

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.karnika industries.com

To,

Date- 16.04.2026

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.: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) –Notice of Extra-Ordinary General Meeting of the members of the Company and Remote E-Voting Facility information.

We are pleased to inform you that 1st Extra Ordinary General Meeting (“EGM”) for FY 2026-27, of Karnika Industries Limited (“the Company”) is scheduled to be held on Monday May 11, 2026 at 01:00 P.M. through Video Conference (VC) / other Audio-Visual Mode (OAVM). The Notice of EGM along with the explanatory statement as required under the law is attached herewith and the same is also available on the Company’s website <https://www.karnikaindustries.com/> under Investor Relations tab “General Meetings”.

The Company is providing e-voting facility at EGM to the members through electronic voting platform of National Securities Depository Limited (NSDL). Members holding shares as on cut-off date **4th May,2026** may cast their votes electronically on the resolutions included in the Notice of EGM. The remote e-voting shall commence from 9:00 A.M. am (IST) on Wednesday, 6th May, 2026 and shall end at 05:00 p.m. (IST) on Sunday, 10th May, 2026.

Please find enclosed Notice convening the EGM of members, which will be sent to the members of the Company whose e-mail address is registered with the Company / Company’s Registrar and Transfer Agent, Skyline Financial Services Private Limited (“Skyline”) / Depository Participant(s)/ Depositories.

Request you to kindly take the aforesaid information on your record.

Thanking You.

Yours Faithfully,

For Karnika Industries Limited

Niranjan Mundhra

Managing Director

DIN- 05254448

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NOTICE

NOTICE is hereby given that an Extra-Ordinary General Meeting ("EGM") of the Members of KARNIKA INDUSTRIES LIMITED ("the Company") will be held on Monday, May 11, 2026 at 1:00 P.M. through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following businesses:

SPECIAL BUSINESS:

1. ALTERATION IN THE ARTICLES OF ASSOCIATION OF THE COMPANY

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**: -

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to such approvals, permissions and sanctions as may be required, the consent of the Members of the Company be and is hereby accorded for alteration in the Articles of Association ("AOA") of the Company by inserting the following provisions under the respective clauses:

(i) Insertion / Addition in Clause 1 – Interpretation

Under Clause 1. INTERPREATION

(cc) "Securities" means such securities as defined under Section 2(h) of the Securities Contracts (Regulation) Act, 1956 and shall mean any Share (including equity Shares), scrips, stocks, bonds, debentures, warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares, and any other marketable securities.

(ii) Insertion / Addition in Clause 60 – Share Warrants

"60. Share Warrants and/ or other Convertible Securities

Subject to the provisions of applicable law and subject to applicable statutory approvals, the Company may issue warrants and/ or other convertible securities, to any person (whether or not the share/ security holders of the Company) which may entitle the holders thereof to subscribe to equity shares or such other securities with or without consideration, and with or without refundable/ forfeitable deposit, for such exercise period and on such terms and conditions as the Board (or any committee duly authorised by the Board) may deem fit."

"RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board / Committee of the Board or any officer(s) authorized by the Board of Directors, be and are hereby authorized to do all such acts, deeds, matters and things whatsoever, including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard".

2. ISSUE OF CONVERTIBLE WARRANTS ON PREFERENTIAL BASIS

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the applicable provisions of Section 23, 42, 62 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and such other applicable rules made thereunder (including any statutory amendment(s), modification(s) or re-

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enactment(s) thereof, for the time being in force) (hereinafter referred to as the “Act”), and in accordance with the applicable provisions of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), and subject to any other rules, regulations, guidelines, notifications, circulars and clarifications issued thereunder from time to time by the Ministry of Corporate Affairs (“MCA”), Securities and Exchange Board of India (“SEBI”), and/ or any other Statutory/ Regulatory Authorities and subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of the appropriate authorities, institutions or bodies as may be required, and subject to such conditions as may be prescribed by any of them/ while granting any such approval(s), consent(s), permission(s), and/or sanction(s), and which may be agreed to by the Board of Directors of the Company, consent of the members of the Company be and is hereby accorded in its absolute discretion, to create, offer, issue and allot 39,66,860 (Thirty Nine Lakhs Sixty Six Thousand Eight Hundred and Sixty only) Convertible Warrants of Face value of ₹ 10/- each, carrying an entitlement to subscribe for equivalent number of fully paid-up Equity Shares of the Company, in dematerialized form, on Preferential allotment basis to Promoters and non-promoters in one or more tranches, at a price of ₹ 121/- (Rupees One Hundred and Twenty-One Only) per warrant (including premium of ₹ 111/-) (Rupees One Hundred Eleven Only) per warrant as determined in accordance with of Chapter V of ICDR Regulations, as may be modified or re-enacted from time to time, to the following persons, for consideration in cash, aggregating to ₹ 47,99,90,060/- (Rupees Forty-Seven Crores Ninety-Nine Lakhs and Ninety Thousand and Sixty Only), and to issue fresh Equity Shares on the conversion of Warrants and on such other terms and conditions that the Board may deem appropriate in its absolute discretion and without requiring any further approval or consent from the Members.

Sr. No.	Name of Proposed Allottees	Category of the proposed allottees	Maximum Number of Warrants to be issued and allotted
1.	Niranjan Mundhra	Promoter	247930
2.	Shiv Shankar Mundhra	Promoter	247930
3.	Mahesh Kumar Mundhra	Promoter	247930
4.	Jagdish Prasad Mundhra	Promoter	661150
5.	Saroj Devi Mundhra	Promoter	330570
6.	Poonam Mundhra	Promoter	330570
7.	Priyanka Mundhra	Promoter	330570
8.	Kirti Mundhra	Promoter	330570
9.	Krishan Kumar Karnani	Promoter	82640
10.	Jagdish Prasad Mundhra HUF	Promoter	247930
11.	Niranjan Mundhra HUF	Promoter	247930
12.	Shiv Shankar Mundhra HUF	Promoter	247930
13.	Mahesh Kumar Mundhra HUF	Promoter	247930
14.	Bhagwan Nath Sidh	Non-Promoter	165280
Total			3966860

“RESOLVED FURTHER THAT the Relevant Date, as stipulated in Regulation 161 of SEBI ICDR Regulations is hereby fixed as Friday, the 10th day of April, 2026, being the day preceding the weekend as the 30 days prior to the date of this Extra Ordinary General Meeting.”

