

Karnika Industries Limited

6 & 6/1, Gurgola Ghat Road, Howrah - 711 106, Phone: +91 33 2655 8101, 98302 28105

E-mail : info@karnikaindustries.com, GSTIN : 19AAJCK4601M1Z8, CIN : L17299WB2022PLC253035
Website-www.karnikaindustries.com

Date-27.05.2025

To,

National Stock Exchange of India Ltd.,(NSE-SME EMERGE)
Exchange Plaza, 5th Floor, Plot No.C/1,
G Block, Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051.

Dear Sir/Madam,

SCRIP CODE: KARNIKA

Sub: Submission of Audited Financial Results for the Half Year and Year ended 31st March, 2025 along with Independent Auditor's Report thereon pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

Meeting Commencement Time	02:30 P.M.
Meeting Conclusion Time	04:30 P.M.

Dear Sir/Madam,

With reference to the captioned subject, the meeting of Board of Directors of the Company was held today viz, Tuesday, May 27, 2025 and the Board has, inter-alia, considered and approved the Audited Financial Results for the Half Year and Year ended 31st March, 2025.

Please find enclosed the followings:

1. Copy of Audited Financial Results for the Half Year and Year ended 31s March, 2025 along with Independent Auditor's Report thereon and
2. Declaration of Unmodified Opinion on Audited Financial Results for the Financial Year ended 31st March, 2025

Kindly acknowledge the receipts and take on the record.

Thanking You,

Yours Faithfully,

For Karnika Industries Limited

Niranjan Mundhra

Managing Director

DIN- 05254448

Encl: As stated above

Independent Auditor's Report on Half Yearly and Year to Date Audited Financial Results of M/s. KARNIKA INDUSTRIES LIMITED pursuant to Regulations 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To,
The Board of Directors,
M/s. KARNIKA INDUSTRIES LIMITED,
6 & 6/1, Gurgola Ghat Road,
Howrah - 711106.

Report on the Audit of the Financial Results

Opinion

We have audited the accompanying statements of financial results (the "Statements") of M/s. KARNIKA INDUSTRIES LIMITED (the "Company") for the half year ended 31st March, 2025 and for the year ended 31st March, 2025, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations"). These statements are responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue an audit report on these financial statements based on our audit.

In our opinion and to the best of our information and according to the explanations given to us the Statements for the year ended March 31, 2025:

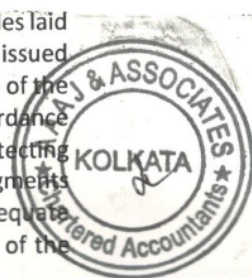
- i. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other financial information for the half year ended 31st March, 2025 as well as the year-to-date results for year ended 31st March, 2025.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA"s) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the "ICAI") together with the ethical requirements that are relevant to our audit of the Financial Results under the provisions of the Companies Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Financial Results

These Financial results have been prepared on the basis of financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statements that give a true and fair view of net profit and other financial information in accordance with the recognition and measurement principles laid down in Accounting Standard, prescribed under Section 133 of the Act read with the relevant rules issued thereunder, other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the



accounting records, relevant to the preparation and presentation of the Statements that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statements, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control systems in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations-
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statements, including the disclosures, and whether the Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The Statements include the results for the half year ended 31st March, 2025 being the balancing figure between the audited figures in respect of the full financial year ended 31st March, 2025 and the published unaudited year to date figures up to half year ended 30th September, 2024 of the current financial year which were subject to limited review by us, as required under the Listing Regulations.

Yours Faithfully

For A A J & Associates
(formerly known as Uttam Agarwal & Associates)
Chartered Accountants
Firm Registration No. 322455E



CA Deepak Agarwal
Partner
Membership No. 061132
UDIN: 25061132BM147N1259



Date: 27th May, 2025
Place: Kolkata.

KARNIKA INDUSTRIES LTD.
CIN : L17299WB2022PLC253035
6 & 6/1, Gurgola Ghat Road, P.O. Salkia, Howrah - 711106 (W.B.)

