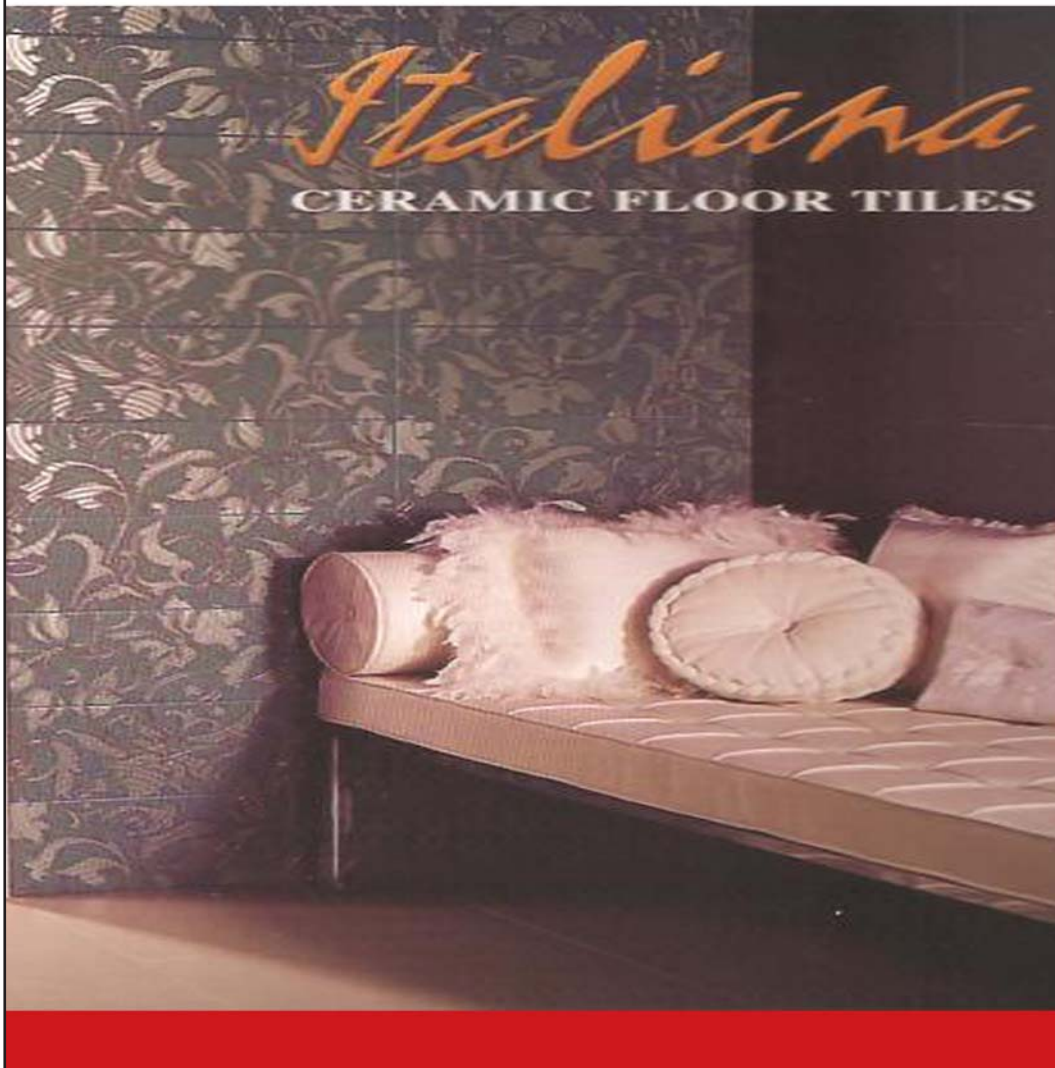




Karam Ceramics Limited
Interim Condensed Financial Statements
For the Quarter Ended September 30, 2011
(UNAUDITED)





REPORT OF THE DIRECTORS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2011

Dear Shareholders,

Your Directors are pleased to present before you the un-audited financial results of the company for the first quarter ended September 30, 2011.

