

**MURREE BREWERY COMPANY LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION(UNAUDITED)**  
**FOR THE NINE MONTHS ENDED 31 MARCH 2013**

**1 STATUS AND NATURE OF OPERATIONS**

Murree Brewery Company Limited ("the Company") was incorporated under the repealed Indian Companies Act (now the Companies Ordinance, 1984) in February 1861 as a public limited Company in Pakistan. The shares of the Company are listed on the Karachi, Lahore and Islamabad Stock Exchanges. The registered office of the Company is situated 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**

This condensed interim financial information of the Company for the Nine months period ended 31 March 2013 has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The disclosures in this condensed interim financial information do not include that reported for full audited annual financial statements and should therefore be read in conjunction with the audited annual financial statements for the year ended 30 June 2012. Comparative balance sheet is extracted from the audited annual financial statements as of 30 June 2012, whereas comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim financial information for the Nine months period ended 31 March 2012.

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

**3 ACCOUNTING POLICIES AND ESTIMATES**

The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of this condensed interim financial information and financial risk management policy are the same as those applied in preparation of audited annual financial statements for the year ended 30 June 2012. The following approved standards, amendments and interpretations of approved accounting standards become effective during the period are not expected to have significant impact on the Company's condensed interim financial information:

Amendments to IAS 1 - Presentation of Items of Other Comprehensive Income	(effective 01 July 2012)
Amendments to IAS 12 - deferred tax on investment property	(effective 01 July 2012)

**4 SHARE CAPITAL**

During the period, the Company has issued 1,905,209 ordinary shares of Rs. 10 each representing 10% bonus shares, 01 share for every 10 shares held (Nine Months ended 31 March 2012: 1,732,008 ordinary shares of Rs. 10 each representing 10% bonus shares, 01 share for every 10 shares held).

**5 CONTINGENCIES AND COMMITMENTS**

There is no change in the contingencies and commitments of the Company as disclosed in the financial statements for the year ended 30 June 2012 except for the following:

**5.1 Contingencies**

- (a) The Company is contingently liable in respect of guarantees amounting to Rs. 47.0 million (30 June 2012: Rs. 69.43 million) issued by the banks on behalf of the Company in normal course of business.
- (b) Income Tax Authorities have recovered Rs. 26.7 million through our bank in Withholding Tax Case (Tax Year 2010), While our appeal was pending before CIR(Appeals), Islamabad, However, Company has filed an appeal before Appellate Tribunal (Inland Revenue) Islamabad against CIR(A) orders. The Company is confident of favorable out come .

**5.2 Commitments**

- (a) The Company has opened Letters of Credit for the import of machinery and inventory items valuing Rs. 225 million (30 June 2012: Rs. 159.82 million).
- (b) The Company's capital commitment outstanding at the period end amounts to Rs. 92.84 million (30 June 2012: Rs. 40.2 million)