



KARAM CERAMICS LIMITED

LETTER TO PAKISTAN STOCK EXCHANGE

October 30, 2026

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road,
Karachi - 74000

Dear Sir,

Subject: FINANCIAL RESULTS - FOR THE QUARTER ENDED SEPTEMBER 30, 2026

We have to inform you that the Board of Directors of the Company in their Meeting held on Thursday October 30, 2026 at 3:00 p.m. at Registered Office Karachi, has approved the Quarterly Financial Statements for the quarter ended September 30, 2026 and recommended the following:

1. Cash Dividend: NIL
2. Bonus Shares: NIL
3. Right Shares: NIL

The financial results of the Company are annexed.

The Interim Financial Statements of the Company for the period ended September 30, 2025 will be transmitted through PUCARS separately, within the specified time.

Thanking You,

Yours Truly,

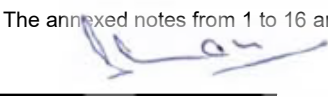
For Karam Ceramics Limited

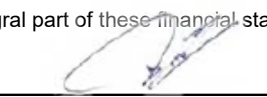
Syed Mazhar Ali Nasir
Chief Executive Officer

KARAM CERAMICS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2026 (UNAUDITED)
(Expressed in Pakistani Rupees)

		SEPTEMBER	JUNE
	Note	2 0 2 6	2 0 2 6
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,528,370,002	1,545,299,843
Long term deposits	4	66,326,223	66,326,223
		<u>1,594,696,225</u>	<u>1,611,626,066</u>
Current assets			
Stores and spares	5	53,465,559	52,965,559
Stock in trade	6	132,242,485	234,888,674
Loans and advances - considered good		2,000	117,249
Advance tax		7,586,702	6,062,237
Refunds due from the government	7	16,089,556	19,680,984
Deposits, prepayments and other receivables	8	1,384,235	-
Cash and bank balances	9	12,424,810	9,749,352
		<u>223,195,348</u>	<u>323,464,055</u>
TOTAL ASSETS		<u><u>1,817,891,572</u></u>	<u><u>1,935,090,121</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
		450,000,000	450,000,000
45,000,000 (JUNE 30 2026: 45,000,000) ordinary shares of Rs.10 each			
Issued, subscribed and paid-up capital		145,486,760	145,486,760
Accumulated losses		(1,705,219,666)	(1,638,550,261)
Revaluation surplus on property, plant and equipment		1,031,992,901	1,031,992,901
Remeasurement of retirement benefit obligation		2,340,702	2,340,702
Subordinated loan		1,736,034,796	1,738,034,796
		<u>1,210,635,493</u>	<u>1,279,304,898</u>
LIABILITIES			
Non-current liabilities			
Deferred taxation		-	-
Current liabilities			
Trade and other payables		283,833,298	382,251,080
Post employment benefits		7,339,897	16,190,497
Short term borrowings		116,500,000	116,500,000
Contract liability		194,548,862	129,463,490
Unclaimed dividend		513,191	513,191
Dividend payable		3,148,405	3,148,406
Levy		1,372,425	7,718,559
		<u>607,256,079</u>	<u>655,785,223</u>
Total liabilities		<u>607,256,079</u>	<u>655,785,223</u>
Contingencies and Commitments			
TOTAL EQUITY AND LIABILITIES		<u><u>1,817,891,572</u></u>	<u><u>1,935,090,121</u></u>

The annexed notes from 1 to 16 an integral part of these financial statements.


Chief Executive Officer

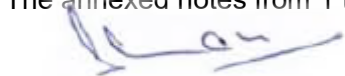

Chief Financial Officer


Director

KARAM CERAMICS LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2026 (UNAUDITED)
(Expressed in Pakistani Rupees)

	Note	SEPTEMBER 2 0 2 6	SEPTEMBER 2 0 2 5
Revenue	10	109,794,028	160,694,415
Cost of sales	11	(176,181,810)	(172,757,194)
Gross loss		(66,387,782)	(12,062,779)
Selling and distribution expenses	12	(995,704)	(4,154,124)
Administrative expenses	13	(3,105,818)	(8,141,633)
Other expenses		-	-
		(4,101,522)	(12,295,757)
Operating loss		(70,489,304)	(24,358,536)
Other income	14	11,400,762	122,964
Finance cost	15	(2,070)	(297,845)
		11,398,692	(174,881)
Loss before levy and Income tax		(59,090,612)	(24,533,417)
Levy	16	(1,372,425)	(2,008,684)
Loss before Income tax		(60,463,037)	(26,542,101)
Deffered tax income		-	-
Loss after taxation		(60,463,037)	(26,542,101)
Loss per share - basic and diluted		(4.16)	(1.82)

The annexed notes from 1 to 16 an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Director

KARAM CERAMICS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2026
(Expressed in Pakistani Rupees)

	Cumulative	
	30-Sep-26	30-Sep-25
Loss after taxation	(66,669,402)	(26,542,101)
Other comprehensive income		
Items that will not be subsequently reclassified to		
Surplus on revaluation of land and buildings	-	-
Deferred tax on surplus of buildings	-	-
	-	-
Total comprehensive loss for the year	(66,669,402)	(26,542,101)

The annexed notes from 1 to 16 an integral part of these financial statements.

