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VISION STATEMENT

Our office is in the market

MISSION STATEMENT

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

Continuous improvement

Alignment of our missions & goals

Responsibility and respect of our jobs and each other

Educate one another

Murree Brewery Company Limited

ESTABLISHED 1860

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman
Chief Executive Officer
Directors

Mr. Khurram Muzaffar
Mr. Ispahanyar 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
Chief Financial Officer
Head Internal Audit
General Manager (Brewery Division)
Business Manager (Murree Glass)
Plant Manager ()
General Manager (Tops)
Factory Manager (Murree Sparkletts)

Mr. M. Zaffar Iqbal
Mr. Mazhar Iqbal
Mr. Malik Saqib Gul Nawaz
Mr. Mohammad Javed
Mr. Arshad Zaheer
Mr. Zaka ud Din
Mr. Talat Yaqoob
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)
Lt. Gen @ Zarrar Azim (Member)

AUDITORS

M/s KPMG Taseer Hadl & 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 / FAbad / 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

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

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

(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

(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

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

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors take pleasure in presenting their report along with un-audited financial statements for the 3rd Quarter and 9 months period ended 31st March, 2017.

A brief review of the Company's performance for the period against the corresponding period of the last year is as follows:-

- Turnover Rs.4,837 million increased by 9%
- Gross profit Rs.1,502 million decreased by 7%
- Operating profit Rs. 882 million decreased by 17%
- Profit before tax Rs. 981 million decreased by 15%
- Profit after tax Rs. 662 million decreased by 22%
- Earnings per share was Rs.28.72 against Rs.36.97 in the previous year.

Main reasons for decrease in the group profit:

1. The decline in the company's profit after tax is due to bonuses paid to employees in settlement of Charter of Demands served by the Collective Bargaining Agent (CBA) for two years from 1st July 2015 to 30th June 2017 and also increase in salary. This has mainly affected our three cost centers i.e., administrative, manufacturing and distribution.
2. Decrease in Liquor and Tops Divisions profit is mainly due to suspension of liquor sales and charge of depreciation on capital investments during FY 2015-16 and current period. Further, management decided to change the formulation of some products which increased cost of raw-material.

We have already apprised shareholders regarding important issues in detail through un-audited accounts for the 2nd Quarter ended 31st December, 2016. Present status is as under:

Ban on Liquor Sale in Sindh

On 3rd March 2017, the Sindh High Court was informed by the provincial government that all wine shops across Sindh had been sealed and stock taken into custody. The court had directed the Excise and Taxation department to immediately seal all the liquor shops operating in violation of the Hudood Ord:1979 and submit compliance report resulting in suspension of liquor supplies to Sindh.

The licensees filed an appeal against this order of the Sindh High Court and on 20th March 2017 the Supreme Court ruled.

"Where the Prohibition (Enforcement of Hadd), Order 1979 is in place and violation of Article 3 or any of its provisions could be dealt by the police and other officers mentioned therein, the High Court in the circumstances could not step in and pass an order directing to close liquor shops. We, therefore, grant leave to appeal in these petitions. Let the appeals be listed within a period of three weeks before a three Member Bench".

Supplies to Sindh were restored but the issue of liquor sales to the province remain to be finally decided and is pending before the above two legal forums.

The company's profitability continues to be adversely affected by this second suspension of liquor sales which has also resulted in a further reduction of government levies collected by both the Punjab and Sindh provinces. The reduced availability of duty paid liquor can result in increase of sale of non duty paid supplies with losses to the provincial governments and the company.

Murree Brewery Company Limited

DIRECTORS' REPORT TO THE SHAREHOLDERS

Still Head Duty

The Punjab Government issued a notification # SO(E&M)2-3/2011(P-II) dated 24th June, 2015 through by 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 company is paying this duty and recovering it from the buyer.

The Punjab Government has filed an appeal in the Lahore High Court, Lahore praying the impugned judgment may kindly be set aside and the Notification dated 24th June, 2015 be declared intra vires to the Constitution of Islamic Republic of Pakistan, Punjab Excise has got stay against Sindh wine dealers and is collecting "extra duty".
Case is pending before the Honourable Lahore High Court, Lahore.

Gas Infrastructure Development Cess (GIDC)

The Company and Industry has challenged the GIDC Act, 2015 and filed a Writ Petition in the Islamabad High Court including retrospective application of the provision of the GIDC Act. The Court has granted a stay under the GIDC Act, 2015. Financial impact is approx Rs149 Million (30th June, 2016: Rs.117 million).

The company has not made any provision of this liability as the management is confident the eventual decision will be in favour of the company.

Case Filed By Shareholder

One of our shareholders M/s Kingsway Fund filed a petition in the Lahore High Court, praying therein to restrain Murree Brewery Co. Ltd. from increasing the Authorized Share Capital and from issuing the Stock Dividend of 1500%.

The Honourable Lahore High Court, Lahore issued their order on 19th October 2016 declaring the company's Extra Ordinary General Meeting of 29th September, 2016 as invalid.

