



KARAM CERAMICS LIMITED

**Interim Condensed Financial Statements  
For the Half Year ended  
December 31, 2025  
(UNAUDITED)**

**2025**



[www.karamceramics.com](http://www.karamceramics.com)

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## COMPANY INFORMATION

Mrs. Atiya Nasir	Chairperson
Mr. Syed Mazhar Ali Nasir	Chief Executive Officer
Mr. Aamir Maqbool	Independent Non-Executive Director
Mr. Abeezer Noordin Poonawala	Independent Non-Executive Director
Mr. Qasim Bashir Habib	Independent Non-Executive Director
Mr. Shuja Ahmed Alvi	Independent Non-Executive Director
Mr. Alireza M. Alladin	Executive Director
Ms. Samya Nasir	Executive Director
Mr. Syed Ahmed Ali Nasir	Non-Executive Director
Mr. Saad Ali Nasir	Non-Executive Director
Ms. Sabika Zahid	Chief Financial Officer
Mr. Shabbir Abbas	Company Secretary

### AUDIT COMMITTEE

Mr. Aamir Maqbool	Chairman
Ms. Abeezer Noordin Poonawala	Member
Mr. Shuja Ahmed Alvi	Member

### HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Abeezer Noordin Poonawala	Chairman
Mr. Aamir Maqbool	Member
Mr. Qasim Bashir Habib	Member

### BANKERS

Bank Al Habib  
Soneri Bank Limited  
Habib Bank Limited  
JS Bank Limited  
Habib Metropolitan Bank Limited  
Habib Metropolitan Islamic Banking Branch  
Faysal Bank Limited  
Allied Bank Limited Bank  
Alfalah Limited  
Meezan Bank Limited MCB  
Bank Limited

### AUDITORS/REGISTRAR AND SHARE TRANSFER OFFICE

Crowe Hussain Choudhury & Co Chartered Accountants  
Level 04, 31-C,  
Khayaban-e-Shamsheer, Phase 5, DHA, Karachi  
.Pakistan  
+9221-35877806-10  
THK Associates Pvt. Limited.  
Plot No 32-C, Jami Commercial Street 2, D.H.A, Phase VII  
Karachi -75500  
+92 21 111-000-322

### Legal Advisors

**M. Mustafa Hussain & Co** Advocates  
& Legal Consultants.  
108, First Floor, Frere Business Centre.  
Frere Road Karachi Ph: 021-3275890

**NATIONAL TAX NUMBER** : 0710857-5  
**SALE TAX REGISTRATION NO** : 02-02-6907-001-55

### HEAD OFFICE

A-31, Sindhi Muslim Cooperative Housing Society, Karachi-75400 Ph#  
021-34555512-13

### FACTORY

295/311, Deh Halkani, Hub Dam Road Karachi

## REPORT OF THE DIRECTORS

FOR THE SECOND QUARTER AND HALF YEAR ENDED DECEMBER 31, 2025

The Directors of Karam Ceramics Limited (“the Company”) are pleased to present the un-audited condensed interim financial statements of the Company for the second quarter and half year ended December 31, 2025, together with a review of the Company’s performance and the economic environment in which it operates.

These financial statements have been prepared in accordance with the requirements of the Companies Act, 2017 and applicable International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017.

### Economic and Industry Overview

During the period under review, large-scale manufacturing growth remained subdued due to continued macroeconomic challenges, including elevated energy tariffs, high raw material costs, tight liquidity conditions, and weak demand from the construction sector.

The ceramic tiles industry continued to face significant pressures arising from subdued construction activity, excess installed capacity in the market, and intense price competition. These factors adversely impacted industry volumes and margins.

### Operational Performance

Despite the challenging environment, the management remained focused on operational optimization and cost rationalization. Various measures were undertaken to improve energy efficiency, reduce wastage, enhance productivity, and better align production with market demand.

These initiatives contributed to a substantial reduction in losses compared to the corresponding period of the previous year.