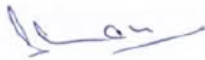

Chief Executive Officer


Chief Financial Officer


Director

KARAM CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2026
(Expressed in Pakistani Rupees)

	SEPTEMBER 2026	SEPTEMBER 2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before levy and income tax	(65,296,977)	(101,091,951)
Adjustments for non-cash items		
Depreciation	16,929,845	21,734,243
Other income / settlement gain	(11,400,762)	-
Finance cost	2,070	538,944
	5,531,153	22,273,187
Operating loss before working capital changes	(59,765,824)	(78,818,764)
(Increase) / decrease in current asset		
Long term deposits	-	-
Stores and spares	(500,000)	16,542,903
Stock in trade	102,646,184	75,149,804
Loans and advances	115,249	(315,475)
Deposits, prepayments and other receivables	(1,384,235)	(11,634)
	100,877,198	91,365,597
(Decrease) / Increase in current liabilities		
Trade and other payables	(98,417,782)	(114,772,082)
Contract liability	65,085,372	78,916,122
	(33,332,410)	(35,855,960)
Cash flows (used in) / generated from operations	7,778,965	(23,309,127)
Finance cost paid	(2,070)	(538,944)
Other income / settlement gain	11,400,762	-
Exchange Gain or Loss	-	-
Taxes refunded / (paid) - net	(5,651,596)	7,435,673
Gratuity paid	(8,850,600)	(577,484)
	(3,103,505)	6,319,245
Net cash flows (used in) / generated from operations	4,675,460	(16,989,882)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition in property plant and equipment	-	(190,000)
Proceeds from disposal of property, plant and equipments	-	(1,198,080)
Net cash flows used in investing activities	-	(1,388,080)
CASH FLOWS FROM FINANCING ACTIVITIES		
Subordinated loan obtained during the year	(2,000,000)	23,000,000
Short term borrowings obtained during the year - net	-	5,000,000
	-	-
Net cash flows generated from financing activities	(2,000,000)	28,000,000
Net increase in cash and cash equivalents	2,675,460	9,622,038
Cash and cash equivalents at the beginning of the year	9,749,351	11,484,767
Cash and cash equivalents at the end of the year	12,424,810	21,106,805



Chief Executive Officer



Chief Financial Officer

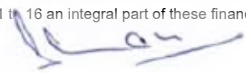


Director

KARAM CERAMICS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2026
(Expressed in Pakistani Rupees)

	Share capital	Subordinated loan	Accumulated losses	Surplus on revaluation of property, plant and equipment	Remeasure-ment of retirement benefit obligation	Total
Balance as at June 30, 2025	145,486,760	1,701,734,796	(1,575,302,084)	630,926,498	2,340,702	905,186,672
Loss after taxation for the year ended June 30, 2026	-	-	(100,457,286)	-	-	(100,457,286)
Subordinated loan	-	36,300,000	-	-	-	36,300,000
Other comprehensive income for the year	-	-	-	438,275,512	-	438,275,512
Surplus on revaluation of land and building - net of deferred tax	-	-	37,209,109	(37,209,109)	-	-
Transferred from surplus on revaluation of property, plant and equipment	-	-	37,209,109	401,066,403	-	438,275,512
Balance as at June 30, 2025	145,486,760	1,738,034,796	(1,638,550,261)	1,031,992,901	2,340,702	1,279,304,898
Loss after taxation for the 1st quarter ended September 30, 2026	-	-	(66,669,402)	-	-	(66,669,402)
Subordinated loan	-	(2,000,000)	-	-	-	(2,000,000)
Other comprehensive income for the year	-	-	-	-	-	-
Surplus on revaluation of land and building - net of deferred tax	-	-	-	-	-	-
Related Deferred tax Liability	-	-	-	-	-	-
Transferred from surplus on revaluation of property, plant and equipment	-	-	-	-	-	-
incremental depreciation for the year - net of deferred tax	-	-	-	-	-	-
Balance as at September 30, 2026	145,486,760	1,736,034,796	(1,705,219,663)	1,031,992,901	2,340,702	1,210,635,496

The annexed notes from 1 to 16 an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer


Director

KARAM CERAMICS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2026 (UNAUDITED)

1 THE LEGAL STATUS AND 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, S.M.C.HS, Karachi, Pakistan. The principal activity of the Company is manufacturing and sale of tiles.

2 Statement of Compliance

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

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the

provisions of and directives issued under the Companies Act, 2017 have been followed.

	SEPTEMBER 2 0 2 6	JUNE 2 0 2 6
3 PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	1,528,370,002	1,545,299,843
Capital work in progress	-	-
	<u>1,528,370,002</u>	<u>1,545,299,843</u>

3.1 The Depreciation Charge for the year has Been allocated as follows

Cost of sales	16,574,739	84,372,252
Selling and distribution expenses	280,810	504,986
Administrative expenses	74,295	542,963
	<u>16,929,845</u>	<u>85,420,201</u>

4 LONG TERM DEPOSITS

This balance represents deposits placed with utility companies including K+Electric, Pakistan Telecommunication Company Limited and Sui Southern Gas Company.

