made afresh by the department.

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- 30.4** The Deputy Commissioner Large Tax Payers Unit (LTU) Islamabad issued order on 6 June 2016 stating therein that the Company allegedly made inadmissible, unlawful, illegal adjustments of input tax and short deposit of sales tax on various heads, thus the demand raised was amounted to Rs. 107.607 million alongwith the default surcharge and penalty. Against this Order, the Company filed an appeal before CIR (Appeals) who vide its Order dated 29 July 2016, remanded back the matter of input tax adjustment and provincial input, both amounting to Rs. 23.85 million whereas upheld the remaining demand. Against CIR (Appeals) Order, the Company has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) on 8 August 2016 and also obtained stay from ATIR on 10 August 2016, against the recovery from FBR of the alleged demand. The case is not yet fixed for hearing before ATIR. Management of the Company believes a favourable outcome of this matter and accordingly provision has not been recognised in the financial statements against this demand.

31 EARNINGS PER SHARE - Basic and diluted

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

	2016	2015
Net profit for the year (Rs.'000)	1,150,811	996,083
Weighted average number of shares (Numbers)	23,053,025	23,053,025
Earnings per share (Rupees)	49.92	43.21

Murree Brewery Company Limited

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32 REMUNERATION OF CHIEF EXECUTIVE OFFICER AND DIRECTORS

The aggregate amounts charged in the year for remuneration including benefits and perquisites, to Chief Executive Officer (CEO) were as follows:

	2016	2015
	Rs.'000	Rs.'000
Managerial remuneration	4,192	4,000
Medical benefit	547	450
Provident fund contributions	273	6
Other perquisites and benefits:		
Bonus	3,226	3,226
Travelling expense	231	385
Compensated absences	243	208
	8,712	8,275

- In addition to above free furnished accommodation and the Company maintained cars are also provided to CEO. Gratuity is payable to CEO in accordance with the terms of employment while contribution for CEO in respect of gratuity and pension are based on actuarial valuation.
- Directors of the Company were not paid any remuneration during the year except for the meeting fee of Rs. 330,000 (2015: Rs. 370,000), number of Directors: 6 (2015: 6).

33 REMUNERATION OF EXECUTIVES

Remuneration paid to executives of the Company during the year is as follows:

	2016	2015
	(Rs.'000)	(Rs.'000)
Managerial remuneration	14,665	14,752
Provident fund contribution	607	374
House rent allowance	3,177	3,070
Compensated absences	554	656
Bonus	6,556	6,371
	25,559	25,223
Number of executives	8	8

In addition to the above executives are provided with Company maintained vehicles and medical expenses as per the Company's policy. Gratuity is payable to executives in accordance with the terms of employment while contribution for executives in respect of gratuity and pension are based on actuarial valuation.

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34 SEGMENT INFORMATION

34.1 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. For each of the business units, the audit committee of the Board of Directors and the Company's CEO along with the Chief Financial Officer (CFO) reviews internal management reports on at least quarterly basis. These segments have been identified on the basis of business namely Liquor Division, Glass Division and Tops Division. Main products of each segment are as follows:

Liquor Division:	Alcoholic and Non-Alcoholic beverage
Tops Division:	Food products, juices and mineral water
Glass Division:	Glass bottles and jars

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 3.17.

Information regarding the results of each reportable segment is given in the profit and loss account and related notes. 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. Inter-segment pricing is determined on an arm's length basis.

34.2 Information about reportable segments

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

		Liquor Division	Glass Division	Tops Division	Unallocated	Total
		(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)
Assets	2016	6,258,337	763,089	887,257	1,583,036	9,491,719
	2015	6,928,667	698,561	808,358	43,873	8,479,459
Liabilities	2016	790,608	59,793	181,852	89,462	1,121,715
	2015	793,756	39,862	132,011	106,073	1,071,702

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(b) Other details of reportable segments are as follows:

		Liquor Division	Glass Division	Tops Division	Unallocated	Total
		(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)
(i) Non current assets - additions						
Property, plant and equipment	2016	228,259	49,075	24,037	-	301,371
	2015	157,848	186,205	19,930	-	363,983
(ii) Other material items						
External revenue	2016	7,555,282	224,050	2,397,787	-	10,177,119
	2015	6,445,148	-	1,933,249	-	8,378,397
Inter-segment revenue	2016	460,279	947,203	29,004	-	1,436,486
	2015	377,714	944,242	35,358	-	1,357,314
Interest income	2016	-	-	-	155,366	155,366
	2015	-	-	-	189,554	189,554
Depreciation	2016	76,030	130,967	34,970	-	241,967
	2015	67,609	58,127	33,752	-	159,487

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

	2016 (Rs.'000)	2015 (Rs.'000)
(i) Revenues		
Total revenue for reportable segments	11,613,605	9,735,711
Elimination of inter-segment revenue	(1,436,486)	(1,357,314)
Consolidated revenue	10,177,119	8,378,397
(ii) Profit or loss		
Total profit or loss for reportable segments	1,454,048	1,475,383
Unallocated amounts - Other expenses	(108,100)	(109,412)
Unallocated amounts - Other operating income	220,748	263,997
Net profit before taxation	1,566,696	1,629,968
(iii) Assets		
Total assets for reportable segments	7,908,683	8,435,586
Other unallocated amounts	1,583,036	43,873
Consolidated total assets	9,491,719	8,479,459
(iv) Liabilities		
Total liabilities for reportable segments	1,032,253	965,629
Other unallocated amounts	89,462	106,073
Consolidated total liabilities	1,121,715	1,071,702

(d) Geographical segments

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

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35 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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 analyze 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 develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's 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.

35.1 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. To manage credit risk the Company maintains procedures covering the application for credit approvals. The Company has placed funds in financial institutions with high credit worthiness and assesses the credit quality of the counter parties as satisfactory. The Company does not hold any collateral as security against any of its financial assets other than trade debts. The Company believes that it is not exposed to major concentration of credit risk.

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2016

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the balance sheet date was:

	2016	2015
	(Rs.'000)	(Rs.'000)
Investments:		
- Pakistan Investment Bonds	323,497	-
- Quoted securities / mutual funds	1,252,131	33,173
Long term deposits	22,785	20,473
Trade debts	57,736	24,383
Interest accrued	6,786	8,419
Term Deposit Receipts	31,000	10,700
Bank balances	1,697,822	3,009,417
	3,391,757	3,106,565

(ii) The aging of trade debts at the reporting date was:

	2016	2016	2015	2015
	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)
	Gross debts	Impaired	Gross debts	Impaired
Not past due	-	-	-	-
Past due 0-30 days	57,736	-	24,383	-
Past due 31-180 days	-	-	-	-
Past due 181-360 days	-	-	-	-
More than 360 days	2,424	2,424	2,424	2,424
	60,160	2,424	26,807	2,424

The Company believes that except as already provided for in these financial statements, no impairment allowance is necessary in respect of trade debts. Trade debts are essentially due from hotels and authorized distributors and the Company is actively pursuing for recovery of debts and accordingly does not expect these companies to fail to meet their obligations.