### Financial Performance

A summary of the financial performance for the quarter and half year ended December 31, 2025, is presented below:

Particulars	Quarter Ended December 31, 2025	Quarter Ended December 31, 2024	Half Year Ended December 31, 2025	Half Year Ended December 31, 2024
Net Turnover (Rs.)	184,295,710	29,548,837	344,990,125	200,794,140
Gross Profit / (Loss) (Rs.)	10,057,409	(141,835,164)	(2,005,370)	(235,676,181)
Loss Before Tax (Rs.)	(6,677,110)	(154,698,942)	(31,210,527)	(256,058,347)
Loss After Tax (Rs.)	(8,980,806)	(151,001,001)	(35,522,903)	(250,251,116)
Loss per Share (Rs.)	(0.62)	(10.38)	(2.44)	(17.20)

During the quarter under review, net turnover increased primarily due to improved sales volumes. The Company achieved a gross profit of Rs. 10.06 million compared to a gross loss of Rs. 141.84 million in the corresponding quarter of last year.

The loss after tax for the quarter stood at Rs. 8.98 million as compared to Rs. 151.00 million in the same period last year, reflecting a significant improvement in operational performance.

For the half year ended December 31, 2025, the Company reported a loss after tax of Rs. 35.52 million as against Rs. 250.25 million in the corresponding period of 2024.

#### Going Concern

The financial statements have been prepared on a going concern basis. The management is actively pursuing measures to improve profitability, enhance cash flows, and strengthen the Company's financial position through cost controls, operational efficiencies, and improved sales strategies. The Directors are confident that these measures will enable the Company to continue its operations in the foreseeable future.

#### Risks and Uncertainties

The Company continues to actively monitor key risks and uncertainties that may impact its operations and performance. Appropriate mitigation strategies have been implemented to manage these risks effectively and to minimize potential adverse effects.

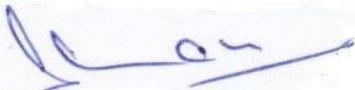
#### Future Outlook

The outlook for the ceramic tiles industry remains closely linked to developments in the construction and infrastructure sectors. Improvement in macroeconomic stability, supportive government policies, and enhanced investor confidence may contribute positively to demand recovery. The Company remains committed to strengthening operational efficiency, reducing cost structures, improving product mix and market penetration, and ensuring long-term sustainability.

#### Acknowledgment

The Directors would like to place on record their appreciation for the continued support and confidence of shareholders, customers, financial institutions, and other stakeholders. The Board also acknowledges the dedication and efforts of the Company's employees during a challenging period.

On behalf of the Board of Directors



Syed Mazhar Ali Nasir  
Chief Executive Officer



Atiya Nasir  
Chairperson

February 28, 2026

**کرم سیرامکس لمیٹڈ**  
**ڈائریکٹرز کی رپورٹ برائے اراکین**  
**دوسری سہ ماہی اور ششماہی مدت ختم شدہ 31 دسمبر 2025**

کرم سیرامکس لمیٹڈ ("کمپنی") کے ڈائریکٹرز خوشی کے ساتھ 31 دسمبر 2025 کو ختم ہونے والی دوسری سہ ماہی اور ششماہی مدت کے لیے کمپنی کے غیر آڈٹ شدہ مختصر عبوری مالی بیانات پیش کرتے ہیں، جن کے ساتھ کمپنی کی کارکردگی اور اس معاشی ماحول کا جائزہ بھی شامل ہے جس میں کمپنی اپنے کاروبار کا انعقاد کر رہی ہے۔

یہ مالی بیانات کمپنیز ایکٹ 2017 اور اس کے تحت نافذ کردہ بین الاقوامی مالیاتی رپورٹنگ معیارات (IFRS) کے تقاضوں کے مطابق تیار کیے گئے ہیں۔

