



KARAM CERAMICS LIMITED

REPORT OF THE DIRECTORS FOR THE FIRST QUARTER ENDED 30th SEPTEMBER 2023

Dear Shareholders

The Directors of your Company present to you the financial results of your Company for the first quarter ended September 30, 2023

The financial performance for the first quarter ended 30 September 2023 is summarized below:

Particulars	September 30, 2023	September 30, 2022
Net Sales	372,661,288	62,024,918
Cost of Sales	(419,454,255)	(158,271,658)
Gross (Loss) / Profit	(46,792,967)	(96,246,740)
Net (Loss) / Profit after after taxation	(62,996,364)	(111,478,300)

Our financial performance for the quarter ending September 30, 2023, is summarized as follows:

Our net sales for the period amounted to Rs. 372.66 million, reflecting a substantial increase from the corresponding period last year, where it stood at Rs. 62.024 million. This represents a remarkable growth of Rs. 310.64 million.

We have significantly improved our gross profitability. In this quarter, we reported a gross loss of Rs. (46.79) million, which is notably better than the gross loss of Rs. (96.24) million during the same period in the previous year. This reflects a decrease in our gross loss by Rs. 49.45 million, indicating a positive trend in our operations.

Our loss before and after taxation for the review period was Rs. 58.59 million and Rs. 63 million, respectively. In contrast, during the corresponding period in the preceding year, we recorded losses of Rs. 114.12 million and Rs. 111.478 million, respectively. These figures underscore our commitment to improving the company's financial health.

We would like to extend our sincere gratitude to our well-wishers, shareholders, valued customers, esteemed dealers, supportive banks & DFI's, reliable suppliers of raw materials, and trusted partners in plant and machinery. Furthermore, we would like to express our heartfelt appreciation for the dedication and hard work of our employees who have contributed significantly to the progress of our company.

On behalf of the Board

Syed Mazhar Ali Nasir
Chief Executive Officer

Karachi: October 27, 2023

REPORT OF THE DIRECTORS

FOR THE FIRST QUARTER ENDED 30th SEPTEMBER 2023

کرم سیرامکس لمیٹڈ
30 ستمبر 2023ء کو ختم ہونے والی پہلی سہ ماہی کے لئے ڈائریکٹرز کی رپورٹ

محترم شیئر ہولڈرز،
آپ کی کفنی کے ڈائریکٹرز 30 ستمبر 2023ء کو ختم ہونے والی پہلی سہ ماہی کے لئے کفنی کے مالیاتی نتائج پیش کر رہے ہیں۔

مالیاتی کارکردگی کا جائزہ:

30 ستمبر 2023ء کو ختم ہونے والی پہلی سہ ماہی کیلئے کفنی کی مالی کارکردگی کا جائزہ درج ذیل ہے:

تفصیلات	30 ستمبر 2023ء	30 ستمبر 2022ء
خالص فروخت	372,661,288	62,024,918
فروخت کی لاگت	(419,454,255)	(158,271,658)
مجموعی (خسارہ)/منافع	(46,792,967)	(96,246,740)
خالص (خسارہ)	(62,996,364)	(111,478,300)

30 ستمبر 2023ء کو ختم ہونے والی سہ ماہی کیلئے ہماری کارکردگی کا خلاصہ درج ذیل ہے:
دوران مدت ہماری خالص فروخت مبلغ 372.66 ملین روپے رہی جو کہ گزشتہ سال کی اسی مدت کے دوران مبلغ 62.024 ملین روپے تھی۔

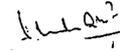
ہم نے اپنے مجموعی منافع کو بڑھانے میں خاطر خواہ پیش رفت حاصل کی ہے۔ موجودہ سہ ماہی میں، ہم نے (46.79) ملین روپے کا مجموعی خسارہ رپورٹ کیا جو گزشتہ سال کی اسی مدت میں (96.24) ملین روپے کے مجموعی نقصان کے مقابلے میں ایک نمایاں بہتری ہے۔ یہ ہمارے مجموعی خسارہ میں 49.45 ملین روپے کی کمی کو ظاہر کرتا ہے جو ہمارے کاروباری آپریشنز میں مثبت رجحان کی نشاندہی ہے۔

دوران جائزہ مدت قبل از اور بعد از ٹیکس خسارہ مبلغ 58.59 ملین روپے اور مبلغ 63 ملین روپے بالترتیب رہا جو کہ گزشتہ سال اسی مدت میں مبلغ 114.72 ملین روپے اور 111.478 ملین روپے بالترتیب تھا۔ یہ اعداد و شمار کفنی کی مالی حالت کو بہتر بنانے کیلئے ہمارے عزم کو واضح کرتے ہیں۔