35.2 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.

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2016

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

	Carrying amounts	Contractual cash flows	Maturity up to one year	1 year to 2 years	2 years to 5 years
	2016 (Rs.'000)	2016 (Rs.'000)	2016 (Rs.'000)	2016 (Rs.'000)	2016 (Rs.'000)
Finance lease liabilities	20,404	21,199	8,736	6,232	6,232
Trade and other payables	561,739	561,739	561,739	-	-
	582,143	582,938	570,475	6,232	6,232
	2015 (Rs.'000)	2015 (Rs.'000)	2015 (Rs.'000)	2015 (Rs.'000)	2015 (Rs.'000)
Finance lease liabilities	1,360	1,455	1,455	-	-
Trade and other payables	426,563	426,563	426,563	-	-
	427,923	428,018	428,018	-	-

35.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates 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.

- (a) Interest rate risk management; and
- (b) Currency rate risk management.

(a) Interest rate risk management

The interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate exposure arises from short term running finance, liabilities against assets subject to finance lease and balances in deposit and saving accounts. At the balance sheet date the interest rate risk profile of the Company's interest bearing financial instruments are as follows:

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2016

	Carrying amounts	
	2016 (Rs.'000)	2015 (Rs.'000)
(i) Fixed rate instruments		
Financial assets		
Cash at bank	1,226,413	2,629,119
Long term investment	323,497	-
Short term investment	31,000	10,700
	1,580,910	2,639,819
(ii) Variable rate instruments		
Financial liabilities - Liabilities against assets subject to finance lease	20,404	1,360

(iii) 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 and loss. Therefore, a change in interest rates at the reporting date would not effect profit and loss account.

(iv) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates would have increased or decreased accumulated profit by Rs. 204,040 (2015: Rs. 13,600). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(b) Currency risk management

(i) Exposure to currency risk

The Company is exposed to currency risk on bank balances which is denominated in currency other than the functional currency of the Company. The Company's exposure to foreign currency risk is as follows:

	2016 (Rs.'000)	2016 (USD'000)	2015 (Rs.'000)	2015 (USD'000)
Financial assets - cash at bank	32,948	314	32,522	317

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2016

(ii) The following significant exchange rate applied during the year:

	Average rates		Balance sheet rates	
	2016	2015	2016	2015
United States Dollar (USD)	103.73	100.93	104.80	102.65

(iii) **Sensitivity analysis**

A 10% strengthening of the functional currency against foreign currencies at 30 June 2016 would have decreased profit or loss by Rs. 3.295 million (2015: Rs. 3.252 million). A 10% weakening of the functional currency against foreign currencies at 30 June 2016 would have had the equal but opposite effect of these amounts. The analysis assumes that all other variables remain constant.

35.4 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The carrying values of all financial assets and financial liabilities approximate their fair values except for available for sale and held to maturity investments whose fair values are determined for disclosure purpose only and have been disclosed in their respective notes to these financial statements. The basis for determining the fair values is as follows:

Fair value hierarchy

The table below analysis financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

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

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

Murree Brewery Company Limited
Notes to the Financial Statements
For the year ended 30 June 2016

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

Note	Carrying amount					Fair value			
	Available for sale	Held-for-trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
30 June 2016									
Financial assets measured at fair value									
Investments:									
- Pakistan Investment Bonds	323,497	-	-	-	323,497	-	323,497	-	323,497
- Quoted securities / mutual funds	-	1,252,131	-	-	1,252,131	1,252,131	-	-	1,252,131
Financial assets not measured at fair value									
Long term deposits	35.6	-	22,785	-	22,785	-	-	-	-
Trade debts	35.6	-	57,736	-	57,736	-	-	-	-
Interest accrued	35.6	-	6,786	-	6,786	-	-	-	-
Term Deposit Receipts	35.6	-	31,000	-	31,000	-	-	-	-
Cash and bank balances	35.6	-	1,701,696	-	1,701,696	-	-	-	-
		323,497	1,252,131	1,820,003	3,395,631	1,252,131	323,497	-	1,575,628
Financial liabilities not measured at fair value									
Trade and other payables *	35.6	-	-	561,739	561,739	-	-	-	-
Lease liabilities	35.6	-	-	20,404	20,404	-	-	-	-
		-	-	582,143	582,143	-	-	-	-

Murree Brewery Company Limited
Notes to the Financial Statements
For the year ended 30 June 2016

Note	Carrying amount				Fair value				
	Available for sale	Held-for-trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
30 June 2015									
Financial assets measured at fair value									
Investments:									
- Pakistan Investment Bonds	-	-	-	-	-	-	-	-	-
- Quoted securities / mutual funds	-	33,173	-	-	33,173	33,173	-	-	33,173
Financial assets not measured at fair value									
Long term deposits	35.6	-	20,473	-	20,473	-	-	-	-
Trade debts	35.6	-	24,383	-	24,383	-	-	-	-
Interest accrued	35.6	-	1,789	-	1,789	-	-	-	-
Term Deposit Receipts	35.6	-	10,700	-	10,700	-	-	-	-
Cash and bank balances	35.6	-	3,013,619	-	3,013,619	-	-	-	-
	-	33,173	3,070,964	-	3,104,137	33,173	-	-	33,173
Financial liabilities not measured at fair value									
Trade and other payables *	35.6	-	-	426,563	426,563	-	-	-	-
Lease liabilities	35.6	-	-	1,360	1,360	-	-	-	-
	-	-	-	427,923	427,923	-	-	-	-

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

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2016

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

Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non – financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods.

Non – derivative financial assets

The fair value of non – derivative financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes. Fair value of short term investments quoted at fair value is based on quoted market prices.

Non – derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

35.7 DISCLOSURE REQUIREMENTS FOR ALL SHARES ISLAMIC INDEX

Following information has been disclosed with reference to circular No. 14 of 2015 dated 21 April 2016, issued by the Securities and Exchange Commission of Pakistan relating to "All Shares Islamic Index".