**معاشی اور صنعتی جائزہ**

زیر نظر مدت کے دوران بڑے پیمانے کی صنعتی پیداوار میں نمو دباؤ کا شکار رہی، جس کی بنیادی وجوہات بلند توانائی ٹیرف، خام مال کی زیادہ لاگت، محدود مالی وسائل اور تعمیراتی شعبے میں کمزور طلب رہیں۔

سیرامک ٹائلز کی صنعت کو بھی تعمیراتی سرگرمیوں میں سست روی، مارکیٹ میں اضافی پیداواری صلاحیت اور شدید مسابقتی قیمتوں کے باعث نمایاں دباؤ کا سامنا رہا، جس کے نتیجے میں صنعت کے حجم اور منافع کی شرح متاثر ہوئی۔

**عملی کارکردگی**

چیلنجنگ حالات کے باوجود انتظامیہ نے عملی کارکردگی میں بہتری اور لاگت میں کمی پر بھرپور توجہ مرکوز رکھی۔ توانائی کے مؤثر استعمال، ضیاع میں کمی، پیداواری صلاحیت میں اضافہ اور طلب کے مطابق پیداوار کی ہم آہنگی کے لیے مختلف اقدامات کیے گئے۔

ان اقدامات کے نتیجے میں گزشتہ سال کی اسی مدت کے مقابلے میں نقصانات میں نمایاں کمی واقع ہوئی۔

**مالی کارکردگی**

31 دسمبر 2025 کو ختم ہونے والی سہ ماہی اور ششماہی مدت کے مالی نتائج کا خلاصہ درج ذیل ہے:

تفصیل	سہ ماہی ختم شدہ 31 دسمبر 2025	سہ ماہی ختم شدہ 31 دسمبر 2024	ششماہی ختم شدہ 31 دسمبر 2025	ششماہی ختم شدہ 31 دسمبر 2024
خالص فروخت (روپے)	184,295,710	29,548,837	344,990,125	200,794,140
مجموعی منافع / نقصان (روپے)	10,057,409	(141,835,164)	(2,005,370)	(235,676,181)
ٹیکس سے قبل نقصان (روپے)	(6,677,110)	(154,698,942)	(31,210,527)	(256,058,347)
بعد از ٹیکس نقصان (روپے)	(8,980,806)	(151,001,001)	(35,522,903)	(250,251,116)
فی حصص نقصان (روپے)	(0.62)	(10.38)	(2.44)	(17.20)

زیر جائزہ سہ ماہی کے دوران خالص فروخت میں نمایاں اضافہ ہوا جو بنیادی طور پر فروخت کے حجم میں بہتری کی وجہ سے ممکن ہوا۔ کمپنی نے 10.06 ملین روپے کا مجموعی منافع حاصل کیا جبکہ گزشتہ سال کی اسی سہ ماہی میں 141.84 ملین روپے کا مجموعی نقصان ہوا تھا۔

سہ ماہی کے لیے بعد از ٹیکس نقصان 8.98 ملین روپے رہا جبکہ گزشتہ سال اسی مدت میں یہ نقصان 151.00 ملین روپے تھا، جو عملی کارکردگی میں واضح بہتری کی عکاسی کرتا ہے۔

31 دسمبر 2025 کو ختم ہونے والی ششماہی مدت کے لیے کمپنی کا بعد از ٹیکس نقصان 35.52 ملین روپے رہا جبکہ گزشتہ سال کی اسی مدت میں یہ نقصان 250.25 ملین روپے تھا، جو نقصانات میں نمایاں کمی کو ظاہر کرتا ہے۔

### گونگ کنسرن (ادارے کی تسلسل کی بنیاد)

یہ مالی بیانات ادارے کی تسلسل کی بنیاد پر تیار کیے گئے ہیں۔ انتظامیہ منافع میں بہتری، نقد بہاؤ میں اضافہ اور کمپنی کی مالی پوزیشن کو مضبوط بنانے کے لیے لاگت میں کمی، عملی استعداد میں اضافہ اور فروخت کی مؤثر حکمت عملیوں پر عمل پیرا ہے۔

