

KARAM CERAMICS LIMITED  
INTERIM CONDENSED FINANCIAL STATEMENT  
FOR THE 3RD QUARTER  
ENDED MARCH 31, 2024  
(Un-Audited)



wall tiles ♦ floor tiles ♦ wall facings ♦ sanitaryware ♦ dishware ♦ building material

## CONTENTS

Directors' Report ( English )-----	01
Directors' Report (Urdu)-----	02
Condensed Interim Balance Sheet -----	03
Condensed Interim Profit and Loss Account-----	04
Condensed Interim Cash Flow Statement -----	05-06
Condensed Interim Statement of Comprehensive Income -----	07
Condensed Interim Statement of Changes in Equity-----	07



## REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 31ST MARCH 2024

Dear Shareholders,

It is with pleasure that we present the financial performance of Karam Ceramics Limited for the quarter ended 31st March 2024.

Financial Performance Overview:

Particulars	31 Mar 2024	31 Mar 2023
Net Sales	Rs. 1,089,981,979	Rs. 620,345,643
Cost of sales	Rs. (1,493,459,707)	Rs. (956,619,622)
Gross (Loss)	Rs. (403,477,728)	Rs. (336,273,979)
Net (Loss) after taxation	Rs. (453,718,192)	Rs. (404,902,304)

In the nine-month period under review, Karam Ceramics Limited witnessed substantial growth in net sales, achieving Rs.1,089.9 million, representing an impressive increase of Rs.469.60 million in the corresponding period of the preceding year.

However, there was a notable escalation in cost of sales, which rose to Rs.1,493.4 million from Rs.956.6 million in the prior year. This surge was primarily attributed to a significant increase in gas charges.

Despite the robust increase in sales, the company incurred a gross loss of Rs.(403.4) million, compared to Rs.(336.3) million in the same period of last year. Efforts are underway to implement operational efficiencies to enhance profitability.

The loss before and after taxation for the period amounted to Rs.(450.1) million and Rs.(453.7) million, respectively, compared to Rs. (386.4) million and Rs.(404.9) million in the corresponding period of the preceding year.

### FUTURE OUTLOOK

Strategic initiatives are being pursued to bolster profitability and foster sustainable growth.

We continue to have a positive outlook on the long term growth potential of the business. The management remains fully committed towards managing these challenges.

### ACKNOWLEDGEMENTS

On behalf of Directors, I would like to express gratitude to our well wisher, shareholders, customers, dealers, banks & DFI'S, suppliers of raw material and plant and machinery, friends and all employees for their corporation and contribution towards the progress of the company.

On behalf of the Board

**Mazhar Ali Nasir**  
Chief Executive officer  
Karachi : April 26, 2024

## REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 31ST MARCH 2024

کرم سیرا کس لمیٹڈ  
31 مارچ 2024ء کو ختم ہونے والی تیسری سہ ماہی کے لئے ڈائریکٹرز کی رپورٹ

محترم شیئر ہولڈرز،  
آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2024ء کو ختم ہونے والی اختتامی مدت کے لئے کمپنی کے مالیاتی نتائج پیش کر رہے ہیں۔

مالیاتی کارکردگی کا جائزہ:  
31 مارچ 2024ء کو ختم ہونے والی سہ ماہی کیلئے کمپنی کی مالی کارکردگی کا جائزہ درج ذیل ہے:

تفصیلات	31 مارچ 2024ء	31 مارچ 2023ء
خالص فروخت	1,089,981,979 روپے	620,345,643 روپے
فروخت کی لاگت	(1,493,459,707 روپے)	(956,619,622 روپے)
مجموعی (خسارہ)/منافع	(403,477,728 روپے)	(336,273,979 روپے)
خالص (خسارہ)	(453,718,192 روپے)	(404,902,304 روپے)

زیر جائزہ نو ماہی مدت کے دوران کرم سیرا کس لمیٹڈ کی خالص فروخت میں خاطر خواہ اضافہ ہوا جو کہ مبلغ 1,089.9 ملین روپے رہی جبکہ گذشتہ سال کی اسی مدت کے دوران مبلغ 620.34 ملین اضافے کو ظاہر کرتا ہے۔