The Company has filed an Intra Court Appeal in the Lahore High Court, Lahore, Case not yet fixed for hearing.

Outlook

The two suspensions of the sale of liquor in the Sindh province in the past 6 months has seriously reduced the profitability of the company as Sindh is our major market for liquor sales. The restoration of supplies on a permanent basis is urgently required. The company relies on increase in sales to cover annual increases in the cost of raw materials and manpower which has only been possible in the glass division.

Legislation of this nature disrupts the smooth flow of operations, budgets and future planning and ultimately in investor confidence which is so important in a developing economy with a rising population.

Acknowledgment

The Board would like to extend its gratitude to all the stakeholders for the continuous support they have extended to Murree Brewery Company Limited.

Rawalpindi
Date: 27th April, 2017


Chairman

لیکیو کی فروخت پر دوسری مرتبہ پابندی کی وجہ سے کمپنی کا منافع بری طرح متاثر ہوا ہے اور اس کے نتیجے میں صوبہ پنجاب اور صوبہ سندھ کو حاصل ہونے والے محصولات میں بھی کمی دیکھنے کو آئی ہے۔ ڈیوٹی پیڈ لیکیو کی مارکیٹ میں عدم دستیابی غیر محصولات شدہ لیکیو کی فروخت میں اضافہ کا باعث بن سکتی ہے، جس سے صوبائی حکومتوں اور کمپنی کو نقصان ہو سکتا ہے۔

مثل ہیڈ ڈیوٹی

پنجاب گورنمنٹ نے ایک نوٹیفیکیشن # SO(E&M)2-3/2011(P-II) بتاریخ 24 جون 2015 کا اجراء کیا تھا، جس کے مطابق پاکستان میں بنائی جانے والی لیکیو راورنیر، جو کہ صوبہ پنجاب سے باہر استعمال کی جائے، پر 1 جولائی 2015 سے مثل ہیڈ ڈیوٹی عائد کر دی ہے۔ کمپنی نے اس فیصلہ کو لاہور ہائیکورٹ میں چیلنج کیا تھا۔ معزز عدالت نے اس نوٹیفیکیشن کو 27 جون 2017 کو مسترد کر دیا تھا۔ کمپنی یہ ڈیوٹی خریداروں سے لے کر جمع کر رہی ہے۔

پنجاب گورنمنٹ نے اس فیصلہ کے خلاف لاہور ہائیکورٹ میں اپیل جمع کروائی ہے کہ اس فیصلہ کو مسترد کر دیا جائے اور 24 جون 2015 کو جاری ہونے والے نوٹیفیکیشن کو اسلامی جمہوریہ پاکستان کے آئین کے مطابق قرار دیا جائے۔

پنجاب ایکسائز نے سندھ کے وائٹ ڈیلرز کے خلاف سٹے لے لیا ہے اور ان سے "ایکسٹرا ڈیوٹی" وصول کر رہا ہے۔ کمپنی نے انٹرا کورٹ اپیل داخل کر داری ہے لیکن کیس لاہور ہائیکورٹ، لاہور میں ابھی زیر سماعت نہیں ہے۔

گیس انفراسٹرکچر ڈیولپمنٹ سیس (GIDC)

کمپنی نے انڈسٹری کے ساتھ مل کر GIDC ایکٹ 2015 کو چیلنج کیا ہے اور اسلام آباد ہائیکورٹ میں GIDC ایکٹ کے حوالے سے درخواست کے ساتھ پیشین جمع کروائی ہے۔ کورٹ نے GIDC ایکٹ 2015 پر سٹے آرڈر دیا ہے۔ مالیاتی اثر تقریباً 149 ملین روپے ہے (30 جون 2015 تک یہ 117 ملین روپے تھا)۔

کمپنی نے اس مد میں کوئی ذمہ داری داخل اندراج نہیں کی، کیونکہ کمپنی پر اعتماد ہے کہ وہ یہ مقدمہ جیت لے گی۔

حصص داری جانب سے مقدمہ

ہمارے ایک حصدارینسرنگلز وے فنڈ نے لاہور ہائیکورٹ میں درخواست دائر کر رکھی ہے۔ جس میں مری بروری کمپنی لمیٹڈ کے مجاز حصص سرمایہ کو بڑھانے اور اسٹاک ڈیوڈنڈ %1500 کے حساب سے جاری کرنے سے روک رکھا ہے۔

لاہور ہائیکورٹ کی معزز عدالت نے 19 اکتوبر 2016 کو حکمنامہ جاری کیا، جس کے مطابق 29 ستمبر 2016 کو ہونے والے غیر عمومی اجلاس کو غیر مناسب قرار دیا گیا ہے۔

کمپنی نے لاہور ہائیکورٹ، لاہور میں انٹرا کورٹ اپیل جمع کروائی ہوئی ہے۔ کیس ابھی زیر سماعت نہیں ہے۔