	Sep-26	Jun-26
5 STORES AND SPARES		
Spares	53,465,559	52,965,559
Stores	-	-
	<u>53,465,559</u>	<u>52,965,559</u>

6 STOCK IN TRADE

Raw material	55,339,007	45,768,134
Packing material	1,846,271	3,304,933
Work-in-process	-	15,680,747
Finished goods	75,057,207	170,134,860
	<u>132,242,485</u>	<u>234,888,674</u>

6.1 As at September 30, 2026, finished goods has been valued at estimated net realizable value.

7 REFUNDS DUE FROM THE GOVERNMENT

	Sep-26	Jun-26
Sales tax receivable	-	6,463,898
Income tax refundable	50,918,951	50,918,951
	(37,701,865)	(37,701,865)
	<u>13,217,086</u>	<u>19,680,984</u>

8 DEPOSITS, PREPAYMENTS, AND OTHER RECEIVABLES

Prepayments	1,268,986	-
Other receivables	115,249	-
	<u>1,384,235</u>	<u>-</u>

9 CASH AND BANK BALANCES

Cash in hand	11,985	35,036
Cash at bank		
- deposit accounts	2,312,882	1,877,398
- current accounts	10,099,943	7,836,918
	<u>12,412,825</u>	<u>9,714,316</u>
	<u>12,424,810</u>	<u>9,749,352</u>

10 REVENUE

	SEPTEMBER 2026	SEPTEMBER 2025
Gross local sales	129,556,953	195,968,793
Less: Sales tax	(19,762,925)	(35,274,383)
	<u>109,794,028</u>	<u>160,694,410</u>

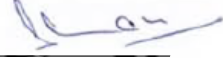
11 COST OF SALES

Raw materials consumed	16,306,365	39,932,887
Fuel, power and water	25,244,281	82,197,392
Salaries, wages and benefits	5,134,733	20,903,811
Stores and spare parts consumed	3,500,000	3,391,586
Packing material consumed	2,392,029	7,571,489
Repairs and maintenance	1,346,279	3,317,296
Freight charges	800,000	1,114,694
Depreciation	16,574,739	21,487,796
Directors' remuneration	-	-
Insurance	129,218	19,284
Vehicles running and maintenance	-	-
Other	202,130	290,507
Manufacturing expenses	<u>71,629,774</u>	<u>180,226,742</u>
Opening work in process	15,680,747	9,590,273
Closing work in process	8 -	(10,028,936)
Cost of goods manufactured	<u>87,310,522</u>	<u>179,788,079</u>
Opening stock of finish goods	170,134,860	43,617,986
Closing stock of finished goods	8 (75,057,207)	(50,648,871)
	<u>182,388,175</u>	<u>172,757,194</u>

	SEPTEMBER 2026	SEPTEMBER 2025
12 SELLING AND DISTRIBUTION EXPENSES		
Salaries, wages and benefits	608,837	1,689,926
Freight charges	-	-
Vehicles running and maintenance	-	1,382,909
Travelling and conveyance	13,520	209,218
Advertisement	-	-
Depreciation	280,810	-
Postage, telegraph and telephone charges	-	-
Entertainment	92,537	872,071
	<u>995,704</u>	<u>4,154,124</u>
13 ADMINISTRATIVE EXPENSES		
Salaries, wages and benefits	930,000	5,125,000
Fees and subscription	329,075	2,296,156
Rent, rates and taxes	-	-
Fuel, power and water	788,792	508,351
Postage, telegraph and telephone charges	77,720	65,930
Printing and stationery	23,340	78,296
Vehicles running and maintenance	471,638	-
Auditor's remuneration	-	-
Repairs and maintenance	210,293	-
Travelling and conveyance	13,520	-
Entertainment	92,537	-
Legal and professional charges	30,000	68,000
Advertisement expenses	-	-
Insurance	64,609	-
Donation	-	-
Depreciation	74,295	-
Prior Year Tax Adjustment	-	-
	<u>3,105,818</u>	<u>8,141,733</u>
14 OTHER INCOME		
From financial assets		
Profit on deposit accounts	100,762	122,964
From non-financial assets		
Other income / settlement gain	11,300,000	-
Gain on disposal of property, plant and equipment	-	97,539
	<u>11,400,762</u>	<u>736,007</u>
15 FINANCE COST		
Markup on short term borrowings	-	-
Bank charges	2,070	297,845
	<u>2,070</u>	<u>297,845</u>
16 LEVY		
This represents levy paid under Income Tax Ordinance, 2001, representing levy in terms of the requirement of IAS 37 / IFRIC 21.		

1 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 30th October 2026 by the Board of Directors of the Company.


Chief Executive Officer


Chief Financial Officer


Director