



# Karnika

INDUSTRIES LIMITED

CRAFTING QUALITY. STYLING FUTURES.

## Q4 & FY26

INVESTOR PRESENTATION



A Complete Wardrobe Solution



QUALITY  
YOU TRUST



STYLES  
KIDS LOVE



SUSTAINABLE  
TOMORROW



COMPLETE  
WARDROBE



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**Karnika**  
INDUSTRIES LIMITED



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**Karnika**<sup>®</sup>  
INDUSTRIES LIMITED

01

# Company Overview



# Karnika: Building India's Scaled Kidswear Platform

Over 15 Years of Legacy in Integrated Manufacturing, Brands & Distribution

Karnika®



## Winning Model

- India's **largest Integrated** Kidswear Platform at Scale
- **Asset-Light Model**  
Delivering Superior Capital Efficiency
- **Pan-India distribution** with expanding **export** presence
- **Omnichannel Presence**  
Driving Diversified Growth
- **4 Manufacturing Facilities in Howrah (WB)** Enabling Scalable Operations
- Well Positioned in India's **Fast-Growing** Kidswear Market



## Financial Metrics

**40%**  
Revenue CAGR  
(FY21-26)

**34%**  
Gross Margins (FY26)

**101%**  
PAT CAGR  
(FY21-FY26)

**26%**  
ROCE (FY26)

**0.8x**  
Net Debt-to-Equity