آڈٹ لگ

گذشتہ 6 ماہ میں صوبہ سندھ میں لیکیو کی فروخت پر دوسری مرتبہ پابندی کی وجہ سے کمپنی کے منافع میں خاطر خواہ کمی ہوئی ہے، کیونکہ صوبہ سندھ لیکیو کی فروخت کے لئے اہم مارکیٹ ہے۔ چنانچہ صوبہ میں لیکیو کی فروخت کو مستقل بنیادوں پر فوراً بحال کرنے کی ضرورت ہے۔ خام مال اور مزدوری کی بڑھتی ہوئی قیمتوں پر پورا اترنے کے لئے کمپنی کا تمام تر انحصار سٹیلز کی بڑھتی ہوئی قیمتوں پر ہے۔

اس نوعیت کے قوانین عموماً، بجٹ اور مستقبل کے لئے منصوبہ بندی کے ساتھ ساتھ سرمایہ کاروں کے اعتماد پر بھی منفی اثرات مرتب کرتے ہیں، جو کہ بڑھتی آبادی والی ترقی پذیر معیشت کے لئے انتہائی ضروری ہے۔

اعتراف

مری بروری کمپنی لمیٹڈ کے ساتھ مسلسل تعاون کرنے پر یورڈ تمام اسٹیک ہولڈرز کا تہہ دل سے شکر گزار ہے۔

Kingdome

چیرمین

راولپنڈی

مری بروڈی کمپنی لمیٹڈ

شمیر ہولڈرز کے لئے ڈائریکٹرز کی رپورٹ

کمپنی کے ڈائریکٹرز 31 مارچ 2017 کو ختم ہونے والی تیسری سہ ماہی اور 9 ماہ کے لئے اپنی رپورٹ بمع غیر آڈٹ شدہ مالیاتی گوشوارہ پیش کرنے پر مسرت محسوس کرتے ہیں۔
گذشتہ سال کی اس مدت کے حوالے سے کمپنی کی کارکردگی کا مختصر جائزہ درج ذیل ہے:-

ٹرن اوور	4,837 ملین روپے	اضافہ ہوا	9% تک
کل منافع	1,502 ملین روپے	کمی ہوئی	7% تک
عملی منافع	882 ملین روپے	کمی ہوئی	17% تک
قبل از ٹیکس منافع	981 ملین روپے	کمی ہوئی	15% تک
بعد از ٹیکس منافع	662 ملین روپے	کمی ہوئی	22% تک
آمدنی فی حصص	28.72 روپے	برائے سال 2017 رہی جو کہ گذشتہ سال 2016 میں 36.97 روپے تھی۔	

گروپ کے کل منافع میں کمی کی اہم وجوہات مندرجہ ذیل ہیں:

- 1- کمپنی کے منافع قبل از ٹیکس میں کمی، ملازمین کو کولیکٹنگ ایجنٹ (سی بی اے) کی جانب سے 1 جولائی 2015 سے 30 جون 2017 تک، دو سال کے لئے دیئے جانے والے چارٹرف ڈیمانڈ کے تصفیہ میں دیئے گئے بونسز اور ملازمین کی تنخواہوں میں اضافہ کی وجہ سے ہوئی۔ اس کی وجہ سے تینوں لاگتی حصوں یعنی ایڈمنسٹریٹو، مینوفیکچرنگ اور ڈسٹری بیوشن خرچوں میں اضافہ ہوا۔
- 2- لیکچور اور ٹاپس ڈویژن کے منافع میں کمی سال 2016-2015 اور حالیہ مدت میں لیکچور کی فروخت پر پابندی اور کیپٹل انوسٹمنٹ پر تخفیر کی وجہ سے ہوئی۔ مزید یہ کہ مینجمنٹ نے کچھ مصنوعات کی اجراء ترکیبی میں تبدیلی کا فیصلہ کیا ہے، جس سے خام مال کی قیمت میں اضافہ ہوا۔ ہم نے 31 دسمبر، 2016 کو ختم ہونے والی دوسری سہ ماہی کے غیر آڈٹ شدہ گوشواروں کے ذریعے پہلے ہی حصص داروں کو اہم مسائل سے متعلق تفصیلی طور پر آگاہ کیا تھا۔ اُن کے بارے میں موجودہ صورتحال کچھ اس طرح سے ہے۔

صوبہ سندھ میں لیکچور کی فروخت پر پابندی

3 مارچ، 2017 کو سندھ ہائی کورٹ کو صوبائی حکومت کی جانب سے مطلع کیا گیا تھا کہ سندھ بھر کی تمام وائن شاپس کو سبیل کر کے اسٹاک کو حراست میں لے لیا گیا ہے۔ عدالت نے ایکسٹرا اینڈیکسیشن ڈیپارٹمنٹ کو حکم نامہ جاری کیا تھا کہ حدود آرڈیننس 1979 کی خلاف ورزی میں چلائی جانے والی تمام لیکچور شاپس کو فوری طور پر سبیل کیا جائے اور اس سلسلہ میں قبیل کی رپورٹ پیش کی جائے، جس کے نتیجے میں سندھ لو لیکچور کی فراہمی پر پابندی لگا دی گئی تھی۔