During the quarter under review the Net Sales were Rs. 264.75 million as against sales of Rs. 237.92 million for the corresponding quarter of the last year, representing an increase of Rs. 26.82 million as a result of improved selling prices.

However company has suffered loss before tax during the period of Rs. 1.833 million due to increase in cost of production as compared to corresponding quarter for the immediate preceding year. This has resulted in negative earnings per share of Rs 0.22.

On behalf of the Board, I sincerely thank our well wishers, shareholders, customers, dealers, banks, DFIS, suppliers of raw-material, plant and machinery, friends and all employees for their cooperation and contribution towards the progress of the company.

On behalf of the Board

Munawar Kassim
Chief Executive

Karachi: October 28, 2011.



Interim Condensed Balance Sheet

As at September 30, 2011 (Unaudited)

	September 2011 Rupees	June 2011 Rupees
SHARE CAPITAL AND RESERVES		
Share Capital	145,486,760	145,486,760
Unappropriated profit	126,407,551	128,881,172
	<u>271,894,311</u>	<u>274,367,932</u>
Surplus on revaluation of fixed assets	39,621,893	40,346,419
NON CURRENT LIABILITIES		
Long term liabilities	93,379,805	118,003,889
Staff retirement benefit-gratuity	56,802,551	57,455,845
Deferred Taxation	99,001,634	100,200,102
	<u>249,183,990</u>	<u>275,659,836</u>
CURRENT LIABILITIES		
Advances from customers	19,550,000	19,550,000
Trade and other payables	118,769,638	105,323,283
Mark up accrued on loans	9,177,348	8,399,145
Short Term Bank Borrowings.	72,823,795	33,949,430
Current portion of long term borrowings.	98,496,333	98,496,333
Provision for Taxation	13,370,345	10,806,847
	<u>332,187,461</u>	<u>276,525,038</u>
	<u>892,887,656</u>	<u>866,899,225</u>
NON CURRENT ASSETS		
Operating assets – At cost less accumulated depreciation	638,932,248	642,121,677
Capital Work in Progress	-	-
	<u>638,932,248</u>	<u>642,121,677</u>
Long term Deposits	897,038	897,038
CURRENT ASSETS		
Stores, spares and loose tools	16,713,898	10,141,551
Stock in trade	173,695,296	165,633,078
Trade debts - Unsecured considered good	24,974,224	5,323,505
Loan and Advances	1,327,359	4,922,463
Income Tax refundable	3,862,348	3,862,348
Trade deposits and prepayments	27,971,566	28,508,495
Cash and bank balances	4,513,679	5,489,071
	<u>253,058,370</u>	<u>223,880,511</u>
	<u>892,887,656</u>	<u>866,899,226</u>

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

Irshad Ali S. Kassim
Vice Chairman

Munawar Ali S. Kassim
Chief Executive



**Interim Condensed Profit and Loss Account (Un-audited)
For the First Quarter ended 30th September, 2011**

	September 2011 Rupees	September 2010 Rupees
Sales-net	264,749,847	237,924,340
Cost of Sales	(243,238,395)	(202,714,703)
Gross Profit	21,511,452	35,209,637
Distribution and marketing expenses	(8,399,500)	(10,558,005)
General and administrative expenses	(4,455,617)	(5,342,907)
Other operating charges	(421,542)	(3,593,426)
Other operating income	111,599	-
Operating Profit	8,346,392	15,715,300
Finance Cost	(10,179,509)	(10,458,655)
Profit before taxation	(1,833,117)	5,256,645
Taxation	(1,365,030)	(2,392,838)
Profit after taxation	(3,198,147)	2,863,807
Earning per share	(0.22)	0.20

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

Notes:

1. These accounts are unaudited and are being presented to the members in accordance to the requirements of SRO-764-(1) dated November 05,2001 of Securities and Exchange Commission of Pakistan and in Compliance with the requirements of the international Accounting Standards (IAS) 34,
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 preceding year ended June 30,2011
3. These Financial Statements have been outhorized for issue for the Board of Directors on 28th October 2011