تاہم فروخت کی لاگت میں خاطر خواہ اضافہ ہوا جو کہ گذشتہ سال کی مبلغ 956.6 ملین روپے سے مبلغ 1,493.4 ملین روپے ہو گئی۔ اس اضافہ کی بنیادی وجہ گیس چارجز میں نمایاں اضافہ ہے۔ فروخت میں اضافہ کے باوجود کمپنی کو (403.4) ملین روپے کا خسارہ ہوا جو کہ گذشتہ سال (336.3) ملین روپے تھا۔ منافع میں اضافہ کیلئے آپریشنل افادیت کو نافذ کرنے کی کوششیں جاری ہیں۔ زیر جائزہ مدت کے دوران قبل از ٹیکس منافع/ (خسارہ) مبلغ (450.1) ملین روپے اور مبلغ (453.7) ملین روپے رہا جو کہ گذشتہ سال کی اسی مدت میں مبلغ (386.4) ملین روپے اور مبلغ (404.9) ملین روپے بالترتیب تھا۔

مستقبل کا نظریہ:  
منافع کو بڑھانے اور پائیدار ترقی کو فروغ دینے کیلئے اسٹریٹجک اقدامات پر عمل کیا جا رہا ہے۔  
ہم کاروبار کی طویل مدتی ترقی کی صلاحیت پر مثبت نقطہ نظر رکھتے ہیں۔ انتظامیہ ان چیلنجز سے نمٹنے کے لیے پوری طرح پرعزم ہے۔

اظہار تشکر:  
بورڈ آف ڈائریکٹرز کی جانب سے، میں ہمارے خیر خواہوں، شیئر ہولڈرز، صارفین، ڈیلرز، بینکوں اور DFIS، خام مال اور پلانٹ اور مشینری کے سپلائرز، دوستوں اور تمام ملازمین کا کمپنی کی ترقی میں تعاون و اعتماد کے لئے ان کا شکریہ ادا کرتا ہوں۔

بتوسط بورڈ

منظور علی ناصر

چیف ایگزیکٹو

کراچی: 26 اپریل 2024ء



## CONDENSED INTERIM BALANCE SHEET

**AS AT MARCH 31, 2024 (UNAUDITED)**

	(Un-Audited) March 31, 2024 Rupees	(Audited) June 30, 2023 Rupees
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,014,155,836	1,006,091,132
Long term deposits	898,453	898,453
	1,015,054,289	1,006,989,585
<b>Current assets</b>		
Stores and spares	96,443,532	85,131,657
Stock in trade	565,903,502	653,740,586
Loans and advances - considered good	1,089,996	1,546,536
Advance tax	13,179,186	17,666,902
Refunds due from the Government	58,963,702	61,816,494
Deposits, prepayments and other receivables	95,139	93,365
Cash and bank balances	21,193,028	43,733,323
	756,868,085	863,728,863
	1,771,922,374	1,870,718,448
<b>TOTAL ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
45,000,000 (June 30,2023: 15,000,000) shares of Rs. 10/-each	450,000,000	150,000,000
Share capital	145,486,760	145,486,760
Unappropriated profit	(915,385,258)	(477,674,447)
Revaluation surplus on property, & equipment	381,799,784	397,807,166
Remeasurement of retirement benefit obligation	2,340,702	2,340,702
Interest free loan from directors	1,452,734,796	1,452,734,796
	1,066,976,784	1,520,694,977
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Post employment benefits	19,257,296	22,130,474
Deferred taxation	22,259,635	32,272,215
	41,516,931	54,402,689
<b>Current liabilities</b>		
Trade and other payables	377,212,563	178,458,389
Advance From Customers	202,429,726	11,286,628
Short term borrowings	66,500,000	90,000,000
Unclaimed Dividend	513,191	513,191
Dividend payable	3,148,405	3,148,405
Provision for taxation	13,624,775	12,214,168
	663,428,660	295,620,781
<b>Total liabilities</b>	704,945,590	350,023,470
<b>Contingencies and Commitments</b>	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>	1,771,922,374	1,870,718,448