لیکچور فروخت کنندگان نے سندھ ہائی کورٹ کے اس فیصلہ کے خلاف اپیل جمع کروائی تھی، جس پر 20 مارچ 2017 کو سپریم کورٹ نے درج ذیل فیصلہ سنایا ہے۔

”جہاں حدود آرڈیننس، 1979 نافذ العمل ہو اور آرٹیکل 3 یا اس کی کسی بھی شق کی خلاف ورزی پر پولیس یا آرڈیننس میں درج افسران کے ذریعے نمٹا جاسکے، وہاں ہائی کورٹ اس معاملہ میں دخل انداز ہوتے ہوئے لیکچور شاپس پر پابندی کا حکم نامہ جاری نہیں کر سکتی۔ اس بناء پر ہم ان درخواستوں پر اپیل خارج کرتے ہوئے اور ان اپیلوں کو تین ہفتے کے اندر اندر تین ممبران کے بیچ کے سامنے پیش کیا جائے“

صوبہ سندھ میں لیکچور کی سپلائی دوبارہ سے شروع کر دی گئی ہیں تاہم صوبہ میں لیکچور کی فروخت کا فیصلہ ابھی تک حتمی طور پر نہیں کیا گیا اور یہ معاملہ درج بالا دونوں قانونی فورمز پر ابھی زیر سماعت ہے۔

Murree Brewery Company Limited


CONDENSED INTERIM BALANCE SHEET AS AT 31 MARCH 2017

	31 March 2017 (Un-audited) (Rs. '000)	30 June 2016 (Audited) (Rs. '000)	Note
SHARE CAPITAL AND RESERVES			
Share capital	230,530	230,530	
Reserves:			
Capital reserve	30,681	30,681	
Contingency reserve	20,000	20,000	
General reserve	327,042	327,042	
Reserve for issue of bonus shares	3,457,954	-	
Unappropriated profit	1,730,219	5,189,816	
	5,565,805	5,567,539	
	5,796,425	5,798,069	
	2,544,135	2,571,936	
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - net of tax			
	12,882	12,345	
	174,712	176,286	
	125,634	83,649	
	313,228	277,280	
NON - CURRENT LIABILITIES			
Liabilities against assets subject to finance lease			
Deferred liabilities - staff retirement benefits			
Deferred taxation			
	9,311	8,059	
	850,309	836,374	
	230,530	-	
	1,090,150	844,433	
CURRENT LIABILITIES			
Current portion of liabilities against assets subject to finance lease			
Trade and other payables			
Interim Dividend Payable			
	153,428	106,572	
	1,516,650	1,477,354	
	99,248	57,736	
	234,640	52,125	
	22,048	61,094	
	1,227,612	1,283,131	
	283,795	168,372	
	1,441,567	1,701,696	
	4,978,988	4,908,050	
CURRENT ASSETS			
Stores, spares parts and loose tools			
Stock in trade			
Trade debts - unsecured			
Advances and other receivables - considered good			
Short term prepayments			
Short term investments			
Advance income tax - net of provision			
Cash and bank balances			
	106,572	106,572	
	1,477,354	1,477,354	
	57,736	57,736	
	52,125	52,125	
	61,094	61,094	
	1,283,131	1,283,131	
	168,372	168,372	
	1,701,696	1,701,696	
	4,908,050	4,908,050	
	9,743,939	9,491,718	

CONTINGENCIES AND COMMITMENTS

5

The annexed notes form an integral part of this condensed interim financial information.


 CHIEF EXECUTIVE OFFICER


 DIRECTOR

Murree Brewery
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

Company Limited
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2017

	Liquor Division			Glass Division		
	Quarter ended 31 March	Nine months ended 31 March		Quarter ended 31 March	Nine months ended 31 March	
	2017	2016	2017	2017	2016	2017
(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)

8 TURNOVER

Third party sales-net	1,841,450	1,963,864	5,270,228	5,351,747	166,901	61,935	400,305	105,418
Inter divisional sales	112,765	82,824	322,696	285,193	283,158	287,363	761,230	667,939
	1,954,215	2,046,688	5,592,924	5,636,940	450,059	349,298	1,161,535	771,357
Less: Duties and taxes	(751,743)	(802,997)	(2,084,664)	(2,135,407)	(24,251)	(9,000)	(58,201)	(15,027)
	1,202,472	1,243,691	3,508,260	3,501,533	425,809	340,298	1,103,334	756,330

Note

9 COST OF SALES

Third party	(586,626)	(507,925)	(1,851,799)	(1,719,525)	(289,769)	(204,190)	(733,853)	(457,215)
Inter divisional	(277,381)	(285,874)	(741,462)	(668,102)	-	-	-	-
	(864,006)	(793,799)	(2,593,261)	(2,387,627)	(289,769)	(204,190)	(733,853)	(457,215)
	338,466	449,892	914,999	1,113,906	136,040	136,108	369,481	299,115

Distribution cost
Administrative expenses
Finance cost

	(73,235)	(59,896)	(190,916)	(175,794)	(1,405)	(2,114)	(4,876)	(4,156)
	(52,950)	(49,017)	(158,670)	(141,472)	(7,606)	(9,189)	(23,018)	(23,414)
	(319)	(237)	(1,897)	(521)	(234)	(80)	(665)	(155)
	(126,505)	(109,150)	(351,483)	(317,787)	(9,245)	(11,383)	(28,558)	(27,725)
	211,961	340,742	563,515	796,119	126,795	124,725	340,923	271,390

Other expenses
Other operating income
PROFIT BEFORE TAXATION

TAXATION
- Current year
- Deferred

PROFIT AFTER TAXATION

EARNINGS PER SHARE - BASIC AND DILUTED (Rupees) - Note 10

The annexed notes form an integral part of this condensed interim financial information.