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“RESOLVED FURTHER THAT without prejudice to the generality of the above Resolution the warrants being offered, issued and allotted to the Proposed Allottees by way of Preferential Allotment shall inter-alia be subject to the following terms and conditions as prescribed under applicable laws:

- a) The Warrants shall be allotted in dematerialized form within a period of 15 (fifteen) days from the date of passing of the special resolution by the shareholders of the Company for their issuance, provided that where the allotment of Warrants is subject to receipt of any approval or permission from any regulatory authority, the allotment shall be completed within a period of 15 (fifteen) days from the date of receipt of last of such approval, or permission;
- b) A Warrant subscription price equivalent to 25% (i.e. the upfront amount) of the issue price will be payable at the time of subscription to the Warrants, as prescribed by Regulation 169 of the SEBI ICDR Regulations. The balance Warrant exercise price equivalent to the 75% of the issue price shall be payable by the Warrant holder(s) at the time of exercising the Warrants conversion in to equity shares.
- c) The respective Warrant Holders shall make payment of Warrant Subscription Price and Warrant Conversion Price to the Company from their own bank account into the designated bank account of the Company;
- d) The Warrant holder shall, subject to the ICDR Regulations and other applicable rules and regulations, be entitled to apply for and be allotted 1 (one) equity share against each Warrant.
- e) The Warrants so offered, issued and allotted shall not exceed the number of Warrants as approved herein above and Until the Warrants are transferred, the Company shall treat Warrant holders as the absolute owner for all purposes without being affected by any notice to the contrary.
- f) The Equity Shares allotted to the Proposed Allottees, on conversion of the Warrants shall be in dematerialized form and shall rank pari-passu with the existing Equity Shares of the Company in all respects (including with respect to dividend and voting rights) and in such form and manner and upon such terms and conditions as may be determined by the Board in accordance with the ICDR Regulations or other applicable laws as may be prevailing at that time and shall be governed by the Memorandum and Articles of Association of the Company;
- g) The Warrants shall not carry any voting rights until they are converted into Equity Shares;
- h) The price determined above and the number of Equity Shares to be allotted on exercise of the Warrants shall be subject to appropriate adjustments as permitted under the rules, regulations and laws, as applicable from time to time.
- i) The Warrants may be converted by the Warrant holder, in one or more tranches, at any time on or before the expiry of 18 (Eighteen) months from the date of allotment of the Warrants by issuing a written notice to the Company specifying the number of Warrants proposed to be converted. The Board shall accordingly, without any further approval from the Members, allot the corresponding number of Equity Shares in dematerialized form, subject to receipt of the relevant Warrant Conversion Price / Warrant exercise amount from the Warrant holder to the designated bank account of the Company;

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- j) In the event that the Warrant holder does not convert the Warrants within the period of 18 (Eighteen) months from the date of allotment of the Warrants, the entitlement of the Warrant holder to apply for Equity Shares of the Company along with the rights attached thereto shall expire, the unconverted Warrants shall lapse, and the amount paid by the Warrant holder on such Warrants shall stand forfeited;
- k) The Warrants and the resultant Equity Shares allotted on conversion of such Warrants shall be subject to applicable lock-in requirements for such period as specified in Chapter V of the SEBI ICDR Regulations;
- l) The entire pre-preferential allotment shareholding of the Proposed Allottee(s) in the Company shall be subject to lock-in for such period as specified in Chapter V of the SEBI ICDR Regulations;
- m) The Warrants shall be issued and allotted by the Company to the Proposed Allottees within a period of 15 (Fifteen) days from the date of the special resolution approving the Preferential Allotment or such other extended period as may be permitted in accordance with the SEBI ICDR Regulations, as amended from time to time or where the allotment of the Warrants is pending on account of pendency of any approval for the Preferential Allotment/ for such allotment by any regulatory/ statutory authority(ies) (including but not limited to the in-principle approval of the Stock Exchanges), the allotment shall be completed within a period of 15 (Fifteen) days from the date of such approval;
- n) The Equity Shares allotted on conversion of Warrants will be listed on NSE (SME-Emerge) and, subject to the receipt of necessary regulatory permissions and approvals as the case may be;

“RESOLVED FURTHER THAT subject to the SEBI ICDR Regulations and other applicable laws, the Board be and is hereby authorized to decide, approve, vary, modify and alter the terms and conditions of the issue of Warrants, as it may, in its sole and absolute discretion deem fit within the scope of this approval of Members, and expedient and to record the names of investors be recorded for the issue of invitation to subscribe to the Warrants and to make an offer to the Proposed Allottees through private placement offer cum application letter (in Form PAS-4 as prescribed under the Companies Act, 2013), without being required to seek any further consent or approval of the Members.”

“RESOLVED FURTHER THAT subject to the receipt of such approvals as may be required under applicable laws, the consent of the Members of the Company be and is hereby accorded to the Board to record the name and address of the Proposed Allottees and issue the Private Placement Offer cum Application Letter in Form PAS-4, to the Proposed Allottees, inviting it to subscribe to the Warrants in accordance with the provisions of the Act.”

“RESOLVED FURTHER THAT pursuant to the provisions of the Companies Act, 2013, complete record of private placement offers be recorded in Form PAS-5 for the issue of invitation to subscribe to Warrants;”

“RESOLVED FURTHER THAT the monies received by the Company from the Proposed Allottees for application for Warrants pursuant to this preferential issue/ private placement shall be kept by the Company in a separate bank account in a Scheduled Bank;”

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"RESOLVED FURTHER THAT the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary or desirable for such purpose and for the purpose of giving effect to this resolution, including without limitation(s) (i) to vary, modify or alter any of the relevant terms and conditions, attached to the Warrants and Equity Shares to be allotted upon conversion of Warrants to the Proposed Allottees for effecting any modification(s), change(s), variation(s), alteration(s), addition(s) and/or deletion(s) to the Preferential Allotment as may be required by any regulatory or other authority(ies) or agency(ies) involved in or concerned with the issue of Warrants and for determining and making any changes to the form, terms and timing of the Preferential Allotment, and the number of Warrants and Equity Shares to be allotted upon conversion of Warrants, (ii) making applications to the stock exchanges for obtaining in-principle approvals, (iii) listing of resultant Equity Shares upon conversion of Warrants, (iv) filing requisite documents with the Ministry of Corporate Affairs ("MCA") and other regulatory authorities, (v) filing of requisite documents with the Depositories, (vi) to resolve and settle any questions and difficulties that may arise in the Preferential Allotment, (vii) issue and allotment of the Warrants and Equity Shares upon conversion of Warrants, (viii) to determine, finalise and vary utilisation of the proceeds of the Preferential Allotment, in accordance with applicable laws, (ix) to finalise, sign, modify and execute all documents/ declarations/ undertakings/ certificates in respect of the Preferential Allotment, as required under applicable laws, and (x) to take all other steps which may be incidental, consequential, relevant or ancillary in relation to the foregoing without being required to seek any further consent or approval of the Members of the Company, and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution, and the decision of the Board in relation to the foregoing shall be final and conclusive;"