اظہار تشکر:

یورو آف ڈائریکٹرز کی جانب سے، میں ہمارے خیر خواہوں، شیئر ہولڈرز، صارفین، ڈیلرز، بینکوں اور DFI'S، خام مال اور چلائت اور مشینری کے سپلائرز، دوستوں اور تمام ملازمین کا کفنی کی ترقی میں تعاون اہتمام کے لئے ان کا شکریہ ادا کرتا ہوں۔ مزید برآں، ہم اپنے ملازمین کی لگن اور محنت کیلئے دل کی گہرائیوں سے ان کی تعریف کرنا چاہیں گے جنہوں نے ہماری کفنی کی ترقی میں اہم کردار ادا کیا ہے۔

بتوسط یورو



سید مظفر علی ناصر

چیف ایگزیکٹو آفیسر

کراچی: 27 اکتوبر 2023ء

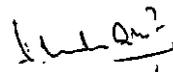


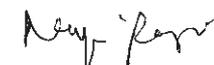
KARAM CERAMICS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2023 (UNAUDITED)

	September 2023 Rupees	June 2023 Rupees
ASSETS		
Non-current assets		
Property, plant and equipment	1,005,862,475	1,006,091,132
Long term security deposits	898,453	898,453
	<u>1,006,760,928</u>	<u>1,006,989,585</u>
Current assets		
Stores and spares	121,938,777	85,131,657
Stock in trade	633,254,906	653,740,586
Loans and advances - considered good	1,470,536	1,546,536
Advance tax	11,667,865	17,666,902
Refunds due from the government	51,921,403	61,816,494
Deposits, prepayments and other receivables	10,316,978	93,365
Cash and bank balances	42,934,692	43,733,323
	<u>873,505,157</u>	<u>863,728,864</u>
TOTAL ASSETS	<u>1,880,266,085</u>	<u>1,870,718,448</u>
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised capital 15,000,000(2023: 15,000,000) ordinary, shares of Rs.10 each	150,000,000	150,000,000
Issued, subscribed and paid-up capital	145,486,760	145,486,760
Unappropriated profit	(535,335,017)	(477,674,447)
Revaluation surplus on property, plant & equipment	392,471,371	397,807,165
Remeasurement of retirement, benefit obligation	2,340,703	2,340,703
Subordinated loan	1,452,734,796	1,452,734,796
	<u>1,457,698,613</u>	<u>1,520,694,977</u>
LIABILITIES		
Non-current liabilities		
Post employment benefits	19,768,885	22,130,474
Deferred taxation	32,022,421	32,272,215
	51,791,306	54,402,689
Current liabilities		
Trade and other payables	214,820,571	178,458,389
Short term borrowings	103,000,000	90,000,000
Advance from customers	44,635,730	11,286,628
Unclaimed Dividend	513,191	513,191
Dividend payable	3,148,405	3,148,408
Provision for taxation	4,658,266	12,214,168
	<u>370,776,163</u>	<u>295,620,781</u>
Total liabilities	<u>422,567,469</u>	<u>350,023,470</u>
Contingencies and Commitments	-	-
TOTAL EQUITY AND LIABILITIES	<u>1,880,266,085</u>	<u>1,870,718,448</u>


Chief Executive


Chief Financial Officer


Director



KARAM CERAMICS LIMITED

INTERIM CONDENSED PROFIT AND LOSS ACCOUNT

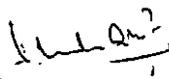
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

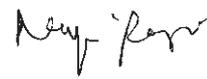
	September 2023 Rupees	September 2022 Rupees
Revenue	372,661,288	62,024,918
Cost of sales	(419,454,255)	(158,271,658)
Gross profit / (Loss)	(46,792,967)	(96,246,730)
Selling and distribution expenses	3,026,344	3,634,149
Administrative expenses	7,122,468	6,952,697
	(10,148,812)	(10,586,846)
Operating profit / (Loss)	(56,941,779)	106,833,586
Other income	557,686	1,612,624
Finance cost	(2,203,799)	(8,895,802)
	(1,646,113)	(7,283,178)
Profit / (Loss) before taxation	(58,587,892)	(114,116,765)
Taxation	(4,408,472)	2,638,464
Profit / (Loss) after taxation	(62,996,364)	(111,478,300)
Earnings / (Loss) per share-basic diluted	(4.33)	(7.66)

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

Notes:

- 1 These condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard 34 and provision of and directive 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 these accounts are the same as those applied in the preparation of the accounts for the preceding year ended June 30, 2023
- 3 The Financial statements have been authorized for the issue for the Board of Directors on October 27, 2023.