ڈائریکٹرز پر امید ہیں کہ یہ اقدامات کمپنی کو مستقبل قریب میں اپنی کاروباری سرگرمیاں جاری رکھنے کے قابل بنائیں گے۔

### خطرات اور غیر یقینی صورتحال

کمپنی ان اہم خطرات اور غیر یقینی عوامل کی مسلسل نگرانی کر رہی ہے جو اس کی کارکردگی اور آپریشنز کو متاثر کر سکتے ہیں۔ ان خطرات کے مؤثر انتظام اور ممکنہ منفی اثرات کو کم سے کم کرنے کے لیے مناسب حکمت عملیاں اختیار کی گئی ہیں۔

### مستقبل کا لائحہ عمل

سیرامک ٹائلز کی صنعت کا مستقبل تعمیرات اور بنیادی ڈھانچے کے شعبوں کی ترقی سے وابستہ ہے۔ معاشی استحکام، حکومتی معاون پالیسیوں اور سرمایہ کاروں کے اعتماد میں اضافے سے طلب میں بہتری متوقع ہے۔

کمپنی عملی کارکردگی کو مزید مضبوط بنانے، لاگت کے ڈھانچے میں کمی، مصنوعات کے معیار اور تنوع میں بہتری، اور مارکیٹ میں مؤثر رسائی کے ذریعے طویل مدتی پائیداری کے لیے پرعزم ہے۔

### اظہار تشکر

ڈائریکٹرز حصص یافتگان، صارفین، مالیاتی اداروں اور دیگر اسٹیک ہولڈرز کے مسلسل اعتماد اور تعاون پر ان کا شکریہ ادا کرتے ہیں۔ بورڈ اس مشکل دور میں کمپنی کے ملازمین کی محنت اور لگن کو بھی سراہتا ہے۔ بورڈ آف ڈائریکٹرز کی جانب سے

*Atiza Naveed*

عطیہ ناصر  
چیئر پرسن  
28 فروری 2026

*سید مظہر علی ناصر*

سید مظہر علی ناصر  
چیئر ایگزیکٹو آفیسر

## INDEPENDENT AUDITOR'S REVIEW REPORT

**To the members of Karam Ceramics Limited**

**Report on review of interim financial statements**

### **Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **Karam Ceramics Limited** (the 'Company'), as at December 31, 2025 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting

### **Material uncertainty relating to going concern**

We draw attention of the members to note 1.1 to the financial statements which indicates, that during the period, the Company incurred loss after taxation of Rs. 35.522 million. The accumulated loss at the period end Rs. 1,592.22 million and there is negative operating cashflows of Rs. 37.292 million. Additionally, the Company's current liabilities exceed its current assets by Rs. 313.918 million. These conditions, along with other matters as set forth in such note, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Our conclusion is not modified in this matter.



## **Other Matter**

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the unconsolidated condensed interim statement of profit and loss account and unconsolidated condensed Interim statement of comprehensive income for the quarter ended December 31, 2025 and December 31, 2024 have not been reviewed by us.

The engagement partner on the review resulting in this independent auditor's review report is Najeeb Moochhala.