## Operational Metrics



**28 States** Distributed  
PAN India



**500+** SKUs



**2500+** Trusted Clients



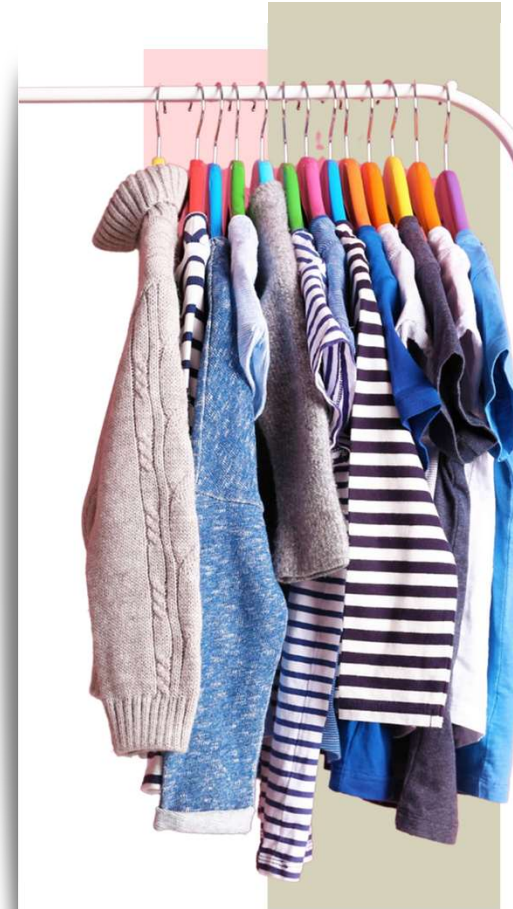
**ISO 14001** Certification



**90%** Repeat Clientele

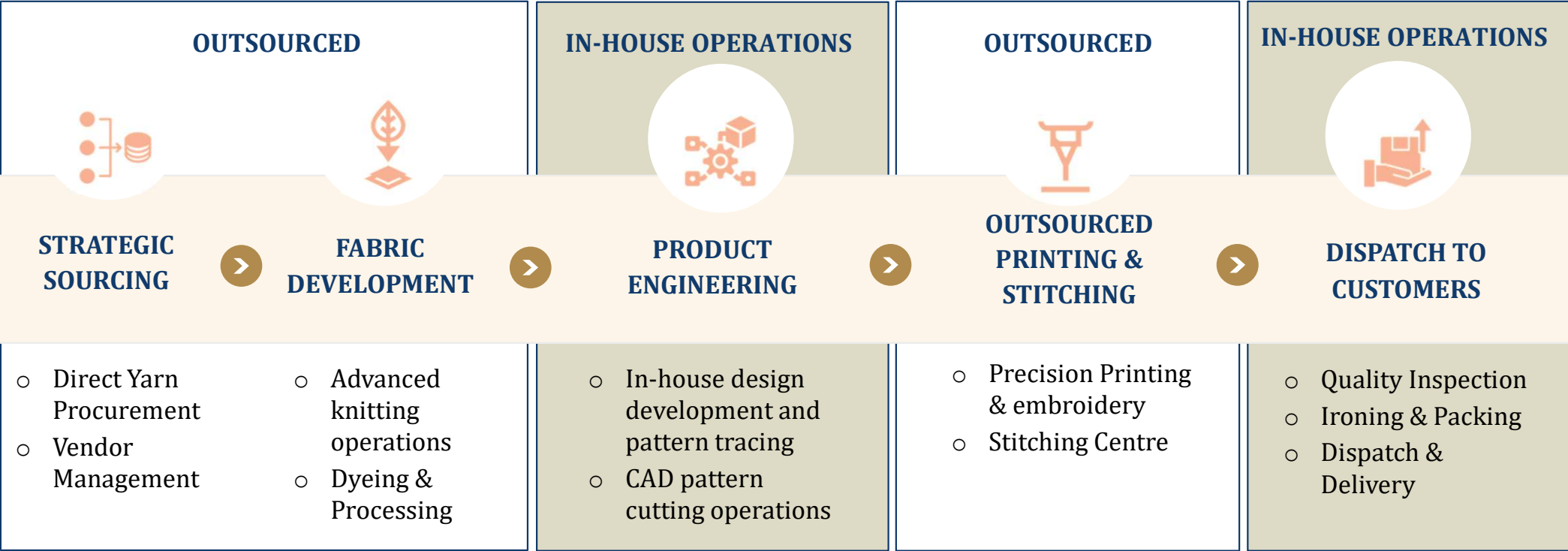


**45 Lakh** Production  
Volume (garments)



# Asset-Light, Scalable Operating Model

Partner network for 90% operations. In-house for core value addition.



# Omnichannel Presence

Connecting Every Parent, Everywhere

Karnika®

## 1 Institutional & B2B Partnerships

Strategic collaborations across retail and corporate channels driving bulk reach and long-term associations..

Distributors - 150+

## 2 Marketplace Partnerships

Reaching parents where they shop online.



## 3 Aggregation

Extensive distributor-led network across key regional markets



## 4 D2C Channels

Building direct consumer engagement through owned digital platforms

<https://kidcity.shop/>

Kidcity

## 5 Kiosks

Building physical touchpoints for better discovery and engagement.

Kiosks: 55+ -on airports, high end streets

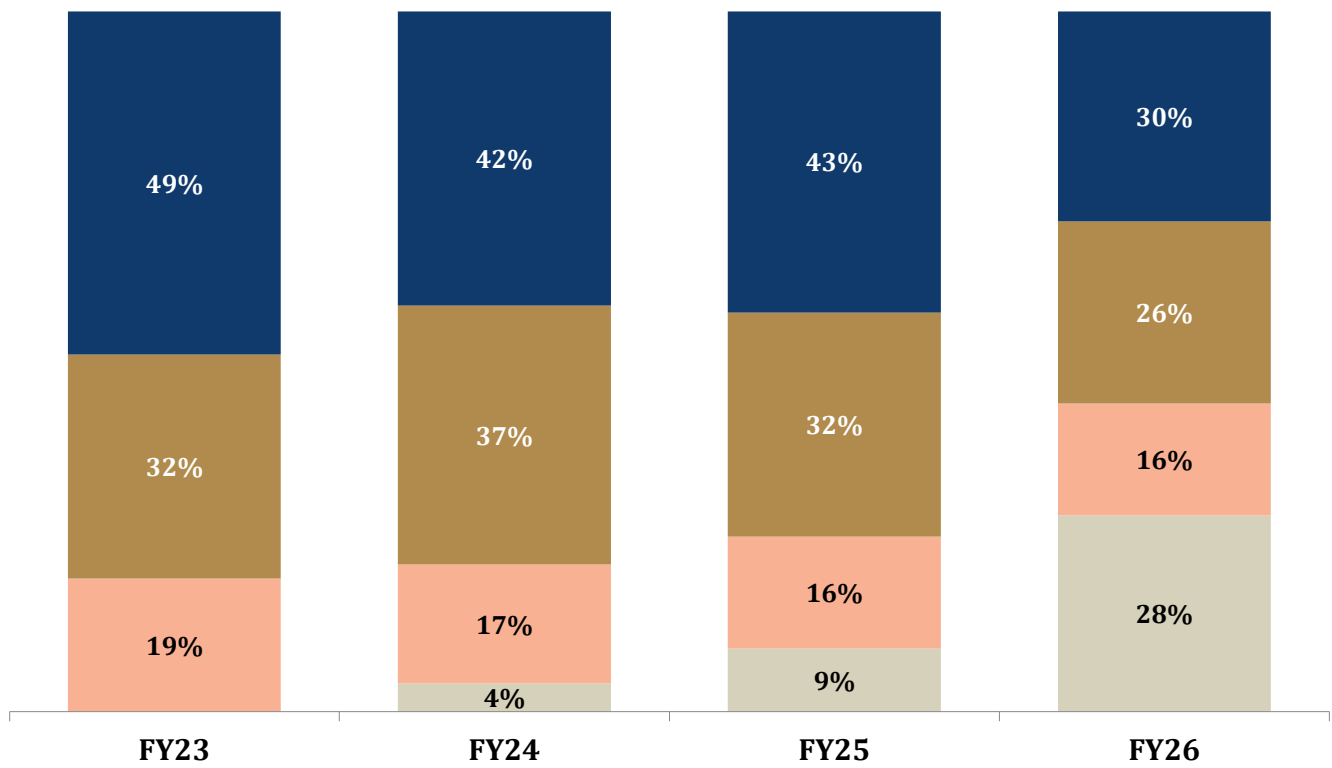
## 6 Shop-in-shop (SIS)

Expanding presence within leading retail destinations.