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of its powers conferred upon it by these resolutions, as it may deem fit in its absolute discretion, to any Committee of the Board or to any one or more director(s), officer(s) or authorized signatory(ies) including execution of any documents on behalf of the Company and to represent the Company before any governmental authorities and to appoint Consultants, Professional Advisors, intermediaries and Legal Advisors to give effect to the aforesaid resolution and further to do all such acts, deeds, matters and things, as they may consider necessary, expedient or desirable for giving effect to this resolution;"

"RESOLVED FURTHER THAT the Board be and is hereby authorized to accept any modification(s) in the terms of issue of Warrants, subject to the provisions of the Companies Act, 2013 and SEBI ICDR Regulations, without being required to seek any further consent or approval of the shareholders and that all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolution be and are hereby approved, ratified and confirmed in all respects."

SPECIAL BUSINESS

3. To appoint Mr. Yash Jhawar (DIN-11590536) as an Independent Director.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 including any other Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the Article Association of the company and on recommendation of Nomination and Remuneration

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Committee, Mr. Yash Jhavar (DIN-11590536) who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of Act, shall be after shareholders approval be appointed as an Independent Director of the company to hold office for a term of 5 (five) consecutive years commencing from 11th May,2026, whose period of office will not be liable to determination by retirement of directors by rotation”.

Regd. office:
6&6/1, Gurgola Ghat Road,
Howrah 711106

By Order of the Board of Directors
Karnika Industries Limited

SD/-
Niranjan Mundhra
Managing Director
DIN- 05254448

April 16, 2026

NOTES:

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Act, in respect of the Special Business to be transacted at the meeting forms part of this Notice.
2. The Ministry of Corporate Affairs (“MCA”), vide its General Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020 and 10/2022 dated December 28, 2022, 09/2023 dated September 25, 2023, 09/2024 dated September 19, 2024 and 03/2025 dated September 22, 2025 (hereinafter collectively referred to as “MCA Circulars”) and applicable circulars issued by the Securities and Exchange Board of India (“SEBI”) have permitted companies to conduct Extra-Ordinary General Meeting (“EGM”) through Video Conferencing (“VC”) or Other Audio-Visual Means (“OAVM”), subject to compliance of the conditions mentioned therein. In compliance with the aforesaid MCA Circulars and SEBI Circulars, applicable provisions of the Companies Act, 2013 (the “Act”) and the Rules made thereunder, each as amended, and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, (“SEBI Listing Regulations”), the EGM of the Members of the Company is being convened and conducted through VC/OAVM, without the physical presence of the Members at a common venue. The proceedings of the EGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the EGM
3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote on his/ her behalf. Since the EGM is being held through VC/OAVM pursuant to the relevant MCA Circulars and the SEBI Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be made available for the EGM and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
4. The Body Corporates are entitled to appoint authorised representatives to attend the EGM through VC/OAVM and participate there at and cast their votes through e-voting
5. The attendance of the Members attending the EGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

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6. In case of joint holders attending the EGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs from time to time, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the EGM will be provided by NSDL.

8. The Notice calling the EGM has been uploaded on the website of the Company at www.karnikaindustries.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. National Stock Exchange of India Limited at www.nseindia.com and the EGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

9. In the light of the recent green initiative of the Government of India, those members who have not yet registered their email id's are requested to register their email id's with their depository participants in case of shares held in dematerialised form and those members holding shares in physical form to register their email id's with the R & T agent for receiving all communication from the Company electronically. We urge upon you to register the email id on priority and help the Company to support the nation in the green initiative.

GENERAL INSTRUCTIONS:

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM. For this purpose, the Company has engaged the services of National Securities Depository Limited ("NSDL") for facilitating remote e-voting and e-voting on the date of EGM. **The remote e-voting period begins on 6th May, 2026 at 09:00 A.M. and ends on 10th May, 2026 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 4th day of May, 2026 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 4th day of May, 2026.**

2. The Members, whose names appear in the Register of Members / Beneficial Owners as on the Cut-off date i.e., **4th day of May, 2026** may cast their vote electronically.

3. The facility for e-voting shall also be available during the EGM. Members who have already cast their vote by remote e-voting prior to the EGM may also attend the EGM but shall not be entitled to cast their vote at the EGM. Only those Members who attend the EGM and have not cast their votes through remote e-voting and are otherwise not barred from doing so will be allowed to vote through the e-voting facility available at the EGM.

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4. Any person, who acquires shares of the Company and becomes its Member after the sending of Notice of the EGM and holds shares as on the cut Notice of the EGM and holds shares as on the cut-off date for voting i.e. 4th day of May, 2026 may obtain the login ID and password by sending a request to evoting@nsdl.co.in However, if he/she is already registered then he/she can use his/her existing User ID and password for casting the vote.

5. All the documents referred to in the Notice and the Explanatory Statement pursuant to Section 102(1) of the Act shall be available electronically for inspection by the Members from the date of circulation of this Notice upto 5:00 p.m. (IST) on the last date of remote e-voting. Members seeking to inspect the aforesaid documents may send their request in writing to the Company at info@karnikaindustries.com mentioning their Folio No./DP ID and Client ID (BO ID).

6. Mrs. Poonam Binani, Practising Company Secretary (ACS No. A33638 CP. No. 12552) has been appointed as the Scrutinizer to scrutinize the remote e-voting and ensure that the voting process at the EGM is conducted in a fair and transparent manner. The Voting results will be declared within 2 (Two) working days from the conclusion of EGM.

7. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company www.karnikaindustries.com and websites of the Stock Exchanges, i.e. NSE (SME EMERGE) at www.nseindia.com and shall also be communicated to the stock Exchange where shares of the company are listed. Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e. Monday, the 11th Day of May 2026, subject to receipt of the requisite number of votes in favour of the Resolutions

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on 6TH May, 2026 at 09:00 A.M. and ends on 10th May, 2026 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 4TH May, 2026 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 4TH May, 2026.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are

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advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none">1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.