Chief Executive


Chief Financial Officer


Director



INTERIM CONDENSED CASH FLOW STATEMENT FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

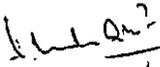
	September 2023 Rupees	September 2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
profit / (Loss) before taxation	(58,587,892)	(114,116,755)
Adjustments for non cash charges and other items		
Depreciation	20,476,186	21,745,346
Gain on disposal of property, plant, and equipment	-	(554,841)
Finance cost	2,203,799	8,895,802
	22,679,985	30,086,307
Operating profit before working capital changes	(35,907,907)	(84,030,448)
 (increase) / decrease in current asset		
Stores and spares	(36,807,120)	(1,547,114)
Stock in trade	20,485,680	(120,275,886)
Trade debts	-	(25,762,703)
Loan and advances	76,000	(92,685)
short term deposits, prepayments, and other receivables	(10,223,613)	(1,012,030)
	(26,469,052)	(148,690,419)
Increase / (decrease) in current Trade and other payables	35,261,957	59,120,935
Advance from customers	33,349,102	-
	68,611,059	59,120,935
Cash flows generated from operations	6,234,100	(173,599,941)
Finance cost paid	(333,362)	(15,698,437)
Income tax paid	(7,435,602)	(1,650,268)
Sales tax paid	10,345,351	(9,573,469)
Gratuity paid	(2,361,589)	(65,565,062)
	214,798	(92,487,236)
Net cash used in operating activities	6,448,898	(266,087,177)

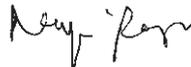


INTERIM CONDENSED CASH FLOW STATEMENT FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

	September 2023 Rupees	September 2022 Rupees
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(8,850,000)	(5,700,000)
Capital Work In Process	(11,397,529)	-
Proceeds from disposal of property, plant and equipmen	-	560,000
Net cash flows used in investing activities	(20,247,529)	(5,140,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing	-	617,170,476
Short term borrowings	13,000,000	(33,950,342)
Lease rentals paid	-	(429,605)
Net cash flows generated from financing activities	13,000,000	582,790,529
Net increase in cash and cash equivalents	(798,631)	311,563,352
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	<u>42,934,692</u>	<u>35,465,484</u>

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


Chief Executive


Chief Financial Officer

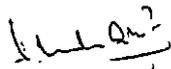

Director



**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

	SEPTEMBER	
	2023	2022
	Rupees	Rupees
Profit / (Loss) after taxation	(62,996,364)	(111,478,300)
Other comprehensive income		
Items that will not reclassified to profit or loss in subsequent periods		
Remeasurement of retirement Benefit obligation	-	-
Deferred tax on retirement benefit obligation	-	-
Items in subsequent periods that may be reclassified to profit or loss		
Surplus on revaluation of land and buildings	-	-
Deferred tax on surplus of buildings	-	-
 Total comprehensive income /(loss), for the year	 <u>(62,996,364)</u>	 <u>(111,478,300)</u>

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


Chief Executive


Chief Financial Officer


Director

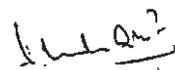


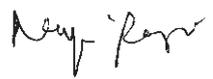
KARAM CERAMICS LIMITED

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023 (UNAUDITED)

	Share Capital	Interest free Loan From directors	Unappropriated Profit	Surplus on revaluation of property, Plant and equipment	Remeasurement of retirement benefit obligation	Total
.....R upees.....						
Balance 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 loan from directors	-	1,452,734,796	-	-	-	1,452,734,796
Other comprehensive income for the year						
Surplus on revaluation of land and building-net of deferred tax	-	-	23,714,640	(23,714,640)	-	-
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	145,486,760	1,452,734,796	(477,674,447)	397,807,165	2,340,702	1,520,694,977
Profit (Loss) after taxation for the quarter ended September 30, 2023	-	-	(62,996,364)			(62,996,364)
Other comprehensive income for the year						
Transferred from surplus on revaluation of property, plant and equipment incremental depreciation for the year - net of deferred tax	-	-	5,335,794	(5,335,794)	-	-
			5,335,794	5,335,794		
Balance as at September 30, 2023	145,486,760	1,452,734,796	(535,335,017)	392,471,371	2,340,702	1,457,698,613

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


 Chief Executive


 Chief Financial Officer


 Director

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A-31, Sindh Muslim Co-operative Housing Society, Karachi