**Crowe Hussain Chaudhury & Co.**

Chartered Accountants

**Karachi**

**Date: 28 February 2026**

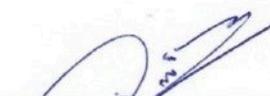
**UDIN:RR2025104795NLFjYrg9**

**KARAM CERAMICS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
**AS AT DECEMBER 31, 2025**

	Note	(Un-Audited) December 31, 2025	(Audited) June 30, 2025
		-----Rupees-----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	1,146,655,879	1,187,916,387
Long term deposits		66,326,223	66,326,223
		<u>1,212,982,102</u>	<u>1,254,242,610</u>
<b>Current assets</b>			
Stores and spares		54,873,813	53,658,830
Stock in trade		222,543,458	132,222,530
Loans and advances - considered good		-	29,995
Advance tax		2,732,497	3,714,929
Refunds due from the government		14,816,428	25,512,249
Deposits, prepayments and other receivables		3,089,789	77,274
Cash and bank balances	6	13,655,507	23,501,007
		<u>311,711,492</u>	<u>238,716,814</u>
<b>TOTAL ASSETS</b>		<u><b>1,524,693,594</b></u>	<u><b>1,492,959,424</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital			
45,000,000 (June 30, 2025: 45,000,000)			
shares of Rs. 10/- each		<u>450,000,000</u>	<u>450,000,000</u>
Share capital		145,486,760	145,486,760
Unappropriated loss		(1,592,220,433)	(1,575,302,084)
Revaluation surplus on property, plant & equipment		612,321,944	630,926,498
Remeasurement of retirement benefit obligation		2,340,702	2,340,702
Interest free loan from directors		1,731,134,796	1,701,734,796
		<u>899,063,769</u>	<u>905,186,672</u>



Chief Executive



Chief Financial Officer

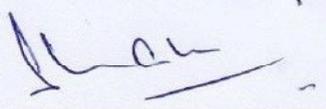


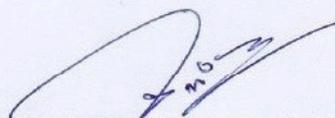
Director

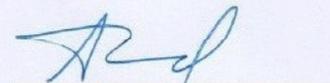
	Note	(Un-Audited) December 31, 2025	(Audited) June 30, 2025
-----Rupees-----			
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		392,258,166	310,371,208
Contract liability		93,132,076	133,746,825
Short term borrowings	7	116,500,000	116,500,000
Unclaimed dividend		513,191	513,191
Post employment benefits		15,765,610	16,190,497
Dividend payable		3,148,405	3,148,406
Levy		4,312,377	7,302,625
		<b>625,629,825</b>	<b>587,772,752</b>
<b>Contingencies and Commitments</b>	8	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,524,693,594</b>	<b>1,492,959,424</b>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

*gmv*

  
\_\_\_\_\_  
Chief Executive

  
\_\_\_\_\_  
Chief Financial Officer

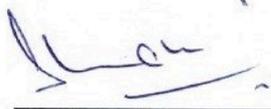
  
\_\_\_\_\_  
Director

**KARAM CERAMICS LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2025**

	Note	Half year ended		Quarter ended	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
		-----Rupees-----			
Revenue	9	344,990,125	200,794,140	184,295,710	29,548,837
Cost of sales		(346,995,495)	(436,470,321)	(174,238,301)	(171,384,001)
Gross loss		(2,005,370)	(235,676,181)	10,057,409	(141,835,164)
Selling and distribution expenses		5,061,508	3,291,199	907,384	1,291,025
Administrative expenses		23,500,553	14,844,398	15,358,920	9,522,410
		(28,562,061)	(18,135,597)	(16,266,304)	(10,813,435)
Operating loss		(30,567,431)	(253,811,778)	(6,208,895)	(152,648,599)
Other income		256,591	432,137	133,627	89,418
Finance cost	10	(899,687)	(2,678,706)	(601,842)	(2,139,761)
Loss before levy and Income tax		(31,210,527)	(256,058,347)	(6,677,110)	(154,698,942)
Levy		(4,312,377)	(2,509,927)	(2,303,696)	(369,360)
Loss before Income tax		(35,522,903)	(258,568,274)	(8,980,806)	(155,068,303)
Provision for taxation		-	8,317,158	-	4,067,302
Loss after taxation		(35,522,903)	(250,251,116)	(8,980,806)	(151,001,001)
Earnings per share - basic and diluted	10	(2.44)	(17.20)	(0.62)	(10.38)

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

CRU

  
 Chief Executive

  
 Chief Financial Officer

  
 Director

**KARAM CERAMICS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASHFLOW (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2025**

Half year ended  
**December 31, 2025**      **December 31, 2024**  
 -----Rupees-----