Description	Explanation
i) Liabilities against assets subject to finance lease	Interest bearing
ii) Pakistan Investment Bonds	Interest bearing
iii) Long term deposits	Non-interest bearing
iv) Trade debts	Non-interest bearing
v) Term Deposit Receipts	Interest bearing
vi) Cash and bank	Placed under interest arrangements
vii) Dividend income	Shezan International Limited
viii) Interest on advances	Interest bearing
ix) Gain on sale of investments	Earned from Shariah non-compliant arrangement
x) Unrealized gain on remeasurement of short term investments	Earned from Shariah non-compliant arrangement
xi) Return on deposit and saving accounts	Earned under interest arrangement
xii) Realized exchange gain	Earned from Shariah non-compliant arrangement

36 CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure which comprises capital and reserves by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders and/or issue new shares. There were no changes to Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirement.

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2016

37 CAPACITY AND PRODUCTION	Measurement basis	2016	2015
37.1 Liquor Division			
(a) Capacity of Industrial unit			
Beer and Non Alcoholic Beverages (NAB)	Liters	19,800,000	19,800,000
PMFL	Cases (2 B.G)	1,000,000	1,000,000
Non Alcoholic Products (NAP)	Liters	36,480,000	36,480,000
(b) Actual Production			
Beer and Non Alcoholic Beverages (NAB)	Liters	20,968,906	19,673,164
PMFL	Cases (2 B.G)	1,252,162	1,406,646
Non Alcoholic Products (NAP)	Liters	38,256,619	24,527,321
37.2 Tops Division			
(i) Rawalpindi			
(a) Capacity of industrial unit			
Tetra pack Juices	Liters	33,580,000	33,580,000
(b) Actual production			
Tetra pack Juices	Liters	22,951,702	20,616,045
(ii) Hattar			
(a) Capacity of industrial unit			
Food Products	Cartons	375,000	375,000
Juice (NR & Ret)	Liters	4,500,000	4,500,000
Mineral Water	Liters	22,000,000	7,200,000
(b) Actual production			
Food products	Cartons	88,999	104,475
Juice (NR & Ret)	Liters	3,386,702	2,941,661
Mineral water	Liters	15,967,414	9,483,976
37.3 Glass Division - Hattar			
(a) Melting capacity	M. Tons	40,150	27,375
(b) Actual production - Glass melted	M. Tons	33,864	23,519

37.4 Normal capacity is based on one shift of 8 hours per day. Actual production represents multiple shifts which are run keeping in view the market demand.

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2016

38 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of directors, entities over which the directors are able to exercise significant influence, entities with common directors, major shareholders, staff retirement funds and key management personnel. Balances with related parties are shown in notes 5, 10.1, 10.4, 15, 20.1.4 and 25 to the financial statements. The transactions with related parties, other than remuneration and benefits to Chief Executive and directors and key management personnel as per the terms of their employment which are disclosed in notes 32 and 33 respectively to the financial statements, are as follows:

	2016 (Rs.'000)	2015 (Rs.'000)
Transactions with associated companies		
Sales commission	74,168	76,899
Services acquired	12,000	12,000
Dividend paid	59,320	53,862
Transactions with other related parties		
Contribution to staff provident fund	3,451	2,166
Contribution to staff pension fund	3,345	3,262
Dividend paid	40,466	28,583
Donation	1,000	2,000

39 EMPLOYEES PROVIDENT FUND TRUST

Size of the Fund - Total Assets - (Rupees'000)	99,163	87,693
Cost of investments made (Rupees'000)	41,480	41,480
Percentage of investments made (%)	41.83	47.30
Fair value of investments (Rupees'000)	95,449	85,091

Murree Brewery Company Limited

Notes to the Financial Statements

For the year ended 30 June 2016

39.1 Detail of investments of the Fund

	2016		2015	
	Rupees'000	%	Rupees'000	%
Defence Savings Certificates	95,449	100	85,091	100

All the investments out of provident fund trust have been made in accordance with the provisions of Section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

40 SUBSEQUENT EVENTS

- (a) The Board of Directors of the Company in the meeting held on 20 August 2016 declared interim cash dividend of 100% (i.e. Rs. 10 per share) and 1500% bonus shares (i.e. 15 shares against one ordinary share) for the year ended 30 June 2016. The directors noted that the authorized capital of the Company required to be increased for the said corporate action. Thus, it was resolved in the Extra Ordinary General Meeting held on 29 September 2016 to increase the Company's authorized capital from Rs. 300 million to Rs. 4 billion and the amendment of the said increase be made in the Memorandum and Articles of Association accordingly.
- (b) The Board of Directors of the Company in the meeting held on 30 September 2016 also proposed final cash dividend of 100% (i.e. Rs. 10 per share) for the year ended 30 June 2016.

41 GENERAL

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

41.2 Number of persons employed

	2016 (Number)	2015 (Number)
Employees at year end	1,650	1,515
Average employees during the year	1,583	1,427

42 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 30 September 2016.


CHIEF EXECUTIVE

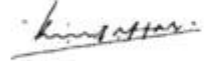

DIRECTOR

Murree Brewery Company Limited

اعتراف

چیف ایگزیکٹو اور ان کی مینجمنٹ ٹیم کی شاندار کارکردگی اور ہمارے ملازمین کی مخلصانہ کوششوں کی بدولت ہمارے عوامل کامیاب ہو سکے اور کمپنی ترقی کر سکی۔ قابل قدر آراء اور رہنمائی کے لئے ہم اپنے ڈائریکٹرز کے بھی شکر گزار ہیں۔ کمپنی کے لئے پیش کی گئی حمایت پر کمپنی اپنے تمام اسٹیک ہولڈرز کی بھی شکر گزار ہے جن میں حکومتی ادارے، ڈسٹری بیوٹرز، کنٹریکٹرز اور شیئر ہولڈرز شامل ہیں۔

بورڈ کی جانب سے



خرم مظفر

چئیرمین

راولپنڈی 30 ستمبر 2016

Murree Brewery Company Limited

ٹیکسز، لیویز اور واجب الادا چارجز کی شکل میں کوئی اخراجات کمپنی کے ذمہ واجب الادا نہیں، ماسوائے ان کے جن کا ذکر سٹیٹمنٹ میں کر دیا گیا ہو۔

سال کے دوران بورڈ نے اپنے ڈائریکٹرز کے لئے مختلف ٹریننگ پروگرامز کا انعقاد کروایا۔
کارپوریٹ گورننس کے بہترین عوامل کو مد نظر رکھتے ہوئے ایسے کسی بھی میٹریل کی ترسیل نہیں کی گئی جس کی تفصیل لسٹنگ ضوابط میں درج ہو۔