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

  
 Chief Executive

  
 Chief Financial Officer

  
 Director



## **CONDENSED INTERIM PROFIT AND LOSS ACCOUNT**

### **FOR THE QUARTER ENDED MARCH 31, 2024- UN-AUDITED**

(Unaudited)

	<b>Cumulative</b>		<b>Quarter Ended</b>	
	<b>March 31, 2024 Rupees</b>	<b>March 31, 2023 Rupees</b>	<b>March 31, 2024 Rupees</b>	<b>March 31, 2023 Rupees</b>
Revenue	1,089,981,979	620,345,643	478,753,612	386,719,836
Cost of sales	<b>(1,493,459,707)</b>	(956,619,622)	<b>(538,323,733)</b>	(389,967,117)
<b>Gross profit</b>	<b>(403,477,728)</b>	(336,273,979)	<b>(59,570,120)</b>	(3,247,281)
Selling and distribution expenses	<b>26,112,381</b>	15,731,863	<b>7,425,734</b>	6,301,886
Administrative expenses	<b>21,660,404</b>	19,654,296	<b>5,105,948</b>	6,294,988
Other expenses	-	741,100	-	-
	<b>(47,772,785)</b>	(36,127,259)	<b>(12,531,683)</b>	(12,596,875)
Opreating profit	<b>(451,250,513)</b>	(372,401,238)	<b>(72,101,803)</b>	(15,844,155)
Other income	<b>2,621,064</b>	2,535,462	<b>1,332,799</b>	459,422
Finance Cost	<b>(1,476,550)</b>	(16,541,580)	<b>669,909</b>	(4,422,799)
	<b>1,144,514</b>	(14,006,118)	<b>2,002,708</b>	(3,963,377)
profit before taxation	<b>(450,105,999)</b>	(386,407,356)	<b>(70,099,095)</b>	(19,807,531)
Taxation	<b>(3,612,193)</b>	(18,494,947)	<b>(680,751)</b>	(2,182,868)
profit after taxation	<b>(453,718,192)</b>	(404,902,304)	<b>(70,779,845)</b>	(21,990,400)
Earnings per share - Basic and diluted	<b>(31.19)</b>	(27.83)	<b>(4.87)</b>	(1.51)

#### **Notes:**

1. These condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard 34 and provision and directives issued under the Companies Act, 2017.
2. The accounting policies adopted for the preparation of these accounts are the same as those applied in the preparation of the accounts for the preceeding year ended June 30,2023.
3. The Financial statements have been authorized for the issue for the Board of Directors on April 26,2024.

  
Chief Executive

  
Chief Financial Officer

  
Director





## CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE QUARTER ENDED MARCH 31, 2024 -UN-AUDITED

	March 2024 Rupees	March 2023 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) /profit before taxation	(450,105,999)	(386,407,356)
<b>Adjustments for non cash charges and other items</b>		
Depreciation	60,764,809	64,250,697
Gain on disposal of property, plant and equipment	-	(591,899)
Return on deposit Account	(2,621,064)	-
Finance cost	1,476,550	16,541,580
	<b>59,620,295</b>	<b>80,200,378</b>
Cash flow from operating activities before working capital changes	<b>(390,485,704)</b>	<b>(306,206,978)</b>
Effect on cash flow due to working capital changes		
(Increase) in stores and spares	(11,311,875)	(266,169)
(increase) in stock in trade	87,837,084	(59,747,688)
Decrease in trade debts	-	6,559,905
(increase)/Decrease in loan and advances	456,540	(19,854,003)
(Increase) /Decrease in short term deposits, prepayments and other receivables	(1,774)	4,963,781
Increase in Advance from Customer	191,143,098	57,318,295
Increase in trade and other payables	197,827,820	46,503,318
	<b>465,950,893</b>	<b>35,477,439</b>
Cash flows generated from operations	<b>75,465,189</b>	<b>(270,729,539)</b>
Finance cost paid	(1,476,550)	(26,042,201)
Income tax paid	(12,252,833)	(7,573,136)
Sales tax paid	8,305,526	10,279,249
Gratuity paid	(2,873,178)	(70,171,020)
	<b>(8,297,035)</b>	<b>(93,507,108)</b>
Net cash flows generated from operating activities	<b>67,168,154</b>	<b>(364,236,647)</b>



## CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE QUARTER ENDED MARCH 31, 2024 -UN-AUDITED

	March 2024 Rupees	March 2023 Rupees
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition to property, plant and equipment	(68,829,513)	(13,950,800)
Interest free loan from directors	-	754,151,685
Short Term Investment	-	7,000,000
Return on deposit Account	2,621,064	-
Proceeds from disposal of property, plant and equipment	-	604,275
Net cash flows used in investing activities	(66,208,449)	747,805,160
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing -net	-	(36,981,209)
Dividend paid	-	-
Short term borrowings- From Banks	-	(33,950,342)
Short term borrowings-From Associates	(23,500,000)	90,000,000
Lease rentals paid	-	(429,605)
Net cash flows used in financing activities	(23,500,000)	18,638,844
Net increase in cash and cash equivalents	(22,540,295)	402,207,357
Cash and cash equivalents at the beginning of the year	43,733,323	(276,097,868)
Cash and cash equivalents at the end of the year	21,193,028	126,109,489

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

Chief Executive

Chief Financial Officer

Director





## CONDENSED INTERIM COMPREHENSIVE INCOME

FOR THE QUARTER ENDED MARCH 31, 2024 - UN-AUDITED

	<u>UPTO 3RD QUARTER</u>		<u>FOR THE QUARTER</u>	
	March 31, 2024 Rupees	March 31, 2023 Rupees	March 31, 2024 Rupees	March 31, 2023 Rupees
(Loss) / profit after taxation	(453,718,192)	(404,902,304)	(70,779,845)	(21,990,400)
Others/ comprehensive income	-	-	-	-
Total comprehensive (loss) /income for the period	<u>(453,718,192)</u>	<u>(404,902,304)</u>	<u>(70,779,845)</u>	<u>(21,990,400)</u>

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

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED MARCH 31, 2024 - UN-AUDITED

	Share capital	Interest free loan from directors	Unappropriated Profit	Surplus on revaluation of property, plant and equipment	Remeasurement of retirement benefit obligation	Total
-----Rupees-----						
Balance as at July 01, 2022	145,486,760		(26,426,561)	421,521,806	2,340,702	542,922,707
Loss after taxation for the year - ended June 30,2023			(474,962,526)			(474,962,526)
Subordinated laon from directors	-	1,452,734,796		-	-	1,452,734,796
Other comprehensive income for the year						
Remeasurement of retirement benefit Obligation	-	-	-	-	-	-
Deferred tax on retirement benefit obligation	-	-	-	-	-	-
Surplus on revaluation of land - building - net of deferred tax	-	-	-	-	-	-
Transferred from surplus on revaluation - of property, plant and equipment incremental depreciation for the year -net of deferred tax	-	-	23,714,640	(23,714,640)	-	-
Balance as at June 30,2023	<u>145,486,760</u>	<u>1,452,734,796</u>	<u>(477,674,447)</u>	<u>397,807,165</u>	<u>2,340,702</u>	<u>1,520,694,977</u>
Profit (Loss) after taxation for the period ended March 31,2024	-	-	(453,718,192)	-	-	(453,718,193)
Other comprehensive income for the year period						
Remeasurement of retirement obligation	-	-	-	-	-	-
Deferred tax retirement benefit obligation	-	-	-	-	-	-
Surplus on revaluation of land and building- net of deferred tax	-	-	-	-	-	-
Transferred from incremental depredeation- for the year -net of deferred tax	-	-	16,007,382	(16,007,382)	-	-
Balance as at March 31,2023	<u>145,486,760</u>	<u>1,452,734,796</u>	<u>(915,385,258)</u>	<u>381,799,784</u>	<u>2,340,702</u>	<u>1,066,976,784</u>

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

  
Chief Executive

  
Chief Financial Officer

  
Director

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