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

NSDL Mobile App is available on



Individual Shareholders holding securities in demat mode with CDSL

1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.
2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

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Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

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Manner of holding shares i.e. Demat (NSDL or CDSL)	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account or last 8 digits of client ID for CDSL account. The pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
7. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
8. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
9. Now, you will have to click on "Login" button.
10. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

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How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to poonammundhra15@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Aman Goyal at evoting@nsdl.co.in

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Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to info@karnikaindustries.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
2. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
3. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.

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3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at info@karnikaindustries.com. The same will be replied by the company suitably.
6. Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at info@karnikaindustries.com between 6TH May, 2026 (1.00 p.m. IST) and 7TH May, 2026 (5.00 p.m. IST). Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM

Other Guidelines for Members

1. The Members, whose names appear in the Registrar of Members / Beneficial Owners as on cut-off-date i.e. 4TH May, 2026 are entitled to vote on the resolutions set forth in the Notice. Remote e-Voting shall be kept open from 09.00 a.m. on 6TH May, 2026 and shall end on 10th May, 2026 at 05.00 p.m.
2. In case you wish to receive a hard copy of the same, please send your request through email to our Registrars - M/s Skyline Financial Services (P) Limited at their email ID, admin@skylinerta.com by quoting your Folio No. / DP ID & Client ID No.
3. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and is holding shares as of the cut-off date i.e. 19th day of September 2024, may send a request for Login ID and password at evoting@nsdl.co.in or admin@skylinerta.com quoting their Client ID, DP ID / Folio No.

Your attention is also invited to the fact that the business to be transacted at the AGM shall be transacted through electronic means as the Company is providing the facility for e-voting. E-Voting particulars have already been sent to all the shareholders by National Securities Depository Limited (NSDL) through email. Any queries with regard to e-voting may please be addressed to evoting@nsdl.co.in.

Regd. office:
6&6/1, Gurgola Ghat Road,
Howrah 711106

By Order of the Board of Directors
Karnika Industries Limited

April 16, 2026

SD/-
Niranjan Mundhra
Managing Director
DIN- 05254448

Karnika Industries Limited

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EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013;

Item No. 1:-

The Members are informed that the existing Articles of Association (“AOA”) of the Company presently contain enabling provisions with respect to issuance of share warrants. However, the said provisions do not specifically and comprehensively cover the issuance of convertible warrants and/or other convertible securities, particularly in the context of issuance on a preferential basis.

The Company is proposing to raise funds by way of issuance of warrants convertible into equity shares on a preferential basis, in accordance with the applicable provisions of the Companies Act, 2013 and other relevant laws and regulations. In order to enable the Company to undertake such issuance and to ensure greater clarity, flexibility, and alignment with the prevailing legal framework, it is proposed to suitably amend the AOA of the Company.

It is proposed to insert a definition of the term “Securities” under the Interpretation clause to ensure that all forms of securities, including convertible warrants and other instruments, are clearly covered within the scope of the AOA.

Further, it is proposed to suitably amend the existing clause relating to share warrants to expressly provide for issuance of convertible warrants and/or other convertible securities, including the power to issue such instruments on a preferential basis to identified persons, whether or not they are existing members of the Company, subject to applicable laws and necessary approvals. The proposed amendment will provide explicit enabling authority to the Board of Directors to structure and issue such securities, including determining the terms and conditions in compliance with applicable statutory and regulatory provisions.

The proposed alteration is in the interest of the Company as it will facilitate raising of funds through issuance of convertible warrants on a preferential basis and provide the Company with enhanced financial flexibility.

A copy of the existing AOA along with the proposed amendments is available for inspection by the Members during business hours on all working days up to the date of the meeting.

None of the Directors, Key Managerial Personnel of the Company, or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution, except to the extent of their shareholding, if any.

The Board of Directors recommends the Special Resolution set out in Item No. 1 of the Notice for approval of the Members.

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Item No. 2:-

The Board of Directors of the Company, at its meeting held on Saturday, April 11, 2026, subject to the approval of the Members and such other statutory/regulatory approvals as may be required, approved the issuance of up to 39,66,860 (Thirty Nine Lakhs Sixty Six Thousand Eight Hundred and Sixty) Convertible Warrants on a preferential basis. Each warrant carries a right to subscribe to one fully paid-up Equity Share of the Company at a price of ₹121/- (Rupees One Hundred Twenty-One only) per warrant, including a premium of ₹111/- per warrant, aggregating up to ₹47,99,90,060/- (Rupees Forty-Seven Crores Ninety-Nine Lakhs Ninety Thousand and Sixty only), to the proposed allottees as mentioned in Resolution No. 2.

The Company continues to identify and pursue growth opportunities in its line of business and, in order to support such growth and strengthen its financial position, requires additional long-term capital. The proceeds from the preferential issue are proposed to be utilized, inter alia, towards meeting the working capital requirements of the Company, including timely payment of trade creditors and servicing/repayment of bank loans and other short-term borrowings, thereby improving liquidity, maintaining financial discipline, and strengthening the Company's credit profile. The balance proceeds shall be utilized for general corporate purposes, including funding business growth opportunities, strategic initiatives, marketing and brand-building activities, meeting exigencies, and other business requirements, including expenses related to the preferential issue. Accordingly, to augment its financial resources and support its growth plans and future business outlook, the Company proposes to raise funds through issuance of Convertible Warrants on a preferential basis.

The Proposed Allottees have confirmed that they are eligible under Regulation 159 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations") to subscribe to the Warrants proposed to be issued pursuant to the preferential issue.

In terms of the provisions of Sections 23(1)(b), 42 and 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), read with the rules made thereunder, and in accordance with the SEBI ICDR Regulations and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, approval of the Members of the Company by way of a special resolution is required for issuance of securities on a preferential basis by way of private placement.

Accordingly, the consent of the Members is being sought by way of a special resolution to enable the Company to raise funds aggregating up to ₹47,99,90,060/- (Rupees Forty-Seven Crores Ninety-Nine Lakhs Ninety Thousand and Sixty only) through issuance of up to 39,66,860 (Thirty Nine Lakhs Sixty Six Thousand Eight Hundred and Sixty) Convertible Warrants. Each warrant shall be convertible into or exchangeable for one fully paid-up Equity Share of the Company having a face value of ₹10/- each, at an issue price of ₹121/- per warrant (payable in cash), on a preferential basis to the Proposed Allottees, in such manner and on such terms and conditions as may be determined by the Board in accordance with applicable laws.