گزشتہ 6 سال کا اہم آپریٹنگ اور مالیاتی ڈیٹا مختصر بیان کر دیا گیا ہے۔

30 جون 2016 کو پروویڈنٹ فنڈ کی کل قدر 95.4 ملین روپے جبکہ پینشن فنڈ کی کل قدر 34 ملین روپے تھی۔
اس سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد کروائے گئے۔ ہر ڈائریکٹر کی حاضری ذیل میں درج ہے۔

اس سال میں بورڈ آف ڈائریکٹرز کے منعقد کروائے گئے اجلاس

<u>ڈائریکٹر کا نام</u>	<u>اجلاس کی کل تعداد</u>	<u>کتنے اجلاس میں شمولیت اختیار کی</u>
جناب خرم مظفر	4	4
اسفند یار ایم بھنڈارا	4	3
چوہدری معین افضل	4	3
جناب عامر ایچ شیرازی	4	1
محترمہ گوٹھی ایم بھنڈارا	4	1
لیفٹیننٹ جرنل (ریٹائرڈ) ضرار عظیم	4	3
جناب عثمان خالد وحید	4	1

مستقبل کے لئے نقطہ نظر

ملک کو ابھی بھی لوڈ شیڈنگ، دہشتگردی اور سیاسی انتشار کی وجہ سے پیش آنے والے مسائل کا سامنا ہے مگر ہم ان سب کے باوجود ترقی کی جانب بڑھتے رہیں گے۔

Murree Brewery Company Limited

اشاک آپکھنچ کو بھی بھیجی گئی ہے۔

SECP کی ہدایات کے مطابق بونس شیئرز کے اجراء سے قبل منظور شدہ سرمایہ کو بڑھانے کے لئے کمپنی کی جانب سے 29 ستمبر 2016 کو ایک غیر معمولی عمومی اجلاس کا انعقاد کیا گیا اور شیئر ہولڈرز کی جانب سے منظور شدہ سرمایہ کو 300 ملین سے بڑھا کر 4 بلین کرنے کی منظوری دی گئی۔

30 ستمبر 2016 کو بورڈ آف ڈائریکٹرز نے 1500 فیصد کی شرح سے انٹیرم بونس شیئرز جن کا اعلان 20 اگست 2016 کو کیا گیا تھا، کے اجراء کے لئے اختتامی تاریخ کا اعلان کیا، جو کہ 21 اکتوبر 2016 سے 28 اکتوبر 2016 ہے۔ بورڈ نے ختمی 100 فیصد کیش ڈیویڈنڈ 30 جون 2016 کو ختم ہونے والے مالیاتی سال کے لیے سفارش کی ہے۔ جب کہ اس کے علاوہ جو انٹیرم کیش ڈیویڈنڈ 100 فیصد اور اشاک ڈیویڈنڈ 1500 فیصد کی سفارش کی گئی ہے۔

شیئر ہولڈرز کا کمپنی کے خلاف کیس:

ممبران کی اطلاع کیلئے مری بروری کمپنی لمیٹڈ کے ایک شیئر ہولڈر میسرز کنگنز وے فنڈ نے ایک پٹیشن لاہور ہائی کورٹ راولپنڈی بینچ میں داخل کی ہے جس میں استدعا کی گئی ہے کہ کمپنی منظور شدہ سرمائے کو بڑھے جانے سے اور اس کی بکس کو ستمبر 2016 میں بند کرنے سے روکا جائے کمپنی قانون اور سیکورٹی اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات کے مطابق چلے گی اور کمپنی شیئر ہولڈرز کے کیس کی پیروی کرے گی۔

کا پور ریٹ اور مالیاتی رپورٹنگ فریم ورک پر شیٹمنٹ:

ڈائریکٹرز کے مطابق:

- شیٹمنٹ کی جانب سے 30 جون کو ختم ہونے والے مالیاتی سال کی بنیادی گنی شیٹمنٹ کمپنی کے تمام امور جیسا کہ مختلف عوامل کے نتائج، کیش فلور اور ایکویٹی کو ان کی اصلی / مستند حالت میں بیان کرتی ہے۔

- کمپنی کے اکاؤنٹ بکس کو مکمل طور پر برقرار رکھا گیا ہے۔

- اس شیٹمنٹ کو بنانے کے لئے مناسب اکاؤنٹنگ پالیسیز کا مسلسل اطلاق کیا گیا ہے اور تخمینوں کا اندازہ معقول اور محتاط فیصلوں کی بنیاد پر کیا گیا ہے۔

- مالیاتی شیٹمنٹ کو بنانے کے لئے پاکستان پر لاگو ہونے والے بین الاقوامی شیٹمنٹرز کا استعمال کیا گیا ہے۔

- انٹرنل کنٹرول کا سٹم اپنے ڈیزائن میں مناسب ہے اور موثر انداز میں لاگو کیا گیا ہے۔

- کمپنی کی صلاحیات میں کوئی نمایاں شکوک و شبہات پیدا نہیں ہوئے جنہیں حالیہ تشریح کا باعث سمجھا جائے۔

گورنمنٹ کوٹیکس اور ڈیوٹی کی شکل میں ادا کئے ہیں۔

Murree Brewery Company Limited

شیر ہولڈنگ

30 جون 2016 کو کمپنی کے کل شیر ہولڈرز کی تعداد 865 تھی، جو کہ 30 جون 2015 کو 768 تھی۔ 30 جون 2016 کو شیر ہولڈرز کی تعداد کا پیٹرن بھی اس رپورٹ میں مشمولہ ہے۔

آمدنی فی شیر

اس سال فی شیر کے حساب سے آمدنی 49.92 روپے ہے، جو کہ گذشتہ سال 43.21 روپے تھی۔

ڈیویڈنڈ ابونس شیرز

انٹیرم ڈیویڈنڈ ابونس شیرز

1- انٹیرم ڈیویڈنڈ

20 اگست 2016 کو منعقد ہونے والے اجلاس میں بورڈ نے 30 جون 2016 کو ختم ہونے والے مالیاتی سال کے لئے انٹیرم کیش ڈیویڈنڈ جو کہ 100% کی شرح سے (10 روپے فی شیر کے حساب سے) دینے کا اعلان کیا ہے۔ یہ ڈیویڈنڈ 15 ستمبر 2016 کو دفتری اوقات ختم ہونے سے قبل ان تمام شیر ہولڈرز کو دیئے جائیں گے جن کا نام رجسٹر آف ممبرز میں آئے گا۔