**CASH FLOWS FROM OPERATING ACTIVITIES**

Loss before taxation (31,210,527) (256,058,347)

**Adjustments for non cash charges and other items**

Depreciation	43,214,160	43,726,442
Finance cost	899,687	2,678,706
	44,113,847	46,405,148

**Operating loss before working capital changes**

**12,903,320** (209,653,199)

Decrease in current asset

Stores and spares	(1,214,983)	33,106,941
Stock in trade	(90,320,928)	110,618,763
Loans and advances	29,995	450,000
Deposits, prepayments and other receivables	(3,012,515)	(1,716,335)
	(94,518,431)	142,459,369

Increase in current liability

Trade and other payables	81,886,959	(75,940,794)
Contract liability	(40,614,749)	121,898,381
	41,272,210	45,957,587

Cash flows (used in) / generated from operations

**(40,342,901)** (21,236,243)

Finance cost paid	(899,687)	(2,678,706)
Tax adjusted / (paid)	4,375,627	(4,322,014)
Gratuity paid	(424,887)	(1,012,804)
	3,051,054	(8,013,524)

**Net cash flows (used in) / generated from operating activities**

**(37,291,848)** (29,249,767)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Addition to property, plant and equipment	(1,953,652)	(5,380,775)
Addition into capital work in progress	-	-

**Net cash flows used in investing activities**

**(1,953,652)** (5,380,775)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Short term borrowings	-	5,000,000
Interest free loan from directors	29,400,000	33,500,000

**Net cash flows generated from financing activities**

**29,400,000** 38,500,000

Net decrease / increase in cash and cash equivalents

**(9,845,500)** 3,869,458

Cash and cash equivalents at the beginning of the period

**23,501,007** 11,859,017

Cash and cash equivalents at the end of the period

**13,655,507** 15,728,475

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

CHV



Chief Executive



Chief Financial Officer



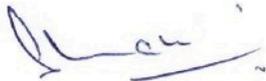
Director

**KARAM CERAMICS LIMITED**  
**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2025**

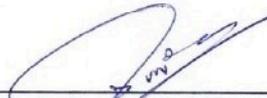
	Half year ended		Quarter ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	-----Rupees-----			
Loss after taxation	<b>(35,522,903)</b>	(250,251,116)	<b>(8,980,806)</b>	(151,001,001)
Items not to be reclassified to profit or loss in subsequent period:				
Surplus on revaluation of property, plant equipment	-	-	-	-
Deferred tax on revaluation surplus on property, plant and equipment	-	-	-	-
Total comprehensive income for the period	<b><u>(35,522,903)</u></b>	<u>(250,251,116)</u>	<b><u>(8,980,806)</u></b>	<u>(151,001,001)</u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

*cm*



**Chief Executive**



**Chief Financial Officer**



**Director**

**KARAM CERAMICS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2025**

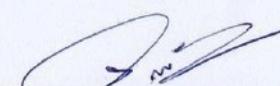
	Share capital	Subordinated loan	Accumulated losses	Surplus on revaluation of property, plant and equipment	Remeasurement of retirement benefit obligation	Total
	-----Rupees-----					
Balance as at June 30, 2024	145,486,760	1,487,734,796	(888,419,088)	552,373,934	2,340,702	1,299,517,104
(Loss) after taxation for the period ended December 31, 2024	-	-	(250,251,116)	-	-	(250,251,116)
Subordinated loan from directors	-	33,500,000	-	-	-	33,500,000
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	-	-	14,676,926	(14,676,926)	-	-
	-	33,500,000	(235,574,190)	(14,676,926)	-	(216,751,116)
Balance as at December 31, 2024	145,486,760	1,521,234,796	(1,123,993,278)	537,697,008	2,340,702	1,082,765,988
Balance as at June 30, 2025	<b>145,486,760</b>	<b>1,701,734,796</b>	<b>(1,575,302,084)</b>	<b>630,926,498</b>	<b>2,340,702</b>	<b>905,186,672</b>
(Loss) after taxation for the period ended December 31, 2024	-	-	(35,522,903)	-	-	(35,522,903)
Subordinated loan from directors	-	29,400,000	-	-	-	29,400,000
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	-	-	18,604,554	(18,604,554)	-	-
	-	29,400,000	(16,918,349)	(18,604,554)	-	(6,122,903)
Balance as at December 31, 2025	<b>145,486,760</b>	<b>1,731,134,796</b>	<b>(1,592,220,433)</b>	<b>612,321,944</b>	<b>2,340,702</b>	<b>899,063,769</b>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