Email : info@karnikaindustries.com

Website : www.karnikaindustries.com

Balance Sheet as at 31st March, 2025

(Rs. in Lakhs)

PARTICULARS		As at 31.03.2025	As at 31.03.2024
		Audited	Audited
EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital		1,239.95	1,239.95
(b) Reserves & Surplus		5,861.47	4,070.83
		7,101.42	5,310.78
2 Non-Current Liabilities			
(a) Long Term Borrowings		132.46	186.19
(b) Long Term Provision		16.97	18.32
		149.43	204.50
3 Current Liabilities			
(a) Short Term Borrowings		5,887.27	5,024.07
(b) Trade Payables			
(i) Total outstanding dues to micro & small enterprise		217.55	59.39
(ii) Total outstanding dues to other than micro & small enterprise		1,878.45	1,266.42
(c) Other Current Liabilities		194.49	86.99
(d) Short Term Provisions		30.83	33.94
		8,208.58	6,470.81
TOTAL		15,459.43	11,986.10
II. ASSETS			
1 Non-current Assets			
(a) Property, Plant & Equipment and Intangible Assets			
(i) Property, Plant and Equipment		734.26	506.44
(ii) Intangible Assets		8.29	1.39
(b) Non Current Investment		866.32	-
(c) Deferred Tax Asset		12.81	11.70
(d) Long Term Loan & Advances		-	10.00
(e) Other Non Current Asset		36.09	41.22
		1,657.77	570.75
2 Current Assets			
(a) Inventories		5,000.99	4,757.58
(b) Trade Receivables		7,456.84	5,137.91
(c) Cash and Cash Equivalents		110.03	1,153.41
(d) Short-term loans and advances		993.52	58.69
(e) Other Current Asset		240.27	307.76
		13,801.66	11,415.35
TOTAL		15,459.43	11,986.10

For A A J & Associates
(formerly known as Uttam Agarwal & Associates)
Chartered Accountants
Firm Registration No.322455E

CA Deepak Agarwal
Partner
Mem.No. 061132

Place: Kolkata
Date : 27.05.2025
UDIN : 25061132BM14TN1259



Niranjan Mundhra
(Managing Director)
DIN: 05254448

Krishan
Krishan Kumar Karnani
(Chief Financial Officer)

Shiv Shankar Mundhra
(Whole-Time Director)
DIN: 02926873

Muskan Mundhra
(Company Secretary)

KARNIKA INDUSTRIES LTD.
CIN : L17299WB2022PLC253035

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Statement of Profit & Loss For the Year Ended 31st March, 2025

(Rs. in Lakhs)

PARTICULARS	Half Year Ended			Year Ended	
	31-Mar 2025	30-Sep 2024	31-Mar 2024	31-Mar 2025	31-Mar 2024
	Audited	Unaudited	Audited	Audited	Audited
I. Revenue From Operations	7,540.84	9,714.01	6,293.40	17,254.85	12,727.26
II. Other Income	234.41	138.71	101.41	373.12	118.39
III. Total Income	7,775.25	9,852.72	6,394.81	17,627.97	12,845.65
IV. Expenses					
(a) Cost of Materials Consumed	2,882.45	4,233.67	2,122.57	7,116.13	4,287.21
(b) Purchase of Stock-in-Trade	1,364.44	1,542.47	1,179.29	2,906.91	2,010.61
(c) Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	-336.66	-130.97	98.60	-467.63	179.71
(d) Employee Benefit Expenses	317.87	283.40	320.14	601.27	664.39
(e) Finance Cost	230.87	215.52	207.61	446.38	488.82
(f) Depreciation and amortisation	64.39	48.48	46.99	112.87	77.79
(g) Other Expenses	2,214.45	2,280.48	1,660.78	4,494.93	3,777.77
Total Expenses	6,737.81	8,473.05	5,635.98	15,210.87	11,486.31
V. Profit/Loss before exceptional items, extraordinary items & Tax (III-IV)	1,037.43	1,379.67	758.83	2,417.10	1,359.34
VI. Exceptional & extraordinary Items	-	-	-	-	-
VII. Profit/Loss from ordinary activities before Tax (V-VI)	1,037.43	1,379.67	758.83	2,417.10	1,359.34
VIII. Tax expense:					
Current Tax	268.00	348.00	203.00	616.00	354.00
Tax paid for earlier year	-0.83	-	3.54	-0.83	3.54
Deferred Tax	1.85	-2.96	-6.83	-1.11	-8.68
Total Tax Expenses	269.02	345.04	199.71	614.06	348.85
IX. Profit/(Loss) from continuing operation after TAX (VII-VIII)	768.42	1,034.63	559.12	1,803.04	1,010.49
X. Earning Per Shares (In Rupees)					
Basic	6.20	8.34	4.51	14.54	8.15
Diluted	6.20	8.34	4.51	14.54	8.15