The information as required under Regulation 163(1) of ICDR Regulations and as per the provisions of the Companies Act, 2013 read with Rule 13(2) of the Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 is given below:

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A) Particulars of the offer including date of passing Board Resolution :

The Board of Directors at its meeting held on Saturday, the 11th Day of April, 2026, subject to the approval of the Members and such other approvals as may be required, has approved the issuance and allotment of upto 39,66,860 (Thirty-Nine Lakhs Sixty-Six Thousand Eight Hundred and Sixty only) Convertible Warrants by way of a preferential issue basis, carrying an entitlement to subscribe for equivalent number of fully paid-up Equity Shares of the Company, at a price of ₹ 121/- (including a premium of ₹ 111/-) each payable in cash, aggregating upto ₹ 47,99,90,060/- (Rupees Forty-Seven Crores Ninety-Nine Lakhs and Ninety Thousand and Sixty Only) for consideration in cash, determined in accordance with Chapter V of SEBI ICDR Regulations.

B) Objects of the Preferential Issue :

The Company intends to utilize the proceeds raised through the Preferential Issue ("Issue Proceeds") towards the following objects:

i. Working capital requirements for business operations for the purpose of repayment to the Creditors and Bank Loan

The Company requires additional working capital to meet its incremental working capital requirements for Fiscal 2026-27 and subsequent year. The primary purpose of such working capital is to ensure timely payment of trade creditors and to service and repay bank loans and other short-term borrowings as and when they become due. This will help in maintaining financial discipline, improving liquidity position, and strengthening the Company's credit profile. Further, the infusion of funds is expected to support the Company's growth and expansion plans by enabling it to scale up operations, optimize resource utilization, and enhance its market presence in line with its strategic objectives. The funding of incremental working capital requirements is anticipated to improve operational efficiency, increase turnover, and enhance overall profitability, thereby assisting the Company in achieving its projected targets as per its approved business plan.

ii. General Corporate Purposes

The balance amount of the Issue Proceeds will be utilized towards general corporate purposes, as may be determined by the Board from time to time, subject to compliance with applicable laws. Such utilization may include, inter alia, funding business growth opportunities, strengthening marketing and brand-building initiatives, undertaking strategic initiatives, meeting exigencies, and other business requirements of the Company. Further, expenses related to the Preferential Issue, including but not limited to regulatory fees, professional fees, and other incidental expenses, shall also be met from the Issue Proceeds under this head.

Utilization of Issue Proceeds

Given that the Preferential Issue is for convertible Warrants, the complete Issue Proceeds shall be received by the Company within 18 (eighteen) months from the date of allotment of the Warrants in terms of Chapter V of the SEBI ICDR Regulations, and as estimated by our management, the entire Issue Proceeds would be utilized for the all the aforementioned Objects, in phases, as per the Company's business requirements and availability of Issue Proceeds (as set out herein).

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Sl. No.	Objects of an issue	*Indicative amount of proceeds of Preference Issue proposed to be utilised	Percentage of amount proposed to be utilised to overall Preference Issue	Tentative timelines for utilization of Issue
1	Working capital requirements for business operations for the purpose of repayment to the Creditors and Bank Loan	₹ 40,00,00,000 (approx.)	83.33% (approx.)	With 24 months from receipt of funds.
2	General corporate purposes (including Preference Issue related expenses#)	₹ 7,99,90,060 (approx.)	16.67% (approx.)	

*considering 100% conversion of Warrants into equity shares within the stipulated time.

#Issue related expenses include fees and expenses of valuer for providing valuation certificate, legal fees, printing and dispatch costs and expenses of stock exchanges towards listing.

In terms of the NSE Circular No. NSE/CML/2022/56 dated December 13, 2022 the amount specified for the aforementioned Objects may deviate +/- 10% depending upon the future circumstances, given that the Objects are based on management estimates and other commercial and technical factors. Accordingly, the same is dependent on a variety of factors such as financial, market and sectoral conditions, business performance and strategy, competition and other external actors, which may not be within the control of the Company and may result in modifications to the proposed schedule for utilization of the Issue Proceeds at the discretion of the Board, subject to compliance with applicable laws. If the Issue Proceeds are not utilised (in full or in part) for the Objects to any such factors, the remaining Issue Proceeds shall be utilised to any other object or Company can add new object in such manner as may be determined by the Board, in accordance with applicable laws.

The above fund requirements are based on our current business plan, managements' estimates and have not been appraised by any bank or financial institution. Our Company's funding deployment schedule are subject to revision in the future at the discretion of our Board in accordance with applicable law. The proceeds of the Preferential Issue are proposed to be utilised during Fiscal 2026-27 and subsequent years. Further, in case the Net Proceeds are not completely utilised as aforesaid due to any reason, the same would be utilised (in part or full) in the next Fiscal in accordance with applicable law. Till such time the issue proceeds are fully utilized, the Company shall keep the same in bank deposits and/or money market instruments and/or other purpose as may be decided by the Board of Directors from time to time, within stipulated guideline.

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C) Monitoring Of Utilization of Funds:

Since the proceeds from the Issue is less than ₹100 Crores, in terms of Regulation 162A of Chapter V of SEBI (ICDR) Regulations, 2018 hence appointment of Monitoring Agency to monitor the use of proceeds of this preferential issue is not required.

D) Pricing of the Preferential Issue:

The Company proposes to issue up to 39,66,860 (Thirty Nine Lakhs Sixty Six Thousand Eight Hundred and Sixty) Convertible Warrants, each having a face value of ₹10/- (Rupees Ten only), at an issue price of ₹121/- (Rupees One Hundred Twenty-One only) per warrant, including a premium of ₹111/- per warrant. The said price has been determined in accordance with the applicable provisions of Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

A detailed justification for the issue price, including the basis of determination, is provided in Point No. H of the Explanatory Statement.

E) Intention of Promoters / Directors / Key Managerial Personnel/ Senior Management to subscribe to the offer:

The following persons intends to subscribe to the offer to the extent of the number of warrants as detailed in the resolution at item No. 2 above.

- (i) Niranjana Mundhra (Promoter & Managing Director), Shiv Shankar Mundhra (Promoter & Whole-time Director), Mahesh Kumar Mundhra (Promoter & Director & Whole-time Director), Kirti Mundhra (Promoter & Director)
- (ii) Jagdish Prasad Mundhra, Saroj Devi Mundhra, Poonam Mundhra, Priyanka Mundhra, all being Promoters
- (iii) Krishan Kumar Karnani (Relative of Promoter & Chief Financial officer)
- (iv) Jagdish Prasad Mundhra HUF, Niranjana Mundhra HUF, Shiv Shankar Mundhra HUF, Mahesh Kumar Mundhra HUF (Promoter/ Promoter group)

Except as above, no other promoters /directors/ Key Management Personnel of the issuer intend to subscribe to the offer of convertible Warrants.