CHIEF EXECUTIVE OFFICER

	Tops Division			Total		
	Quarter ended 31 March	Nine months ended 31 March		Quarter ended 31 March	Nine months ended 31 March	
	2017	2016	2017	2016	2017	2016
(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)

	546,295	452,477	1,696,500	1,449,140	2,478,276	7,367,033	6,904,305
	8,237	6,903	26,842	20,126	-	-	-
	554,532	459,380	1,723,342	1,469,266	2,554,646	7,367,033	6,904,305
	(124,367)	(98,491)	(386,430)	(319,231)	(900,360)	(2,529,295)	(2,469,665)
	430,165	360,889	1,336,912	1,150,035	1,654,286	4,837,738	4,434,640


	(252,335)	(197,115)	(749,854)	(639,295)	(1,128,729)	(909,230)	(3,335,506)
	(111,971)	(91,215)	(369,305)	(305,155)	-	-	-
	(364,306)	(288,330)	(1,119,160)	(944,450)	(1,128,729)	(909,230)	(3,335,506)
	65,859	72,559	217,752	205,585	525,556	658,538	1,502,232
							1,618,605

	(63,657)	(56,151)	(188,452)	(164,919)	(138,297)	(118,161)	(344,869)
	(17,193)	(16,024)	(51,142)	(44,400)	(77,749)	(74,230)	(209,286)
	(187)	(91)	(649)	(317)	(741)	(408)	(993)
	(81,037)	(72,266)	(240,243)	(209,636)	(216,786)	(192,799)	(555,148)
	(15,178)	293	(22,491)	(4,051)	308,770	465,759	881,947
							1,063,457

	(22,650)	(34,947)	(78,758)	(76,087)			
	60,449	61,005	177,960	162,316			
	346,568	491,817	981,148	881,947			

	(94,716)	(140,692)	(282,017)	(302,182)			
	(12,111)	4,590	(36,985)	4,863			
	(106,827)	(136,102)	(319,002)	(297,319)			
	239,741	355,715	662,146	852,367			

	10.40	15.43	28.72	36.97			
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DIRECTOR

Murree Brewery Company Limited
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2017

	Quarter ended 31 March		Nine months ended 31 March	
	2017	2016	2017	2016
	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)
Profit after tax	239,741	355,714	662,146	852,366
Other comprehensive income for the period				
Experience adjustments on defined benefit obligation	□	(24,697)	-	(74,091)
Tax effect on experience adjustments	-	7,409	-	22,227
Total other comprehensive income	-	(17,288)	-	(51,864)
Total comprehensive income for the period	239,741	338,426	662,146	800,502

The annexed notes form an integral part of this condensed interim financial information.



 CHIEF EXECUTIVE OFFICER



 DIRECTOR

Murree Brewery Company Limited

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2017

	Nine months ended 31 March	
	2017 (Rs. '000)	2016 (Rs. '000)
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	981,148	1,149,686
Adjustment for:		
Depreciation	210,518	174,360
Provision for staff retirement benefits	5,848	15,553
Profit on deposits	(60,428)	(115,034)
Dividend income	(6)	(7)
Finance cost	3,210	993
Unrealised gain on re-measurement of available for sale securities	(60,368)	(563)
Gain on disposal of investment	(3,201)	(95)
Loss / (gain) on disposal of property, plant and equipment	(8,365)	9,854
Operating profit before working capital changes	1,068,355	1,234,747
Increase in stores, spares and loose tools	(46,856)	(23,685)
Increase in stock in trade	(39,296)	(501,484)
Increase in trade debts	(41,512)	(71,215)
Increase in advances, receivables and prepayments	(147,260)	(80,219)
Increase / (decrease) in current liabilities	5,174	63,757
	(269,749)	(612,846)
Finance cost paid	(3,210)	(993)
Staff retirement benefits paid	(7,072)	(9,931)
Income tax paid	(397,990)	(504,629)
Net cash (used in) / generated from operating activities	390,334	106,348
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(174,545)	(155,394)
Purchase of investment held for trading	(420,730)	(81,000)
Proceeds for sale of investment held for trading	334,201	15,700
Proceeds from disposal of property, plant and equipment	12,431	4,618
Long term deposits and advances	(4,796)	(2,856)
Dividend received	6	7
Profit received on deposits	64,189	104,333
Net cash used in investing activities	(189,243)	(114,592)
CASH FLOW FROM FINANCING ACTIVITIES		
Re-payment of finance leases	(8,685)	(2,093)
Dividend paid	(452,535)	(126,115)
Net cash used in financing activities	(461,220)	(128,208)
Net decrease in cash and cash equivalents	(260,129)	(136,451)
Cash and cash equivalents at beginning of the period	1,701,696	3,013,619
Cash and cash equivalents at the end of the period	1,441,567	2,877,168

The annexed notes form an integral part of this condensed interim financial information.