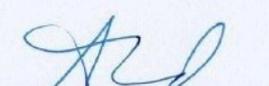
CVV



Chief Executive



Chief Financial Officer



Director

**KARAM CERAMICS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2025**

**1. THE COMPANY AND ITS OPERATIONS**

Karam Ceramics Limited (the Company) was incorporated in Pakistan on April 8, 1979 as a public limited company under the repealed Companies Act, 1913 (now Companies Act, 2017). The shares of the Company are quoted on Pakistan Stock Exchange. The registered office of the Company is situated at A-31, Sindhi Muslim Cooperative Housing Society, Karachi, Pakistan and manufacturing facilities of the Company is located at 295/311, Deh Halkani, Hub Dam Road, Manghopir, Karachi. The principal activity of the Company is manufacturing and sale of tiles.

**1.1 GOING CONCERN ASSUMPTION**

The Company is incurring losses since past several years. During the current period, it has incurred a gross loss of Rs. 2.005 million and a net loss before income tax and levy of Rs. 31.211 million. The accumulated losses of the Company stood at Rs. 1,592.220 million. Moreover, the current liabilities also exceeded its current assets by Rs. 313.918 million at the period end and has negative operating cash flows of Rs. 37.292 million. These conditions indicate the existence of material uncertainty that may cast doubt on the Company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The new management, which has assumed charge of the Company during the year 2023, is well aware of the prevailing challenges and has plans for undertaking comprehensive strategy to reform multiple corporate policies and strategies. This includes further capital injection, enhancement of plant capacity and actual production, introduction of new product ranges, streamlining of production controls and processes, refinement of marketing strategies, introduction of cost control measures, and efficient human resource management.

The Company has largely completed a multi-phased capital investment program focused on plant modernization and technology upgrades which is expected to yield increase in production capacity, improve efficiency, and strengthen cost competitiveness. This initiative has started producing favorable results as the gross loss has showed significant improvement during the current period ended.

The new sponsors had injected Rs. 214 million in the last year and Rs. 29.4 million during the current period as a subordinated loan. The directors and associated companies have assured full financial support to the Company, wherever funds are needed by the Company.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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## 2.2 Accounting convention

These condensed interim financial statements have been prepared under the historical cost convention except that inventories are carried at lower of cost or net realisable value, land and buildings at revalued amounts and staff retirement benefits are carried at present value.

These condensed interim financial statements do not include all information and disclosures required in the financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2025.

## 2.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period

There are certain new and amended standards and interpretations that are mandatory for the Company's accounting period beginning on or after July 01, 2025 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not disclosed in these condensed interim financial statements.

## 3 MATERIAL ACCOUNTING POLICIES

The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2025.

## 4. ACCOUNTING ESTIMATES AND JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed interim financial statements in conformity with accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The significant judgments made by the management in applying the Company's accounting policies and the key resources of estimation and uncertainty were the same as those applied to the annual audited financial statements for the year ended June 30, 2025.

The financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Company for the year ended June 30, 2025.

