INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2026

(Un-Audited)

KARAM CERAMICS LIMITED

KARAM CERAMICS LIMITED
REPORT OF THE DIRECTORS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2026
Dear Shareholders,

The Directors of your Company present the financial results for the first quarter ended 30 September 2026.

During the period under review, the Company's net sales amounted to Rs. 109.794 million, compared to Rs. 160.694 million in the corresponding period of the previous year, representing a decline of approximately 31.7%, primarily due to torrential rains and flooding, which adversely affected business activities and market demand.

The Company incurred a gross loss of Rs. 65.296million compared to Rs. 12.063 million in the corresponding period la styear. The increased loss was mainly attributable to lower production levels, underutilization of plant capacity and higher fixed manufacturing costs per unit. Consequently, the loss after taxation increased to Rs. 66.669 million against Rs. 26.542 millio ninthe corresponding period of the preceding year.

FINANCIAL RESULTS

Particulars	September 2026 (Rs.)	September 2025 (Rs.)
Net Sales	109,794,028	160,694,415
Cost of Sales	(176,181,810)	(172,757,194)
Gross Loss	(65,296,977)	(12,062,779)
Net Loss after Tax	(66,669,402)	(26,542,101)

FUTURE OUTLOOK

In order to enhance production capacity, improve operational efficiency and upgrade manufacturing facilities, the Board of Directors approved the temporary shutdown of the plant to undertake balancing, modernization and replacement (BMR), installation of new machinery and related construction activities.

The Company is undertaking these upgrades to facilitate the production of single-fired porcelain polished tiles, with sizes starting from 600 x 1200 mm, 750 x 1500mm and 400 x 800mm enabling it to enter the premium tile segment. These larger-format tiles offer better selling prices and contribution margins, providing opportunities to improve the Company's product mix and long-term profitability.

The production of larger-format porcelain polished tiles is planned to commence in March 2027, subject to completion of installation, construction and commissioning activities. Management remains optimistic about the Company's future prospects and is committed to enhancing production capabilities, product quality and operational efficiency.

ACKNOWLEDGEMENT

The Directors sincerely appreciate the continued trust and support of shareholders, customers, banks, financial institutions and suppliers. They also acknowledge the dedication and commitment of the Company's employees towards its continued progress.

On behalf of the Board

Syed Mazhar Ali Nasir
Chief Executive Officer

Karachi
30 October 2026

کرام سیرامکس لمیٹڈ
ڈائریکٹرز کی رپورٹ
30ستمبر 2026 کو ختم ہونے والی پہلی سہ ماہی کے لیے

!محترم شیئر ہولڈرز
آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر 2026 کو ختم ہونے والی پہلی سہ ماہی کے مالیاتی نتائج پیش کرتے ہیں۔

زیر جائزہ مدت کے دوران کمپنی کی خالص فروخت 109.794 ملین روپے رہی، جبکہ گزشتہ سال کی اسی مدت میں فروخت 160.694 ملین روپے تھی۔ اس طرح فروخت میں تقریباً 31.7 فیصد کمی واقع ہوئی، جس کی بنیادی وجہ شدید بارشوں اور سیلاب کے باعث کاروباری سرگرمیوں اور مارکیٹ کی طلب میں کمی تھی۔

کمپنی کو مجموعی نقصان65.296ملین روپے ہوا، جبکہ گزشتہ سال کی اسی مدت میں یہ نقصان 12.063 ملین روپے تھا۔

نقصان میں اضافے کی بنیادی وجوہات پیداوار کی کم سطح، پیداواری صلاحیت کا مکمل استعمال نہ ہونا اور فی یونٹ پیداواری لاگت میں اضافہ ہیں۔ ٹیکس کے بعد خالص نقصان بڑھ کر66.669 ملین روپے ہوگیا، جبکہ گزشتہ سال یہ 26.542 ملین روپے تھا۔

:مالیاتی نتائج

تفصیلات	(ستمبر 2026 30) (روپے)	(ستمبر 2025 30) (روپے)
خالص فروخت	109,794,028	160,694,415
فروخت کی لاگت	(176,181,810)	(172,757,194)
(مجموعی منافع / (خسارہ)	(65,296,977)	(12,062,779)
(ٹیکس کے بعد خالص منافع / (خسارہ)	(66,669,402)	(26,542,101)

مستقبل کے منصوبے

پیداواری صلاحیت میں اضافہ، آپریشنل کارکردگی کو بہتر بنانے اور پیداواری سہولیات کو جدید بنانے کے لیے بورڈ آف ڈائریکٹرز نے پلانٹ کی عارضی ، نئی مشینری کی تنصیب اور متعلقہ تعمیراتی کام مکمل کیے جا (BMR) بندش کی منظوری دی ہے، تاکہ پلانٹ کی توازن کاری، جدید کاری اور تبدیلی سکیں۔
کمپنی اپنی پیداواری سہولیات کو اپ گریڈ کر رہی ہے تاکہ سنگل فائرڈ پورسلین پالشڈ ٹائلز تیار کی جا سکیں۔ ان ٹائلز کے سائز 600 × 1200 ملی میٹر، 750 × 1500 ملی میٹر اور 400 × 800 ملی میٹر ہوں گے۔ اس سے کمپنی کو پریمیم مصنوعات کے شعبے میں داخل ہونے کا موقع ملے گا۔
بڑے سائز کی ٹائلز بہتر فروخت قیمت اور منافع کے مارجن فراہم کریں گی، جس سے کمپنی کی مصنوعات کے معیار، مصنوعات کی اقسام اور طویل مدتی منافع میں بہتری آئے گی۔
بڑے سائز کی پورسلین پالشڈ ٹائلز کی پیداوار مارچ 2027 میں شروع کرنے کا منصوبہ ہے، جو تنصیب، تعمیراتی اور کمیشننگ کے کام کی تکمیل سے مشروط ہے۔
انتظامیہ کمپنی کے مستقبل کے امکانات کے حوالے سے پُرامید ہے اور پیداواری صلاحیت، مصنوعات کے معیار اور آپریشنل کارکردگی کو بہتر بنانے کے لیے پُرعزم ہے۔