CHIEF EXECUTIVE OFFICER

12


DIRECTOR

Murree Brewery Company Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2017

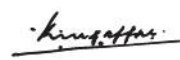
	Share capital (Rs. '000)	Capital reserve (Rs. '000)	Contingency reserve (Rs. '000)	General reserve (Rs. '000)	Reserve for issue of bonus shares (Rs. '000)	Unappropriated profit (Rs. '000)	Total equity (Rs. '000)
Balance at 01 July 2015	230,530	30,681	20,000	327,042	-	4,193,571	4,801,824
Total comprehensive income for the nine months period ended 31 March 2016	-	-	-	-	-	800,502	800,502
Surplus on revaluation of property, plant and equipment realized through depreciation for the year - net of deferred tax	-	-	-	-	-	8,256	8,256
<i>Transaction with owners, recorded directly in equity</i>							
Final dividend for the year ended 30 June 2015 (Rs. 6.5 per share)	-	-	-	-	-	(149,845)	(149,845)
Balance as at 31 March 2016	230,530	30,681	20,000	327,042	-	4,852,484	5,460,737
Balance at 01 July 2016	230,530	30,681	20,000	327,042	-	5,189,816	5,798,069
Total comprehensive income for the nine months period ended 31 March 2017	-	-	-	-	-	662,146	662,146
Surplus on revaluation of property, plant and equipment realized through depreciation for the year - net of deferred tax	-	-	-	-	-	27,653	27,653
Transferred from surplus on revaluation of property, plant and equipment on write off/disposal - net of deferred tax	-	-	-	-	-	148	148
<i>Transaction with owners, recorded directly in equity</i>							
Transfer of interim bonus shares for the year ended 30 June 2016 @ 1500% i.e. 15 shares against one share	-	-	-	-	3,457,954	(3,457,954)	-
Interim dividend for the year ended 30 June 2016 (Rs. 10 per share)	-	-	-	-	-	(230,530)	(230,530)
Final dividend for the year ended 30 June 2016 (Rs. 10 per share)	-	-	-	-	-	(230,530)	(230,530)
Interim dividend for the year ending 30 June 2017 (Rs. 10 per share)	-	-	-	-	-	(230,530)	(230,530)
						(691,590)	(691,590)
Balance as at 31 March 2017	230,530	30,681	20,000	327,042	3,457,954	1,730,219	5,796,426

The annexed notes form an integral part of this condensed interim financial information.



CHIEF EXECUTIVE OFFICER

13



DIRECTOR

Murree Brewery Company Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2017

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. 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 11 January 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, 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 This condensed interim financial information of the Company for the period ended 31 March 2017 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.
- 2.2 The disclosures in this condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements of the Company for the year ended 30 June 2016. Comparative condensed interim balance sheet is extracted from annual financial statements as of 30 June 2016 whereas comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are extracted from un-audited condensed interim financial information of the Company for the period ended 31 March 2017.
- 2.3 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 Pakistan Stock Exchange.

3 Significant accounting policies

The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations and 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 annual audited financial statements for the year ended 30 June 2016.

Murree Brewery Company Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2017

4 Share capital and reserves

There is no change in the paid up share capital of the Company as disclosed in the financial statements for the year ended 30 June 2016. With respect to the matter reported in note 40 of the financial statements for the year ended 30 June 2016, the shareholders passed the resolution, in the Extra Ordinary General Meeting ("EOGM"), as duly held on 29 September 2016, for the increase of authorized capital from Rs. 300 million to Rs. 4 billion. However, a shareholder Kingsway Capital LLP. challenged the said in the Lahore High Court ("LHC"). On 19 October 2016 LHC declared the aforementioned EOGM as invalid and directed for holding the meeting afresh. Against the said decision, intercourt appeal has been filed by the Company which is yet pending for the hearing and the matter is yet subjudice. The sum of Rs. 3.46 billion has been appropriated to "Reserve for issue of bonus shares" as per the aforementioned resolution and will therefore be capitalized upon the allotment of the bonus shares. However, the allotment of bonus shares is pending since book closure for bonus shares is to be revised as per directions of LHC.

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 2016, except the following:

Contingencies:

- 5.1 The Company is contingently liable in respect of guarantees amounting to Rs. 47.7 million (30 June 2016: Rs. 48.7 million) issued by banks on behalf of the Company in normal course of business.
- 5.2 Regarding Gas Infrastructure Development Cess (GIDC) the unpaid amount up to 31 March 2017 is approximately Rs. 149 million (30 June 2016: Rs. 116.8 million). For details note 12.2 to the financial statements for the year ended 30 June 2016 is to be referred.
- 5.3 For contingencies related to tax matters, note 12 is referred.