*mw*

		(Un-audited) December 31, 2025	(Un-audited) June 30, 2025
	Note	-----Rupees-----	
<b>5</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Property, plant and equipment	5.1	1,059,733,971	1,100,994,479
Capital work in progress		86,921,908	86,921,908
		<u>1,146,655,879</u>	<u>1,187,916,387</u>
<b>5.1</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Opening net book value		1,100,994,479	1,119,476,770
Additions during the period:			
Plant & Machinery		-	64,232,311
Moulds		-	5,190,775
Furniture and fittings		1,953,652	74,500
		<u>1,953,652</u>	<u>69,497,586</u>
Depreciation charged during the period		(43,214,160)	(87,979,877)
		<u>1,059,733,971</u>	<u>1,100,994,479</u>
<b>6.</b>	<b>CASH AND BANK BALANCES</b>		
Cash in hand		10,844	415,325
Cash at banks:			
- Current Accounts		12,578,355	9,503,803
- Deposit Accounts		1,066,308	5,809,347
		<u>13,644,663</u>	<u>15,313,150</u>
		<u>13,655,507</u>	<u>15,728,475</u>
<b>7.</b>	<b>SHORT TERM BORROWINGS</b>		
Swat Ceramics (Private) Limited	7.1	<u>116,500,000</u>	<u>116,500,000</u>
<b>7.1</b>	This balance represents short term borrowing payable to Swat Ceramics (Private) Limited, a related party of the Company. This amount is interest free.		
<b>8.</b>	<b>CONTINGENCIES AND COMMITMENTS</b>		
<b>8.1</b>	<b>Contingencies</b>		
	There has been no change in status of contingencies reported in the financial statements for the year ended June 30, 2025.		
<b>8.2</b>	<b>Commitments</b>		
	There has been no change in commitments reported in the financial statements for the year ended June 30, 2025.		

*cm*

	(Un-audited) December 31, 2025	(Un-audited) December 31, 2024		
	-----Rupees-----			
<b>9. REVENUE</b>				
Gross sales	407,088,346	237,102,066		
Less: sales tax	<u>(62,098,222)</u>	<u>(36,307,926)</u>		
	<u><u>344,990,124</u></u>	<u><u>200,794,140</u></u>		
<b>10. EARNINGS PER SHARE</b>				
(Loss)/ Profit after taxation attributable to ordinary shareholders	<u><u>(35,522,903)</u></u>	<u><u>(250,251,116)</u></u>		
Weighted average number of shares in issue during the period	<u><u>14,548,676</u></u>	<u><u>14,548,676</u></u>		
(Loss) / Earning per share (Rupees) - Basic and diluted	<u><u>(2.44)</u></u>	<u><u>(17.20)</u></u>		
<b>11. TRANSACTIONS WITH RELATED PARTIES</b>				
<b>Related party</b>	<b>Relationship</b>	<b>Nature of transaction</b>	<b>For Half Year to Dec 31, 2025</b>	<b>For Half Year to Dec 31, 2024</b>
Directors	Associated persons	Loan received	29,400,000	33,500,000
Directors	Associated persons	Remuneration and allowances	3,300,000	810,000
Swat Ceramics Limited	Associated Undertaking	Advance Paid / Received - net	-	5,000,000

**12. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statement for the year ended June 30, 2025. There is no change in the nature and corresponding's hierarchies of fair value level of financial instrument from those as disclosed in the audited financial statement of the company for the year ended June 30, 2025.

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KARAM CERAMICS LIMITED

**13. CORRESPONDING FIGURES**

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. No significant reclassifications were made during the period.

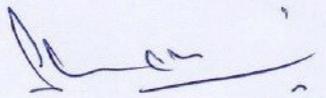
**14. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on 28-02-2026 by the Board of Directors of the Company.

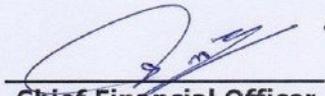
**15. GENERAL**

Figures have been rounded off to the nearest rupee.

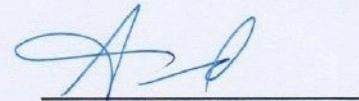
*CSM*



Chief Executive



Chief Financial Officer



Director

UNDER  
CERTIFICATE  
OF POSTING

# BOOK POST

*If undelivered please return to:*

**KARAM CERAMICS LIMITED**

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