F) kinds of securities offered and the price at which security is being offered Maximum number of specified securities to be issued :

Upto 39,66,860 Convertible Warrants to be issued and allotted will be of the face value of ₹ 10 /- each and will be issued at ₹ 121/- (Rupees One Hundred and Twenty one Only) per Warrant [including a premium of ₹ 111/- (Rupees One Hundred and Eleven) per Warrant].

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G) the price or price band at/within which the allotment is proposed /

The Convertible Warrants are proposed to be issued at a price of ₹121/- (Rupees One Hundred Twenty-One only) per warrant, which is determined in accordance with the provisions of Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. The said price is computed as per Regulation 164 of the SEBI ICDR Regulations and is also in line with the valuation report dated April 10, 2026 obtained from the Independent Registered Valuer. Accordingly, the allotment is proposed to be made at a fixed price of ₹121/- per warrant.

H) Basis on which the price has been arrived at along with the Report of the Registered Valuer / Justification for the Issue Price:

The Equity Shares of the Company are listed and traded on NSE (SME Emerge) and are frequently traded within the meaning of Explanation to Regulation 164(5) of Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations").

In terms of Regulation 164 of the SEBI ICDR Regulations, the issue price of the Equity Shares to be allotted pursuant to the preferential issue shall not be less than the higher of the following:

- The 90 (Ninety) trading days' volume weighted average price ("VWAP") of the Equity Shares quoted on the recognized stock exchange preceding the Relevant Date; or
- The 10 (Ten) trading days' volume weighted average price ("VWAP") of the Equity Shares quoted on the recognized stock exchange preceding the Relevant Date.

The Relevant Date for the purpose of determination of price is April 10, 2026.

Accordingly, the price at which warrants are proposed to be issued is higher of the following:

- ₹120.15 per Equity Share, being the VWAP of the Equity Shares during the 90 trading days preceding the Relevant Date; or
- ₹110.30 per Equity Share, being the VWAP of the Equity Shares during the 10 trading days preceding the Relevant Date.

Accordingly, the floor price in terms of Regulation 164 of the SEBI ICDR Regulations is ₹120.15 per Equity Share.

Method of Determination of Price as per Articles of Association:

The Articles of Association of the Company do not contain any specific provision for determination of floor price/minimum price for issuance of securities on a preferential basis, and hence the same is not applicable.

Further, in terms of Regulation 166A of the SEBI ICDR Regulations, where the preferential issue results in allotment of more than 5% of the post-issue fully diluted share capital of the Company to an allottee or to allottees acting in concert, the Company is required to obtain a valuation report from an Independent Registered Valuer.

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Accordingly, the Company has obtained a valuation report dated **April 10, 2026** from an Independent Registered Valuer, **Mr. Manish Gadia** (Registration No.: IBBI/RV/06/2019/11646), having office at 5, Raja Subodh Mullick Square, 2nd Floor, Kolkata – 700013. As per the said valuation report, the value of each warrant has been determined at ₹121/- (Rupees One Hundred Twenty-One only).

In compliance with Regulation 166A of the SEBI ICDR Regulations, the issue price shall be the higher of:

- the price determined under Regulation 164; and
- the price determined pursuant to the valuation report of the Independent Registered Valuer.

Accordingly, the issue price per warrant is fixed at ₹121/- each, being higher than the floor price determined under Regulation 164 and in compliance with Chapter V of the SEBI ICDR Regulations.

The valuation report is available on the website of the Company at www.karnikaindustries.com.

Adjustments for Warrants:

The issue price and the number of Equity Shares to be allotted upon exercise of the warrants shall be subject to appropriate adjustments, as permitted under applicable laws and regulations from time to time.

Re-computation of Issue Price:

Since the Equity Shares of the Company have been listed on a recognized stock exchange for more than 90 trading days, the provisions relating to re-computation of price and lock-in extensions under Regulations 164(3) and 167(5) of the SEBI ICDR Regulations, and the disclosures and undertakings under Regulation 163(1)(g) and (h), are not applicable.

However, if required, the Company shall re-compute the price in accordance with the SEBI ICDR Regulations. In the event that the amount payable pursuant to such re-computation is not paid by the proposed allottees within the stipulated time, the warrants shall continue to remain under lock-in until such payment is made.

Notes:

- NSE (SME Emerge) is the only recognized stock exchange where the Equity Shares of the Company are listed and traded; accordingly, the price data of the said exchange has been considered for determining the floor price.
- The Articles of Association of the Company do not contain any provision for determination of price in case of preferential issue.

I) Amount which the Company intends to raise by way of such securities :

The aggregate amount intended to be raised pursuant to the Proposed issue / Allotment of Convertible Warrants is ₹ 47,99,90,060/- (Rupees Forty-Seven Crores Ninety-Nine Lakhs Ninety Thousand and Sixty Only).

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J) Relevant Date :

The Relevant Date, as stipulated in Regulation 161 of SEBI ICDR Regulations for the purpose of determination of the price of the equity shares to be issued and allotted as above is Friday, the 10th day of April, 2026, being the day preceding the weekend as the 30 days prior to the date of this Extra Ordinary General Meeting.

K) Shareholding Pattern before and after the proposed preferential issue :

Sl no	Category	Pre-Issue (as per Shareholding pattern dated 31.03.2026)		Post Issue Shareholding *	
		No of shares held	% of Share holding	No of shares held	% of Share holding
A	Promoters & Promoters group holding :				
1.	Indian : /HUF				
	Individual	45501500	73.39	49303080	74.74
	Body Corporate	-	-	-	-
	Sub Total : Indian Promoters & Promoters group	-	-	-	-
2	Foreign Promoters	-	-	-	-
	Sub Total (A1+A2)	45501500	73.39	49303080	74.74
B	Non-Promoters' holding :				
1	Institutional Investor	-	-	-	-
	Financial Institutions / Banks / Insurance Companies/FII	-	-	-	-
	Foreign Portfolio Investors	-	-	-	-
	Sub Total (B1)	-	-	-	-
2	Non Institution Investor				
	Body Corporate	6953000	11.22	6953000	10.54
	Indian Public	8270000	13.34	8435280	12.79
	Directors and Relatives	-	-	-	-
	Others (including NRI)	1273000	2.05	1273000	1.93
	Sub Total (B2)	16496000	26.61	16661280	25.26
	Sub-Total B [(B1) + (B2)]	16496000	26.61	16661280	25.26
	GRAND TOTAL (A+B)	61997500	100.00	65964360	100.00

* The above post-issue shareholding is prepared assuming the full conversion of 61997500 convertible warrants into equal number of equity shares issued pursuant to resolution at item No.2.