2- بونس شیرز

کمپنی نے جاری کردہ سرمایہ اور منافع میں توازن کا فقدان محسوس کیا۔ اس توازن کو برقرار رکھنے کے لئے بورڈ نے 15 ستمبر 2016 کو دفتری اوقات ختم ہونے سے قبل ان تمام شیر ہولڈرز کو 1500 فیصد کی شرح (1 شیر کے پیچھے 15 بونس شیرز) سے اسٹاک ڈیویڈنڈ جاری کرنے کا فیصلہ کیا۔ یہ اجلاس 20 اگست 2016 کو منعقد ہوا۔

9 ستمبر 2016 کو سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے کمپنی کو منظور شدہ سرمایہ کو بڑھانے اور 1500 فیصد کی شرح سے انٹیرم اسٹاک ڈیویڈنڈ (1 شیر کے پیچھے 15 بونس شیرز) اس کے بعد بگس کو بند کرنے کے لئے کسی تاریخ کا فیصلہ کرنے کی ہدایات دی گئیں۔ SECP کی جانب سے دی گئی ہدایت چیف ریگولیٹری آفیسر پاکستان

Murree Brewery Company Limited

ماحول، معیار، صحت اور حفاظتی مینجمنٹ سٹم

کمپنی کی مینجمنٹ ٹیم ایک مستحکم اور معیاری مینجمنٹ فراہم کرنے کے لئے پرعزم ہے، جس کی بدولت انہیں معاشرہ اور اس کی مختلف آزاد مصدقہ اتھارٹیز کی طرف سے سراہا گیا ہے۔ کمپنی مختلف ماحولیاتی مسائل کے حل کرنے پر زور دیتی ہے جس کی بدولت کمپنی کو ISO-9001:2008 اور OHSAS 18001:2007 جیسے سرٹیفیکیشن حاصل ہیں۔ کمپنی وقتاً فوقتاً ایسے مختلف مادوں کو ٹیسٹ کرتی رہتی ہے جن کی اجازت پاکستان کی انوائرنمنٹ پروٹیکشن ایجنسی نے دی ہو۔ کمپنی اپنی سرگرمیاں اس انداز میں کرتی ہے جس کی بدولت کمپنی کے ملازمین اور دوسرے لوگوں کی صحت کو محفوظ رکھا جاسکے۔

مستند سماجی ذمہ داری

مری برووری کمپنی پاکستان کی سب سے پرانی کمپنیوں میں سے ایک ہے جو کہ اپنی سماجی ذمہ داریوں کو پورے طریقہ سے ادا کرتی ہے۔ کمپنی ایسے مختلف معاملات میں تعمیری دلچسپی کا اظہار کرتی رہتی ہے جن کا کاروبار سے دور دور تک کوئی تعلق نہ ہو۔ اس کے علاوہ کمپنی مختلف خیراتی اداروں / ہسپتالوں / ٹرسٹس کو چندہ دیتی ہے اور ضرورت مند لوگوں کی ویلفیئر فنڈ کے ذریعے مدد کرتی ہے۔

کمپنی نے اپنی ایک عمارت خصوصی لوگوں کے ادارے درخشان کے لئے بخش کر دی ہے جو کہ راولپنڈی کی ٹاپینا خواتین کو ووکیشنل اسکولز کے ذریعے تربیت دیتا ہے تاکہ وہ ایک خود مختار زندگی جی سکیں۔ اوپر جس عمارت کا ذکر کیا گیا ہے وہ کمپنی نے مفت میں دی ہے۔ اس میں موجود تمام فرنیچر بھی کمپنی کی طرف سے فراہم کردہ ہے اور کمپنی اس ادارہ کی تمام دیگر ضروریات جیسا کہ بجلی، پانی، مرمت و بحالی وغیرہ کے اخراجات بھی ادا کر رہی ہے۔ کمپنی کی جانب سے ملازمین کے علاج معالجہ کے لئے 4 ملین روپے کے خرچ سے ایک سوشل سکیورٹی ڈپنسری بھی قائم کی گئی ہے۔

قومی خزانہ میں حصہ

آپ کی کمپنی نے میکسز اور ڈیویڈ کی شکل میں 4,143.1 ملین روپے (جو کہ گذشتہ سال 3,081.2 ملین روپے تھے)

Murree Brewery Company Limited

ہیومن ریسورس اینڈ ریسونریشن کمیٹی

کمپنی کی ایچ آر اینڈ آر کمیٹی تین نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے۔

کمیٹی بورڈ کو ہیومن ریسورس کے حوالے سے تجاویز پیش کرتی ہے۔

چناؤ، تشخیص، معاوضہ (بشمول ریٹائرمنٹ اخراجات) اور کمپنی کے سی ای او، سی ایف او، سیکرٹری اور ہیڈ آف انٹرنل آڈٹ کے منصب کی جانشینی کے حوالے سے تجاویز پیش کرنا بھی اسی کمیٹی کا کام ہے۔

ایسے تمام منصب جو کہ صرف سی ای او کو جواب دہ ہوں ان کے پرتقرری کے لئے کمیٹی سی ای او کے حکم کے مطابق عمل درآمد کرتی ہے۔

کولیکو بارگیٹنگ ایجنٹ اور مذاکرات کی مدد سے مختلف انڈسٹریز کے ساتھ تعلقات کو قائم کیا گیا اور ہم آہنگی کو فروغ دیا گیا۔ کمپنی اپنے ملازمین کو بااختیار بناتے ہوئے ان کے لئے مختلف موقعوں کی فراہمی کو فروغ دیتی ہے تاکہ یہ لوگ اس ادارہ میں اپنا مثبت کردار ادا کر سکیں۔

اس سال میں منعقد کروائے گئے ایچ آر اینڈ آر کمیٹی کے اجلاس

<u>ڈائریکٹر کا نام</u>	<u>اجلاس کی کل تعداد</u>	<u>کتنے اجلاس میں شرکت کی</u>
1- چوہدری معین افضل (چیرمین)	3	2
2- محترمہ گوٹھی ایم بھنڈارا (ممبر)	3	1
3- جناب خرم مظفر (ممبر)	3	2