For A A A J & Associates
(formerly known as Uttam Agarwal & Associates)
Chartered Accountants
Firm Registration No.322455E

CA Deepak Agarwal
Partner
Mem.No. 061132

Place: Kolkata
Date : 27.05.2025
UDIN : 25061132 BMYTNN259



Niranjan Mundhra
(Managing Director)
DIN: 05254448

Krishan Kumar Karnani
(Chief Financial Officer)

For and on behalf of the Board of Directors

Shiv Shankar Mundhra
(Whole-Time Director)
DIN: 02926873

Muskan Mundhra
(Company Secretary)



Cash Flow Statement for the year ended 31st March, 2025

(Rs. in Lakhs)

Particulars	As at 31.03.2025		As at 31.03.2024	
	Audited		Audited	
A Cash Flow from Operating Activities				
Net Profit Before Tax		2,417.10		1,359.34
Adjustments for:				
Depreciation	112.871		77.79	
Interest & Finance Charges	446.384		488.82	
Transaction charges in relation to investments	6.160		-	
Profit on Sale of Shares / Mutual Funds	-173.745		-	
Provision for Gratuity	-1.346		6.30	
Adjustment for unrealised foreign exchange	13.474		-	
Dividend Income	-0.657		-	
Interest Received	-100.244	302.90	-5.26	567.66
Operating Profit before Working Capital Changes		2,720.00		1,927.00
Adjustments for:				
Decrease/(Increase) in Inventories	-243.42		96.09	
Decrease/(Increase) in Trade Receivables	-2,332.46		-1,116.40	
Decrease/(Increase) in Short Term Loans and Advances	-49.48		19.36	
Decrease/(Increase) in Other current assets	67.49		151.59	
Decrease/(Increase) in Other non-current assets	5.13		-20.55	
Increase/(Decrease) in Trade Payables	770.19		-1,238.49	
Increase/(Decrease) in Short Term Provisions	-3.11		31.06	
Increase/(Decrease) in Other Current Liabilities	95.09	-1,690.56	-94.90	-2,172.24
Cash generated from Operations		1,029.44		-245.24
Income Tax paid		615.17		357.54
Net Cash flow from Operating activities		414.27		-602.78
B Cash Flow from Investing Activities				
Purchase of Shares / Mutual Fund held as Investments	-2,671.728		-	
Sale of Shares / Mutual Fund held as Investments	1,979.153		-	
Loan given to corporate and Others (Net)	-885.355		-	
Sales/(Purchases) of Fixed Assets	-347.597		-432.41	
Transaction charges in relation to investments	-6.160		-	
Dividend Received	0.657		-	
Interest Received	100.244		5.26	
Net Cash used in Investing activities		-1,830.79		-427.16
C Cash Flow from Financing Activities				
Proceeding from Issue of Shares through IPO Allotment	-		2,507.39	
Proceed/(Repayment) in Short Term Borrowings (Net)	863.20		-201.94	
Repayment of Long Term Loans and Advances (Net)	10.00		29.66	
Proceed/(Repayment) of Long Term Borrowings (Net)	-53.73		181.86	
Interest paid	-446.38		-488.82	
Net Cash used in Financing Activities		373.08		2,028.16
D Effect of exchange rate changes on cash and cash equivalents				
	-	0.05	-	-
Net Increase in Cash & Cash Equivalents		-1,043.38		998.22
Cash and Cash equivalents as on beginning of the year (refer note below)		1,153.41		155.19
Cash and Cash equivalents as at end of the year (refer note below)		110.03		1,153.41

Notes: Cash and Cash Equivalents includes term/fixed deposits

For A A A J & Associates
(formerly known as Uttam Agarwal & Associates)
Chartered Accountants
Firm Registration No.322455E

CA Deepak Agarwal
Partner
Mem.No. 061132

Place: Kolkata
Date : 27.05.2025

UDIN : 25061132BM14TN1259



Niranjan Mundhra
(Managing Director)
DIN: 05254448

Krishan Kumar Karnani
(Chief Financial Officer)