L) Proposed time within which the allotment shall be completed/ Time frame within which the Proposed Preferential Issue shall be completed:

In accordance with Regulation 170 of the ICDR Regulations, the allotment of Convertible Warrants shall be completed within a period of 15 (fifteen) days from the date of passing of the resolution by the shareholders, provided that where the allotment is pending on account of pendency of any approval(s)

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or permission(s) from any regulatory authority / body, the allotment shall be completed by the Company within a period of 15 (fifteen) days from the date of such approval(s) or permission(s).

Further, as per Regulation 162(2) of ICDR Regulations, upon exercise of the option by the Allottee to convert the convertible securities, the issuer shall ensure that the allotment of equity shares pursuant to exercise of the convertible securities is completed within a period of 15 days from the date of such exercise by the Allottee.

M) Name and identity of the Proposed Allottees Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees; the percentage of post preferential issue that may be held by them :

The percentage shareholding in the Company by the proposed Allottees, pre and post preferential issue along with other details is given as **Annexure A** annexed to the Notice.

ASSUMPTIONS:

1. All Warrants offered pursuant to the aforesaid resolution shall be fully subscribed and allotted.
2. The warrants are held by the aforesaid Allottees at the time of exercise of the option and
3. The options are exercised by them in full.

N) Change in control, if any, in the Company that would occur consequent to the preferential issue:

The existing Promoters of the company will continue to be in control of the company and there will not be any changes in the management/control of the company as a result of the proposed preferential allotment, However, there will be corresponding changes in the shareholding pattern as well as voting rights consequent to issue of equity shares allotted on preferential allotment,

O) Class or Classes of Persons to whom the allotment is proposed to be made :

The Convertible Warrants are proposed to be allotted to persons belonging to the 'Promoter/ Promoter Group' and 'Non Promoters' as detailed in resolutions set out at Item Nos. 2 of the Notice. The details of the proposed allottees are as per **Annexure A** annexed to the Notice.

P) Disclosure specified in Schedule VI of ICDR Regulations, if the issuer or any of its promoters or directors is a wilful defaulter or a fraudulent borrower

Neither the Company nor its Promoters or promoters Group (including directors of promoter group) or Directors have been declared as wilful defaulter or fraudulent borrower as defined under the ICDR Regulations. None of its Promoters or promoters Group(including directors of promoter group) or Directors are a fugitive economic offender as defined under the ICDR Regulations.

Q) No. of persons to whom allotment on preferential basis has already been made during the year, in terms of number of securities as well as price:

Your Company has not made any allotment during the Financial Year commencing 01.04.2026 onwards, till date.

S) The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the Registered Valuer:

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Not Applicable, as the proposed allotment is made for Cash consideration.

T) Material term of raising Securities:

Details of the securities to be issued, price of securities, date of approval by the Board in relation to the preferential allotment, and details of the Proposed Allottees are mentioned in the resolutions set out at Item No. 02 and the previous and the forthcoming paragraphs. The Equity Shares allotted on conversion of Warrants shall be fully paid-up and listed on the NSE (SME Emerge) and shall rank pari-passu with the existing Equity Shares of the Company in all aspects from the date of allotment (including with respect to entitlement to dividend and voting powers, other than statutory lock-in under the SEBI ICDR Regulations), in accordance with applicable laws, and shall be subject to the requirements of all applicable laws and to the provisions of the Memorandum of Association and Articles of Association of the Company

- i. **Proposed time schedule:** In accordance with Regulation 170 of the ICDR Regulations, the allotment of Convertible Warrants shall be completed within a period of 15 (fifteen) days from the date of passing of the resolution by the shareholders, provided that where the allotment is pending on account of pendency of any approval(s) or permission(s) from any regulatory authority / body, the allotment shall be completed by the Company within a period of 15 (fifteen) days from the date of such approval(s) or permission(s).
- ii. **Purposes or objects of offer:** As separately disclosed above
- iii. **Contribution being made by the promoters or directors either as part of the Preferential Issue or separately in furtherance of objects:** The Promoter / promoter group intends to subscribe to the preferential issue as stated in the resolution at item No. 2 above.
- iv. **Principle terms of assets charged as securities:** Not applicable.

U) Undertaking:

The Company hereby undertakes that:

- 1) None of the Company, its Directors or Promoter has been declared as wilful defaulter or fraudulent borrower as defined under the ICDR Regulations. None of its Directors or promoters are a fugitive economic offender as defined under the ICDR Regulations;
- 2) The Company is eligible to make the Preferential Issue to the Proposed Allottees under Chapter V of the ICDR Regulations;
- 3) As the Equity Shares have been listed for a period of more than ninety days as on the Relevant Date, the provisions of Regulation 164(3) of ICDR Regulations governing re-computation of the price of shares shall not be applicable;
- 4) The Company shall re-compute the price of the equity shares to be allotted under the Preferential Issue, in terms of the provisions of ICDR Regulations where it is required to do so;

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5) If the amount payable on account of the re-computation of price is not paid within the time stipulated in the ICDR Regulations, the equity shares and the warrants to be allotted under the Preferential Issue shall continue to be locked-in till the time such amount is paid by the warrant holder.

6) The entire pre-preferential holding, if any, of the proposed allottees shall be locked in for the period as prescribed under ICDR Regulations.

7) No person belonging to the promoters / promoters group has previously subscribed to any warrants of the Company but failed to exercise them; and

8) There are no outstanding dues to the Board, the stock exchanges or the depositories.

V) Listing:

The Company will make an application to the Stock Exchange at which the existing shares are listed, for listing of the Equity Shares that will be issued upon conversion of Warrants

W) Lock-in Period:

The Warrants and the Equity Shares issued upon conversion of the Warrants shall be locked in, in accordance with Chapter V of the SEBI ICDR Regulations.

X) Pending Preferential Issue:

Presently, there is no preferential issue pending or in process except as proposed in the accompanying Notice.

Y) Certificate From Practising Company Secretary :

The certificate from Mrs. Poonam Binani, Practising Company Secretary (ACS No. A33638 CP. No. 12552) certifying that the Preferential Allotment is being made in accordance with the requirements of Chapter V of the SEBI ICDR Regulations has been obtained and the same shall be available for inspection at the website of the Company.