حفاظتی کمیٹی

حفاظتی تدابیر کمپنی کے لئے سب سے اہم پہلوؤں میں سے ایک ہے۔ کمپنی کی حفاظتی کمیٹی مینجمنٹ سٹاف پر مشتمل ہے جو کہ کمپنی کی جانب سے طے کردہ حفاظتی عوامل کی دیکھ ریکھ اور نظر ثانی کرتی ہے۔ یہ مختلف حفاظتی عوامل کی یقین دہانی جیسا کہ آگ بجھانے والے آلات کی فراہمی اور حفاظتی عوامل کے حوالے سے تربیت، روزمرہ کی ڈرلز کے لئے ذمہ دار ہوتی ہے۔ سال بھر کے اس عرصہ میں مختلف سیمینار / اجلاس کا انعقاد کیا جاتا رہا۔

Murree Brewery Company Limited

آڈٹ کمیٹی

آڈٹ کمیٹی کمپنی کی کارپوریٹ گورننس کے قواعد و ضوابط کے مطابق عملدرآمد کرتی ہے۔ آڈٹ کمیٹی تین نان ایگزیکٹو ڈائریکٹرز اور ایک آزاد و مختار ڈائریکٹر پر مشتمل ہوتی ہے جو کہ اس کمیٹی کا چیرمین ہوتا ہے۔ بورڈ آف ڈائریکٹرز سے سہ ماہی اکاؤنٹس کی منظوری لینے کے لئے ہر سہ ماہی میں کم از کم ایک دفعہ کمیٹی کا اجلاس منعقد کیا جاتا ہے۔ طے شدہ قوانین و ضوابط کے مطابق عوامل پر عمل درآمد کرانے کے لئے کمیٹی کمپنی کے مالیاتی امور اور اندرونی آڈٹ رپورٹس کی نظر ثانی بھی کرتی ہے۔

طے کردہ حد سے ساتھ بورڈ آف ڈائریکٹرز کو بیرونی آڈیٹرز کی تجاویز کرنا بھی آڈٹ کمیٹی کی ذمہ داری ہوتی ہے۔ اس کے علاوہ بورڈ آف ڈائریکٹرز کی جانب سے دیئے گئے مختلف امور پر عمل درآمد کرنا بھی کمیٹی کی ذمہ داری ہوتی ہے۔

کمپنی کے اثاثہ جات کو محفوظ رکھنا اور انشیرم اور فائٹل آڈٹ کے بعد آڈیٹر کی جانب سے سامنے لائے گئے مسائل کو زیر غور لانا بھی کمیٹی کی ذمہ داری ہے۔

کمپنی کے اندرونی آڈٹ کے لئے مناسب وسائل کی فراہمی بھی کمیٹی کی ذمہ داری ہے تاکہ آڈٹ مناسب طریقہ سے کیا جاسکے۔ اس کے علاوہ اندرونی تحقیقات سے سامنے آنے والے امور جیسا کہ فراڈ، کرپشن وغیرہ اور ان کے حوالے سے مینجمنٹ کی جانب سے اٹھائے گئے اقدامات کو زیر غور لانا بھی کمیٹی کے ذمہ ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے توثیق و تصدیق اور انٹرنل آڈٹ رپورٹ سے پہلے کمپنی کی سٹینٹ کی نظر ثانی کرنا بھی کمیٹی کی ذمہ داری ہے۔

سال میں منعقد ہونے والے آڈٹ کمیٹی کے اجلاس

کتنے اجلاس میں شرکت کی	اجلاس کی کل تعداد	ڈائریکٹر کا نام
5	6	1۔ لیٹیننٹ جنرل (ریٹائرڈ) ضرار عظیم (چیرمین)
5	6	2۔ چوہدری معین افضل (ممبر)
2	6	3۔ محترمہ گوئی ایم بھندارا (ممبر)
6	6	4۔ جناب فرم مظفر (ممبر)

Murree Brewery Company Limited

گلاس ڈویژن

فیصد	سال 2015	فیصد	سال 2016	
	روپے ملین میں		روپے ملین میں	
	944		1,139	فروخت آمدن (نافذ عمل میسر کے علاوہ)
(61.4)	(580)	(61.9)	(704)	لاگت فروخت
38.6	365	38.1	434	کل منافع
35.8	338	35.4	403	عملی منافع
میٹرک ٹن	20,140	میٹرک ٹن	24,595	گلاس کنٹینرز کی فروخت

گلاس ڈویژن کا آپریٹنگ منافع گذشتہ سال کے 338 ملین روپے سے بڑھ کر 403 ملین روپے ہوا۔ یہ نئے گلاس میلٹر کی بدولت ہوا، جس نے اگست 2015 میں کام شروع کیا۔

ٹاپس ڈویژن

فیصد	سال 2015	فیصد	سال 2016	
	روپے ملین میں		روپے ملین میں	
	1,556		1,899	فروخت آمدن (نافذ عمل میسر کے علاوہ)
(82.78)	(1,288)	(80.46)	(1,528)	لاگت فروخت
17.2	268	19.5	371	کل منافع
2.70	42	4.26	81	عملی منافع

ٹاپس ڈویژن کی سلیز میں اضافہ کی بدولت گذشتہ سال کے مقابلہ میں اس سال کے کل منافع میں 103 ملین روپے اور آپریٹنگ منافع میں 38.5 ملین روپے کا اضافہ ہوا۔

Murree Brewery Company Limited

گروپ مالیاتی نظر ثانی اور اہم پہلو

فروخت آمدن	اضافہ ہوا	21.5 فیصد	سے	10,177 ملین روپے
کل منافع	اضافہ ہوا	4.7 فیصد	سے	2,243 ملین روپے
قبل از ٹیکس منافع	کمی ہوئی	(3.9 فیصد)	سے	1,567 ملین روپے
بعد از ٹیکس منافع	اضافہ ہوا	15.5 فیصد	سے	115 ملین روپے
آمدنی فی حصہ	اضافہ ہوا	15.5 فیصد	سے	49.92 روپے

آپریٹنگ منافع میں کمی لیکور ڈویژن کی سیلز میں کمی کی وجہ سے ہوئی، جیسا کہ اوپر بیان کیا گیا ہے اور منافع بعد از ٹیکس میں اضافہ تحقیری ٹیکس الاؤنسز کی وجہ سے ہوا۔

ڈویژنل آپریٹنگ رزلٹ

ہماری ڈویژن کے نتائج درج ذیل رہے:

لیکور ڈویژن

فیصد	سال 2015	فیصد	سال 2016	
	روپے ملین میں		روپے ملین میں	
	4,886		5,056	فروخت آمدن (ٹانڈر اہمل ٹیکسز کے علاوہ)
(69.1)	(3,337)	(71.5)	(3,617)	لاگت فروخت
30.9	1,509	28.4	1,438	کل منافع
22.4	1,094	19.2	969	معمولی منافع