:اظہار تشکر
ڈائریکٹرز شیئر ہولڈرز، صارفین، بینکوں، مالیاتی اداروں اور سپلائرز کے مسلسل اعتماد اور تعاون پر تہہ دل سے شکریہ ادا کرتے ہیں۔
وہ کمپنی کے ملازمین کی محنت، لگن اور کمپنی کی مسلسل ترقی کے لیے ان کے عزم کو بھی سراہتے ہیں۔

بورڈ کی جانب سے



سید مظہر علی ناصر چیف ایگزیکٹو آفیسر

30 اکتوبر 2026

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

	Note	SEPTEMBER 2026	JUNE 2026
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
		1,594,696,225	1,611,626,066
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
		223,195,348	323,464,055
TOTAL ASSETS		1,817,891,572	1,935,090,121
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
		1,210,635,493	1,279,304,898
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
		607,256,079	655,785,223
Total liabilities		607,256,079	655,785,223
Contingencies and Commitments			
TOTAL EQUITY AND LIABILIITIES		1,817,891,572	1,935,090,121

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 SEPTERMBER 30, 2026 (UNAUDITED)
(Expressed in Pakistani Rupees)

	Note	Sept-2026	Sept-2025
Revenue		**109,794,028**	**160,694,415**
Cost of sales		**(182,388,175)**	**(172,757,194)**
Gross loss		**(72,594,147)**	**(12,062,779)**
Selling and distribution expenses		**(995,704)**	**(4,154,124)**
Administrative expenses		**(3,105,818)**	**(8,141,633)**
Other expenses		**-**	**-**
		(4,101,522)	**(12,295,757)**
Operating loss		**(76,695,669)**	**(24,358,536)**
Other income		**11,400,762**	**122,964**
Finance cost		**(2,070)**	**(297,845)**
		11,398,692	**(174,881)**
Loss before levy and Income tax		**(65,296,977)**	**(24,533,417)**
Levy		**(1,372,425)**	**(2,008,684)**
Loss before Income tax		**(66,669,402)**	**(26,542,101)**
Deffered tax income		**-**	**-**
Loss after taxation		**(66,669,402)**	**(26,542,101)**
Loss per share - basic and diluted		**(4.16)**	**(1.82)**

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

Chief Executive **Chief Financial Officer** **Director**

KARAM CERAMICS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE 1ST QUARTER ENDED SEPTERMBER 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 subsuqently 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)

	Note	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 SEPTERMBER 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						
Surplus on revaluation of land and building - net of deferred tax	-	-	-	438,275,512	-	438,275,512
Transferred from surplus on revaluation of property, plant and equipment	-	-	37,209,109	(37,209,109)	-	-
	-	-	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 Septermber 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 SEPTERMBER 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.

3 PROPERTY, PLANT AND EQUIPMENT	SEPTEMBER **2026**	JUNE 2026
Operating fixed assets	**1,528,370,002**	1,545,299,843
Capital work in progress	**-**	-
	1,528,370,002	1,545,299,843

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
	16,929,845	85,420,201

4 LONG TERM DEPOSITS

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

5 STORES AND SPARES	**Sep-26**	Jun-26
Spares	**53,465,559**	52,965,559
Stores	**-**	-
	53,465,559	52,965,559

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
	132,242,485	234,888,674

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)
		13,217,086	19,680,984

8	DEPOSITS, PREPAYMENTS, AND OTHER RECEIVABLES		
	Prepayments	**1,268,986**	-
	Other receivables	**115,249**	-
		1,384,235	-

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
		12,412,825	9,714,316
		12,424,810	9,749,352

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

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	5.2	**16,574,739**	21,487,796
	Directors' remuneration		**-**	-
	Insurance		**129,218**	19,284
	Vehicles running and maintenance		**-**	-
	Other		**202,130**	290,507
	Manufacturing expenses		**71,629,774**	180,226,742
	Opening work in process		**15,680,747**	9,590,273
	Closing work in process	8	**-**	(10,028,936)
	Cost of goods manufactured		**87,310,522**	179,788,079
	Opening stock of finish goods		**170,134,860**	43,617,986
	Closing stock of finished goods	8	**(75,057,207)**	(50,648,871)
			182,388,175	172,757,194

	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
	995,704	4,154,124
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	**-**	
	3,105,818	8,141,733
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
	11,400,762	736,007
15 FINANCE COST		
Markup on short term borrowings	**-**	-
Bank charges	**2,070**	297,845
	2,070	297,845

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**