Commitments:

- 5.4 The Company has opened Letters of Credit for import of machinery and inventory items valuing approximately Rs. 312 million as at 31 March 2017 including amount for the capital commitment given in note 4.4 (30 June 2016: Rs. 57.7 million) to the financial statements for the year ended 30 June 2016.
- 5.5 The Company's capital commitments as at 31 March 2017 amounts to Rs. 255 million (30 June 2016: Rs. 24.3 million).

Murree Brewery Company Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2017

	Note	Nine months ended 31 (Un-audited) (Rs. '000)	Year ended 30 June 2016 (Audited) (Rs. '000)
6	PROPERTY, PLANT AND EQUIPMENT		
	Opening balance	3,942,906	3,898,900
	Additions during the period / year	185,339	301,371
		4,128,245	4,200,271
	Disposals during the period / year at book value	4,066	15,398
	Depreciation charged during the period / year	210,518	241,967
		214,583	257,365
		3,913,662	3,942,906
6.1	Additions during the period / year:		
	Land	39,168	-
	Buildings	2,850	88,203
	Plant and machinery	84,715	631,793
	Furniture and fixtures	549	1,425
	Motor vehicles	15,555	36,804
	Capital work in progress - net	42,502	(456,854)
		185,339	301,371

6.2 Additions in and depreciation on property, plant and equipment during the nine months ended 31 March 2017 were Rs. 164.909 million and Rs. 174.36 million respectively.

7 INVESTMENT PROPERTY

The investment properties are land and building held for capital appreciation and to earn rental income. At the balance sheet date, an exercise was carried out by the management to assess the fair value of investment property. Based on the exercise, management of the Company ascertained that there is no significant change in the valuation of investment property.

8 Turnover

Turnover is net of discount & freight amounting to Rs. 123.1 million for the nine months period ended 31 March 2017, (31 March 2016: 126.9 million), as the Company's non alcoholic goods are sold on the delivered basis as per the market practices of the comparable industries.

Murree Brewery Company Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2017

Note	Nine months ended 31 March 2017			Nine months ended 31 March	
	Liquor (Rs. '000)	Glass (Rs. '000)	Tops (Rs. '000)	2017 (Rs. '000)	2016 (Rs. '000)
9 COST OF SALES					
Raw material consumed	2,213,163	244,297	999,404	3,456,864	3,114,825
Stores and spares consumed	23,170	64,785	321	88,275	64,585
Fuel and power	120,518	149,568	21,143	291,229	276,284
Salaries and other benefits	143,878	62,295	62,102	268,275	237,222
Repair and maintenance	21,333	25,880	28,588	75,801	67,641
Other manufacturing overhead	14,414	18,816	9,335	100,422	26,214
Depreciation	58,459	108,611	23,148	132,260	159,734
	2,594,934	674,252	1,144,040	4,413,226	3,946,505
Work in process					
Opening stock 01 July	303,653	1,445	13,966	319,064	341,768
Closing stock 31 March	(287,990)	(1,445)	(19,008)	(308,443)	(316,644)
	15,663	-	(5,042)	10,620	25,124
Cost of goods manufactured	2,610,597	674,252	1,138,998	4,423,847	3,971,629
Finished goods					
Opening stock 01 July	67,411	117,601	64,885	249,898	99,846
Closing stock 31 March	(84,747)	(58,000)	(81,723)	(227,171)	(282,181)
	(17,336)	59,601	(19,838)	22,427	(182,335)
	2,593,261	733,853	1,119,160	4,446,274	3,789,294
Less: Interdivisional transfers	(741,462)	-	(360,305)	(1,110,768)	(973,257)
	1,851,799	733,853	749,854	3,335,506	2,816,037
9.1 Raw material consumed					
Opening stock 01 July	687,645	16,980	203,544	908,169	494,117
Purchases	2,174,525	236,236	1,059,800	3,470,561	3,450,381
	2,862,170	253,215	1,263,344	4,378,730	3,944,498
Closing stock 31 March	(649,007)	(8,918)	(263,940)	(921,866)	(829,674)
	2,213,163	244,297	999,404	3,456,864	3,114,824

10 EARNINGS PER SHARE - BASIC AND DILUTED

	Quarter ended 31 March		Nine months ended 31 March	
	2017	2016	2017	2016
Net profit for the period - Rupees in ('000)	239,741	355,715	662,146	852,367
Weighted average number of shares - Numbers	23,053,025	23,053,025	23,053,025	23,053,025
Earnings per share - Rupees	10.40	15.43	28.72	36.97

There is no dilutive effect on the basic earnings per share of the Company.