گذشتہ سال میں ڈویژن کے ٹرن اوور میں 170 ملین روپے کا اضافہ دیکھنے کو ملا جو کہ 3.5 فیصد کی شرح سے تھا جبکہ آپریٹنگ منافع میں 11.4 فیصد کی شرح سے 125 ملین روپے کی کمی دیکھنے کو ملی۔

Murree Brewery Company Limited

تیم جولائی 2015 سے کمپنی کو نقصان کا سامنا رہا جبکہ سندھ اور بلوچستان کی بھٹیاں اس سٹل ہیڈ ڈیوٹی سے مستثنیٰ ہیں۔ اس کی وجہ سے سیر کی سیل میں معمولی کمی دیکھنے کو ملی، جبکہ لیکور پراڈکٹس کی فروخت میں 11 فیصد تک کمی دیکھنے کو ملی۔ ہماری مصنوعات کی بہترین کوالٹی اور صارف کی جانب سے ان پر اعتبار کے باعث ہم یہ نتائج حاصل کرنے میں کامیاب رہے۔

سپر ٹیکس

سال کے آغاز میں وفاقی حکومت نے سال 2015 کے لئے فنانس ایکٹ 2015 کے تحت 3 فیصد کی شرح سے ٹیکس لاگو کیا، جس کی معیاد اس سال کے لئے بھی بڑھادی گئی ہے۔ سال 2016 کے لئے کمپنی کے ذمہ واجب الادا رقم 44.4 ملین روپے ہے۔

گیس انفراسٹرکچر ڈویلپمنٹ سیس (GIDC)

ستمبر 2014 میں وفاقی حکومت نے سال 2014 کے آرڈیننس نمبر VI کے مطابق گیس انفراسٹرکچر ڈویلپمنٹ سیس (GIDC) لاگو کیا جو کہ سپریم کورٹ کے فیصلے کے خلاف تھا، کیونکہ اس سے پہلے سپریم کورٹ اس کا فیصلہ کر چکی تھی کہ 2011 کا گیس انفراسٹرکچر ڈویلپمنٹ سیس (GIDC) متعارف کروانا غیر قانونی اور غیر آئینی ہے اور GIDC ایک ٹیکس نہیں بلکہ فیس ہے۔ حکومت نے مئی 2015 میں گیس انفراسٹرکچر ایکٹ نافذ کر دیا۔ کمپنی نے انڈسٹری کے ہمراہ GIDC ایکٹ، 2015 کے خلاف GIDC ایکٹ کے پہلے عمل درآمد کے حوالے سے ہائیکورٹ میں ایک رٹ پٹیشن دائر کی ہوئی ہے۔ کمپنی نے مالیاتی سٹیٹمنٹ میں GIDC کے حوالے سے واجب الادا رقم تقریباً 117 ملین روپے کا اندراج نہیں کیا کیونکہ کمپنی کی سٹیٹمنٹ پر اعتماد ہے کہ عدالتی فیصلہ ان کے حق میں ہوگا۔

Murree Brewery Company Limited

30 جون 2016 کو ختم ہونے والے مالی سال کے حوالے سے ڈائریکٹرز کی رپورٹ

کمپنی کے ڈائریکٹرز 30 جون 2016 کو ختم ہونے والے مالی سال کے لئے اپنی رپورٹ بمعہ آڈیٹڈ مالیاتی شیڈول اور آڈیٹر کی رپورٹ، پیش کرنے پر مسرت محسوس کرتے ہیں۔

مری برووری نے اپنے 155 سال مکمل کرنے میں اور پاکستان اسٹاک ایکسچینج پر مری برووری کمپنی لمیٹڈ کا شمار پاکستان کی سب سے پرانی کمپنی کے طور پر ہوتا ہے۔ 30 جون 2016 کو زیر غور لایا گیا منافع بعد از ٹیکس کمپنی کی تاریخ میں سب سے زیادہ ہے۔ یہ سب غیر موزوں حالات اور امن و امان کی غیر مناسب صورتحال کے باوجود حاصل کیا گیا۔ مشروبات بالخصوص سافٹ ڈرنکس میں مسابقت بھی بڑھ رہی ہے۔

کمپنی اپنی پالیسیز اور ماحولیات کو محفوظ رکھنے کے لئے بنائے گئے عوامل پر عمل پیرا ہونے کی بدولت ترقی کر رہی ہے۔ مارکیٹ کے مطابق تنخواہوں اور سہولیات کے علاوہ ملازمین کو دیگر مالیاتی فوائد اور ترقی کے مختلف مواقع فراہم کئے جاتے ہیں، جس کے نتیجے میں ملازمین جانفشانی اور مخلصانہ طور پر کام کرتے ہیں۔

انتظامیہ متواتر قیمتوں اور عوامل خصوصاً خام مال کے حوالے سے نظر ثانی کرتی رہتی ہے اور پراڈکٹ ڈیمانڈ کا جائزہ لیتی رہتی ہے، تاکہ منافع کو مزید بڑھایا جاسکے۔

یہ شاندار نتائج کمپنی کے چیف ایگزیکٹو جناب اسٹن یار جھنڈارا صاحب کی رہنمائی میں کی جانے والی مشرکہ کوششوں کی بدولت حاصل ہوئے۔

اس سال میں ہونے والی اہم پیش رفتیں:

سٹل ہیڈ ڈیوٹی:

حکومت پنجاب کی جانب سے 24 جون 2015 کو ایک نوٹیفیکیشن نمبر SO(E&M)2-3/2011(P-II) جاری کیا گیا تھا۔ اس نوٹیفیکیشن کے تحت پاکستان میں بنائی گئی ایسی تمام قسم کی سیرز اور لیکور پراڈکٹس جو کہ صوبہ پنجاب سے باہر استعمال کے لئے بنائی گئی ہوں پر سٹل ہیڈ ڈیوٹی عائد کی جائے گی۔ کمپنی نے اس نوٹیفیکیشن کے خلاف لاہور ہائیکورٹ، لاہور میں درخواست دائر کی۔ یہ نوٹیفیکیشن 27 جون 2016 کو لاہور ہائیکورٹ کی جانب سے منسوخ کر دیا گیا تھا، جس پر حکومت پنجاب کی جانب سے نظر ثانی کی اپیل جمع کروائی گئی جو کہ تاحال زیر سماعت ہے۔ اسی وجہ سے ابھی تک صوبہ پنجاب سے باہر کی جانے والی ترسیلات پر سٹل ہیڈ ڈیوٹی کی ادائیگی جاری ہے۔

MURREE BREWERY COMPANY LIMITED
NATIONAL PARK ROAD, RAWALPINDI



FORM OF PROXY

149TH ANNUAL GENERAL MEETING

I / we _____ of _____ being a Member of the Murree Brewery Co. Ltd and holder of (_____) Ordinary Shares as per Shares Register Folio No. _____ or CDC Account No. _____.