Shiv Shankar Mundhra
(Whole-Time Director)
DIN: 02926873

Muskan Mundhra
(Company Secretary)



Notes to Financial Results

1. The financial results of the Company have been reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company in their meeting held on 27th May, 2025. The results are being published in accordance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. The Financial results of the Company have been prepared in accordance with Accounting Standards (AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules 2014 as considered material and appropriate and in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
3. As per Ministry of Corporate Affairs Notification February 16, 2015, Companies whose Securities are listed on SME Exchange as referred to in Chapter XB of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 [ICDR, 2009] are exempted from the compulsory requirement of adoption of Ind AS.
4. As the Company collectively operates only in one business segment i.e. textiles which includes, fabrics, ready-made garments and its accessories, hence, it is reporting its results in single segment. Therefore, segment disclosure is not applicable.
5. Balances of trade payables, trade receivables, advances received, advances given, GST Liabilities / Input Credits, and Income Tax Assets (Net of Liabilities) are subject to confirmation, reconciliation and consequent adjustments, if any. Inventories are certified by the Management.
6. The Figures for the previous year have been regrouped/rearranged wherever necessary to make them comparable.
7. The figures for the half year ended March 31, 2025, are arrived at as difference between audited figures in respect of full financial year ended March 31, 2025 and published unaudited figures upto half year ended on September 30, 2024.
8. There were no Investor Complaints received during the period under review.
9. There were no exceptional and extra- ordinary items for the reporting period.
10. Based on the information and documents provided to us, the utilization of IPO proceeds received in Financial Year 2023-24 was in compliance with the prescribed purposes as mentioned in the offer document.

For A A A J & Associates
(formerly known as Uttam Agarwal & Associates)
Chartered Accountants
Firm Registration No. 322455E

Agarwal
CA Deepak Agarwal
Partner
Mem No. 061132
UDIN :

25061132BM17TN1259

Date: 27th May, 2025.
Place: Kolkata

For Karnika Industries Limited

Niranjan
Niranjan Mundhra
(Managing Director)
DIN: 05254448

Shiv Shankar
Shiv Shankar Mundhra
(Whole-Time Director)
DIN: 02926873



Karnika Industries Limited

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E-mail : info@karnikaindustries.com, GSTIN : 19AAJCK4601M1Z8, CIN : L17299WB2022PLC253035

Date-27.05.2025

To,

National Stock Exchange of India Ltd.,(NSE-SME EMERGE)

Exchange Plaza, 5th Floor, Plot No.C/1,

G Block, Bandra-Kurla Complex, Bandra (E),

Mumbai – 400 051.

SCRIP CODE: KARNIKA

ISIN: INE0MGA01012

Dear Sir/Madam,

Subject: Declaration pursuant to Regulation 33(2)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.


Pursuant to Regulation 33(2)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 we do hereby confirm, declare and certify that the Audited Financial Results for the Financial Year ended 31st March, 2025 does not contain any false or misleading statement or figures and does not omit any material fact which may make the Statements or figures contained therein misleading.

We request you to kindly take the same on record.

Thanking you.

Yours faithfully,

Karnika Industries Limited

Niranjan Mundhra


Niranjan Mundhra
Managing Director
DIN-05254448

Krishan


Krishan Kumar Karnani
Chief Financial Officer

Karnika Industries Limited

6 & 6/1, Gurgola Ghat Road, Howrah - 711 106, Phone : +91 33 2655 8101, 98302 28105

E-mail : info@karnikaindustries.com, GSTIN : 19AAJCK4601M1Z8, CIN : L17299WB2022PLC253035

Declaration

Subject: Declaration pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

It is hereby declared and confirmed that the Auditor's Report on the Annual Audited Financial Results for half year ended and year ended 31st March 2025 as given by the Statutory Auditors of the Company M/s A A A J & Associates, Chartered Accountants, (FRN 322455E) is with unmodified opinion.

The Declaration is issued in compliance with Regulation 33(3)(d) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016

Thanking you.

Yours faithfully,

Karnika Industries Limited

Niranjan Mundhra



Niranjan Mundhra
Managing Director
DIN-05254448