11 SEGMENT INFORMATION

The detail of utilization of the Company assets by the divisions as well as related liabilities is as follows:

	Liquor Division (Rs. '000)	Glass Division (Rs. '000)	Tops Division (Rs. '000)	Unallocated (Rs. '000)	Total (Rs. '000)
Assets					
31 March 2017	6,235,266	754,954	996,879	1,756,839	9,743,939
30 June 2016 - Audited	6,258,337	763,089	887,257	1,583,036	9,491,719
Liabilities					
31 March 2017	1,083,132	56,912	137,700	125,634	1,403,378
30 June 2016 - Audited	790,608	59,793	181,852	89,462	1,121,715

Murree Brewery Company Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2017

Capital expenditure					
31 March 2017	105,826	52,480	27,432	-	185,339
30 June 2016 - Audited	228,259	49,075	24,037	-	301,371
Depreciation					
31 March 2017	73,075	109,683	28,757	-	210,516
30 June 2016 - Audited	76,030	130,967	34,970	-	241,967

12. Taxation

- 12.1 Tax assessments up to and including year 2016 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.
- 12.2 The Deputy Commissioner Large Tax Payers Unit (DLU) Islamabad issued order whereby demand was raised amounting to Rs. 197,607 million along with the default surcharge and penalty for the tax year 2013 with reference to the provisions of the Sales Tax Act, 1990. Against this Order, the Company filed an appeal before CIR (Appeals) which 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 filed an appeal before Appellate Tribunal Inland Revenue (ATIR), Islamabad, on 8 August 2016 and also obtained stay from ATIR on 10 August 2016, against the recovery by Federal Board of Revenue of the alleged demand. The Appellate Tribunal Inland Revenue, Islamabad, vide its Order dated 13 February 2017, has deleted the demand by vacating the aforementioned orders of the deputy commissioner & CIR (Appeals) and the case has been remanded back to the taxation officer.
- 12.3 The Deputy Commissioner Large Tax Payers Unit (DLU) Islamabad issued order on 11 October 2016 whereby the demand was raised amounting to Rs. 25.17 million along with the default surcharge and penalty for the tax year 2012, with reference to the provisions of the Sales Tax Act, 1990. Against this Order, the Company filed an appeal before CIR (Appeals) which heard the case on and the judgment has been reserved. The company has obtained stay from Islamabad High Court against the recovery by FBR of the alleged demand. 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.

13. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise of directors, key management personnel, major shareholders, entities over which the directors are able to exercise influence and employees'

	Nine months ended 31 March	
	2017 (Rs. '000)	2016 (Rs. '000)
Transactions and balances with associated companies under common directorship		
Sales commission	50,519	52,707
Services acquired	9,000	9,000
Dividend Paid	193,450	59,320
Share capital held	96,725	94,263
Balance payable	8,076	25,395
Transactions with other related parties		
Contribution to staff provident fund	3,401	2,354
Contribution to staff pension fund	2,447	1,673
Dividend paid	132,077	30,965
Remuneration of the Key Management Personnel	21,247	18,113

Murree Brewery Company Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2017

14 Fair value of financial instruments (continued)

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

	Carrying amount				Fair value			
	Available for sale	Held-for-trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Total
31 March 2017	-----Rupees in '000'-----							
Financial assets measured at fair value								
Investments:								
- Pakistan Investment Bonds	529,227	-	-	-	529,227	-	529,227	529,227
- Quoted securities / mutual funds	-	1,227,612	-	-	1,227,612	1,227,612	-	1,227,612
Financial assets not measured at fair value								
Bank balances	-	-	1,441,567	-	1,441,567	-	-	-
Trade debts	-	-	99,248	-	99,248	-	-	-
Advances and other receivables	-	-	234,640	-	234,640	-	-	234,640
Long term deposits	-	-	24,736	-	24,736	-	-	24,736
	-	-	259,376	-	259,376	-	-	259,376
Financial liabilities not measured at fair value								
Trade and other payables	-	-	-	850,309	850,309	-	-	-
Finance lease liabilities	-	-	-	22,193	22,193	-	-	-
	-	-	-	872,502	872,502	-	-	-

14 Fair value of financial instruments (continued)

	Carrying amount				Fair value			
	Available for sale	Held-for-trading	Loan and receivables	Other financial liabilities	Total	Level 1	Level 2	Total
30 June 2016	-----Rupees in '000'-----							
Financial assets measured at fair value								
Investments:								
- Pakistan Investment Bonds	323,497	-	-	-	323,497	-	323,497	323,497
- Quoted securities / mutual funds	-	1,283,131	-	-	1,283,131	1,283,131	-	1,283,131
Financial assets not measured at fair value								
Bank balances	-	-	1,701,696	-	1,701,696	-	-	-
Trade debts	-	-	57,736	-	57,736	-	-	-
Long term deposits	-	-	22,785	-	22,785	-	-	-
Advances and other receivables	-	-	52,125	-	52,125	-	-	-
	323,497	1,283,131	1,834,342	-	3,440,970	1,283,131	323,497	1,606,628
Financial liabilities not measured at fair value								
Trade and other payables	-	-	-	561,739	561,739	-	-	-
Lease liabilities	-	-	-	20,404	20,404	-	-	-
	-	-	-	582,143	582,143	-	-	-

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

15 DATE OF APPROVAL

This condensed interim financial information were approved by the Board of Directors of the Company in their meeting held on 27th April, 2017


CHIEF EXECUTIVE OFFICER

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DIRECTOR