CNIC No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Or Passport No. _____

For beneficial owners as per CDC List.

CDC Participant I. D. No. _____ Sub Account No. _____

CNIC No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Or Passport No. _____

I/ We hereby appoint _____ of _____ failing him / her _____ of _____ as my / our / proxy to vote and act for me / our behalf at the **149th Annual General Meeting of the Company to be held on Friday, 28th October, 2016 at 1100 Hours at Registered Office, National Park Road, Rawalpindi or at any adjournment thereof.**

Revenue Stamp

(Signature should agree with the specimen signature registered with the Company).

Date: This _____ day of October, 2016

Signature of Shareholder _____

Signature of Proxy _____

Witnesses

Signature _____

Signature _____

Name _____

Name _____

Address _____

Address _____

CNIC or Passport # _____

CNIC or Passport # _____

Note:

- Proxies in order to be effective must be received by the Company, Murree Brewery Co. Ltd., National Park Road, Rawalpindi not less than forty eight hours before the time of the meeting.
- 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).
- In case of Corporate entity, the Board of Directors' resolution / power of attorney with specimen signature duly stamped shall be submitted (unless it has been provide earlier) along with proxy form to the Company
- Any person who is appointed as a proxy by any individual shareholder must himself be a shareholder of the Company u/s 161 of the Companies Ordinance, 1984.

**AFFIX
CORRECT
POSTAGE**

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

149 واں سالانہ جنرل اجلاس

میں اہم ----- از ----- بحیثیت مری بروری کمپنی لمیٹڈ

کے ممبر اور عام حصص یافتہ مطابق (-----) شیئرز رجسٹر فولیو نمبر ----- یا سی ڈی سی اکاؤنٹ نمبر -----

شناختی کارڈ نمبر ----- یا پاسپورٹ نمبر -----

سی ڈی سی کی اسٹ کے مطابق شیئر ہولڈرز کیلئے

سی ڈی سی حصہ دار کا آئی ڈی نمبر ----- سب اکاؤنٹ نمبر -----

شناختی کارڈ نمبر ----- یا پاسپورٹ نمبر -----

میں اہم مقرر کرتا کرتے ہیں ----- از -----

یا پھر ----- کو کمپنی کے جمعہ کے دن

28 اکتوبر 2016 کو صبح گیارہ بجے ہونے والے عام سالانہ اجلاس میں اپنی جانب سے شرکت اور رائے دہی کیلئے اپنا پروکسی

ریونیوٹکٹ

دستخط
کمپنی کے پاس دستخط کے نمونے کے مطابق ہوں

دستخط شیئر ہولڈر

پروکسی کے دستخط

مورخہ ----- اکتوبر 2016

1- دستخط	2- دستخط
نام	نام
پتہ	پتہ
سی این آئی سی یا پاسپورٹ نمبر	سی این آئی سی یا پاسپورٹ نمبر

نوٹ:

- 1- پروکسی فارم پورا مکمل اور دھلا کے ساتھ اجلاس کے انعقاد سے کم از کم اسی (48) گھنٹے قبل کمپنی کے رجسٹرارز میں جمع کر دیا جائے۔
- 2- فارم پر ممبر یا اس کا تحریر شدہ کردہ اتارنی دھلا کر چکا۔ ممبر کا پریشان ہونے کی صورت میں اس کی صورت میں اس کی صورت پر جمعہ کرنی ہوگی۔
- 3- اجلاس میں شرکت اور رائے دہی کا اہل ممبر اپنی جانب سے شرکت اور رائے دہی کیلئے دوسرے ممبر کو اپنا پروکسی مقرر کر سکتا ہے تاہم کارپوریشن کی بھی غیر ممبر کو اپنا پروکسی مقرر کر سکتی ہے۔

ہماری سی ڈی سی اکاؤنٹ ہولڈرز کا پریشان ہو سکتی

حرحہ ہمارا مصدقہ عمل شراکتہ پر عمل کرنا ہوگا:

- (i) پروکسی فارم پر دہا فراہمی گواہی ہونی چاہیے جن کے نام، پتہ اور سی این آئی سی یا پاسپورٹ نمبر فارم میں درج ہوں۔
- (ii) ممبر اور پروکسی کے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں پروکسی فارم کے ساتھ منسلک کرنی ہوگی۔
- (iii) پروکسی کو اجلاس کے وقت اپنا اصل سی این آئی سی یا اصل پاسپورٹ پیش کرنا ہوگا۔
- (iv) کارپوریشن کی صورت میں ڈائریکٹرز کی قرارداد اور آف اتارنی صورتوں کے دھلا کا نمونہ (اگر پہلے فراہم نہ کئے گئے ہوں) پروکسی فارم کے ساتھ کمپنی کو پیش کرنے ہو گے۔
- (v) کوئی شخص جس کی انفرادی شیئر ہولڈری پروکسی کر سکتا ہے وہ ہفتہ بیسٹین 161 کمپنی آرٹیکل 1004 کے مطابق کمپنی کا شیئر ہولڈر ہو

DIVIDEND MANDATE FORM

To, *

I, Mr / Mrs / Ms..... S/o, D/o, W/o hereby authorize Murree Brewery Company Limited to directly credit cash dividend declared by it, if any, in the below mentioned bank account:

i. Shareholder's Detail	
Name of the Shareholder	
Folio No. / CDC Participants ID A/C No.	
CNIC No.**	
Passport No. (in case of foreign Shareholder)***	
Land Line Phone Number	
Cell Number	

ii. Shareholder's Bank Detail	
Title of Bank Account	
Bank Account Number	
Bank Name	
Branch Name and Address	

It is stated that the above mentioned information is correct and that I will intimate the changes in the above mentioned information to the Company and the concerned Share Registrar as soon as these occur.

Signature of the Shareholder

* The Shareholders having physical shares have to address the Company Secretary, Murree Brewery Company Limited, on the address given below

Murree Brewery Company Limited
National Park Road, Rawalpindi

and Shareholders having their accounts with Central Depository Company (CDC) have to communicate mandate information to relevant Member Stock Exchange.

** Please attach attested photocopy of CNIC.

*** Please attach attested photocopy of the Passport.