Generally, there is a lack of empirical studies focusing on evidence of presence of momentum premium in emerging equity markets and particularly in Karachi Stock Exchange (KSE). This study measures the efficiency of Augmented Fama-French Three-factor model as well as provides comparison of Capital Assets Pricing model and Fama-French three-factor model on the KSE by using monthly data over the period January 2006 to December 2013. In addition, the study provides empirical evidence on the presence of momentum premium in the emerging market of the KSE. It provides some empirical evidence in the emerging market of the KSE. The companies' data used in this study consisted of 120 listed firms which were divided into 25 and 27 portfolios separately. By adding the fourth factor, namely momentum factor to market premium effect, the size effect and the book-to-market ratio effect, data has been tested; further more models have been empirically tested by rebalancing every year for 25 and 27 portfolios individually and separately. The empirical evidence of this study confirms that the augmented Fama & French three-factor model holds for the KSE and the momentum factor is also significant for the market. By comparing CAPM, Fama-French three-factor model and Augmented model, this study finds that the augmented factor model provides significantly improved explanatory power over CAPM and Fama-French three-factor model and gives evidence of the existence of positive size premium, value premium and momentum premium in the KSE