Irshad Ali S. Kassim
Vice Chairman

Munawar Ali S. Kassim
Chief Executive



**Interim Condensed Statement of
Comprehensive Income**
For the First Quarter ended 30th September, 2011

	September 2011 Rupees	September 2010 Rupees
Profit after taxation	(3,198,147)	2,863,807
Other comprehensive income		
Incremental depreciation transfer from surplus on revaluation of fixed assets (net of deferred tax)	724,525	805,028
Total comprehensive income for the period	<u>(2,473,621)</u>	<u>3,668,835</u>

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

Irshad Ali S. Kassim
Vice Chairman

Munawar Ali S. Kassim
Chief Executive



Interim Condensed Cash Flow Statement

For the First Quarter ended 30th September, 2011

	September 2011 Rupees	September 2010 Rupees
Profit before taxation	(1,833,117)	5,256,646
Adjustments for:		
Depreciation	16,236,471	17,102,536
Provision for staff gratuity	-	-
Charge for Workers' Profit Participation Fund	-	277,575
Charge for Workers' Welfare Fund	68,307	111,030
Finance Cost	10,179,509	10,458,655
Profit on sale of Fixed Assets	(111,599)	-
	26,372,688	27,949,796
(Increase) /Decrease in operating assets		
Stores and spares	(6,572,347)	2,000,325
Stock in trade	(8,062,218)	2,269,799
Trade debtors	(19,650,719)	16,800,950
Loans & Advances	3,595,104	1,569,010
Trade deposits and Prepayments	3,394,736	(9,697,024)
Increase/ (Decrease) in operating liabilities		
Short term running finance	38,874,365	19,969,627
Creditors, accruals, other liabilities and bills payables	13,378,049	(35,646,011)
Cash generated from operations	49,496,541	30,473,118
Finance Cost paid	(9,401,306)	(7,699,262)
Income tax paid	(2,857,808)	(970,947)
Gratuity paid	(653,294)	(1,110,123)
WPPF Paid	-	-
WWF paid	-	-
Net cash flows from operating activities	36,584,135	20,692,786
CASH FLOW FROM INVESTING ACTIVITIES		
Sale proceeds of fixed assets disposed during the period	132,400	-
Additions to Fixed Assets	(13,067,843)	(84,892,806)
Capital expenditure incurred	-	84,702,580
Return on deposits	-	-
Net cash (used) in investing activities	(12,935,443)	(190,226)
CASH FLOW FROM FINANCING ACTIVITIES		
Directors Loan	-	(6,125,500)
Long term loan received	-	38,650,000
Long term loan paid	(24,624,084)	(18,312,974)
Bills Payable against long term loan	-	(38,178,213)
Long term deposits and prepayments	-	-
Net cash flows from financing activities	(24,624,084)	(23,966,687)
Net Increase in cash and bank balances	(975,393)	(3,464,127)
Cash and bank balances at beginning of the period	5,489,071	10,231,427
Cash and bank balances at end of the period	4,513,678	6,767,300

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

Irshad Ali S. Kassim
Vice Chairman

Munawar Ali S. Kassim
Chief Executive



**Interim Condensed
Statement of Changes in Equity**
For the First Quarter ended 30th September, 2011 (Un-audited)

	Share Capital Rupees	Unappropriated Profit Rupees	Total Rupees
Balance as at 1 July 2010	145,486,760	120,242,736	265,729,496
Dividend paid during the year	-	-	-
Total comprehensive income for the year ended June 30, 2011	-	8,638,436	8,638,436
Balance as at June 30, 2010	145,486,760	128,881,172	274,367,932
Dividend paid during the period	-	-	
Total comprehensive income for the quarter ended september 30, 2010	-	(2,473,621)	(2,473,621)
Balance as at September 30, 2010	145,486,760	126,407,551	271,894,311

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

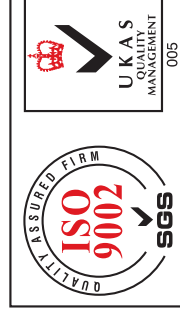
Irshad Ali S. Kassim
Vice Chairman

Munawar Ali S. Kassim
Chief Executive

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