In case of any corporate action(s) that the Company undertakes any form of restructuring of its share capital ("Capital Restructuring") including but not limited to: (i) consolidation or sub-division or splitting up of its equity shares, (ii) issue of bonus shares; (iii) reclassification of shares or variation of rights into other kinds of equity shares of the Company; and (iv) issue of right shares, as applicable from time to time, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit to the proposed allottees for the purpose of making a fair and reasonable adjustment such that the number of convertible warrants or equity shares granted earlier, the ceiling of total number of warrants and equity shares specified above shall be deemed to be increased to the extent of such additional warrants granted or equity shares issued after occurrence of any such Capital Restructuring thereto."

In accordance with the provisions of Sections 23(1)(b), 42 and 62(1)(c) of the Companies Act, 2013 read with applicable rules thereto and relevant provisions of the ICDR Regulations, approval of the Members for issue and allotment of the aforesaid Equity Shares and Equity Convertible Warrants is

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being sought by way of a Special Resolution as set out in Item No. 2 of the notice. The issue of the Equity Shares pursuant to the Preferential Issue would be within the authorized share capital of the Company.

In accordance with the provisions of Sections 23, 42 and 62 of the Act read with applicable rules thereto, relevant documents are open for inspection by the members at the Registered Office of the Company from 11.00 am to 1.00 pm on all working days, during business hours up to the one day prior to the EGM.

The Board of Directors of the Company believes that the proposed preferential issue is in the best interest of the Company and its members and, accordingly, recommends the resolution set forth in Item no. 2 of the accompanying Notice for the approval of members.

Except the above proposed allottees in their capacity as Promoter, Director or relatives of Promoter / Director and CFO, none of the other Directors or the Key Managerial Personnel of the Company or their relatives are concerned or interested, financially, or otherwise in the resolution except in their capacity as members/shareholder of the Company.

The image shows a large, light gray watermark of the company name 'Karnika' with a registered trademark symbol (®) to its upper right. Above the letter 'i' in 'Karnika', there is a small red icon of a speech bubble with a white dot inside, representing a comment or message.

ANNEXURE A

Karnika Industries Limited

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Name of the Proposed Allottee	Category/Current and Proposed status of the proposed allottees	Permanent Account Number (PAN)	Natural Persons who are Ultimate beneficial owner & PAN	Pre allotment Equity holding	Pre allotment (%)	Number Of Convertible Warrants proposed to be allotted	Post allotment Equity holding (considering full conversion of warrants) *	Post issue % (considering full conversion of warrants) *
Niranjan Mundhara	Promoter	AIDPM4767F	NA	1516500	24.46	247930	15412930	23.36
Shiv Shankar Mundhara	Promoter	BCBPM6409B	NA	1516500	24.46	247930	15412930	23.36
Mahesh Kumar Mundhara	Promoter	BYWPM6764J	NA	1516500	24.46	247930	15412930	23.36
Jagdish Prasad Mundhara	Promoter	ABBPM2282J	NA	1300	0.00	661150	662450	1.01
Saroj Devi Mundhara	Promoter	AIDPM4818R	NA	1300	0.00	330570	331870	0.50
Poonam Mundhara	Promoter	BREPM9114K	NA	1300	0.00	330570	331870	0.50
Priyanka Mundhara	Promoter	DBIPM1677R	NA	1300	0.00	330570	331870	0.50
Kirti Mundhara	Promoter	FAUPM8628H	NA	1300	0.00	330570	331870	0.50
Krishan Kumar Karnani	Promoter	DBPPK8574N	NA	0	0.00	82640	82640	0.13
Jagdish Prasad Mundhara HUF	Promoter	AAGHJ1833G	Jagdish Prasad Mundhara ABBPM2282J	0	0.00	247930	247930	0.38
Niranjan Mundhara HUF	Promoter	AAGHN5635N	Niranjan Mundhara AIDPM4767F	0	0.00	247930	247930	0.38

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Shiv Shankar Mundhra HUF	Promoter	ABEHS6167 H	Shiv Shankar Mundhra BCBPM640 9B	0	0.00	247930	247930	0.38
Mahesh Kumar Mundhra HUF	Promoter	AASHM2337 J	Mahesh Kumar Mundhra BYWPM676 4J	0	0.00	247930	247930	0.38
Bhagwan Nath Sidh	Non-Promoter	BMAPS7507 K	NA	16000	0.00	165280	165280	0.27

* The above post-issue shareholding is prepared assuming full conversion of 3966860 convertible warrants issued pursuant to resolution at item No.2 into equivalent no. of equity shares.

Item No.-3

Mr. Yash Jhawar (DIN-11590536) has been appointed as an Additional Director in the category of Independent Director w.e.f 14th March,2026.

The Company has received his consent for appointment as an Independent Director of the Company and declaration that he is not disqualified to be appointed as director and also that post appointment his number of directorships will be within the maximum number allowed under the Companies Act, 2013 ("the Act"). The Company has also received a declaration that he meets the criteria of independence as prescribed both under Section 149 of the Act and Regulation 17 of the SEBI Listing Regulations.

Pursuant to Regulation 17(1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), the appointment of Mr. Suraj Kumar Singh, as above require the approval of the members of the Company within a period of 3 months from said appointment.

Accordingly, consent of the members is sought for passing Special Resolution as set out at Item No. 3 of the Notice.

None of the Directors except Mr. Yash Jhawar himself and Key Managerial Personnel of the Company including their relatives are, directly or indirectly, interested in the proposed resolution.

SL. No.	Particulars	Details
1	Reason for Change Viz., Appointment	Appointment as an Independent Director
2	Date of appointment on the Board	14 th March, 2026
3	Date of Appointment/ Cessation (as applicable) & terms of appointment	11 th May, 2026
4	Brief profile (in case of appointment)	Name – Mr. Yash Jhawar

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		DIN-11590536 Email: yashjhawar56@gmail.com Field of Experience: 3 years of experience as Insurance and Investment Analyst.
5	Disclosure of relationships between directors (in case of appointment of a director	Mr. Yash Jhawar is not related to any of the Directors or Key Managerial Personnel or Promoters of the Company.
6	Information as required under circular NSE/ CML/ 2018/ 24 issued by NSE	Mr. Yash Jhawar is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

Regd. office:
6&6/1, Gurgola Ghat Road,
Howrah 711106

By Order of the Board of Directors
Karnika Industries Limited

SD/-
Niranjan Mundhra
Managing Director
DIN-05254448

April 16, 2026

Karnika