Across leading stores: Pothy's, Spencer's, Chennai Silks counters

# Balanced Multi-Category Product Portfolio

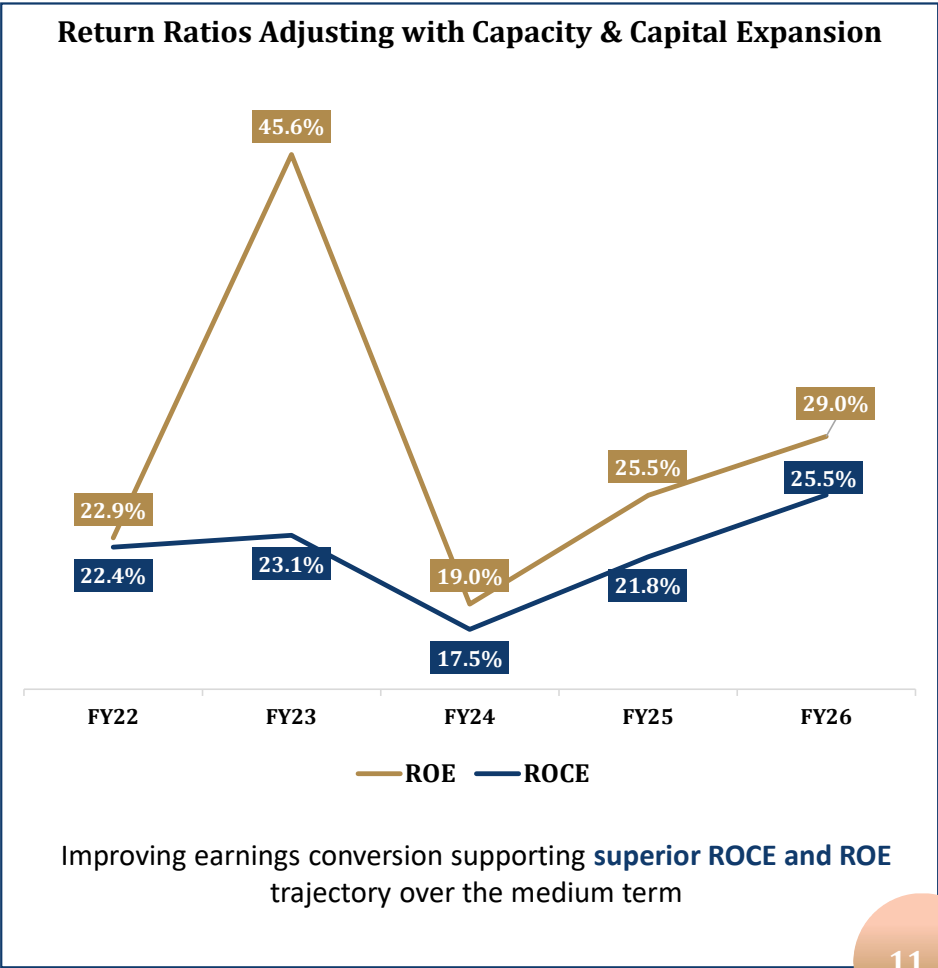
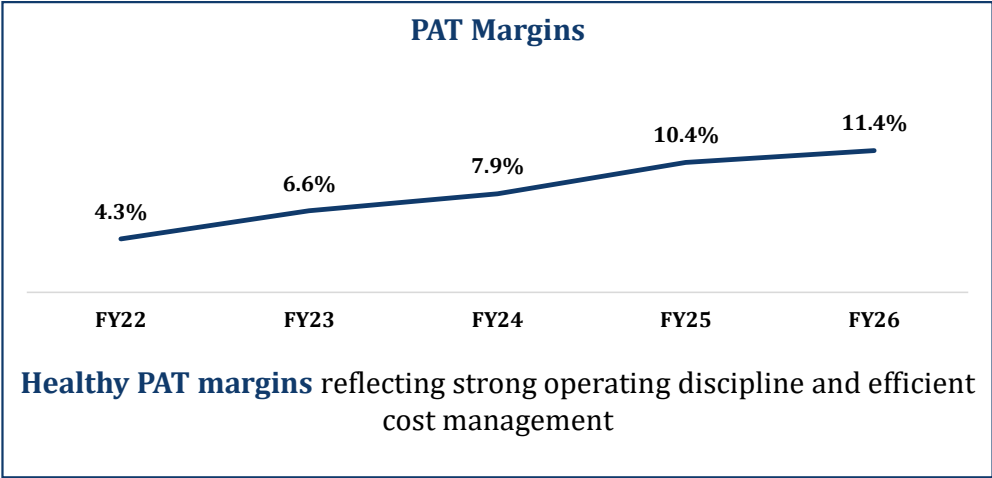
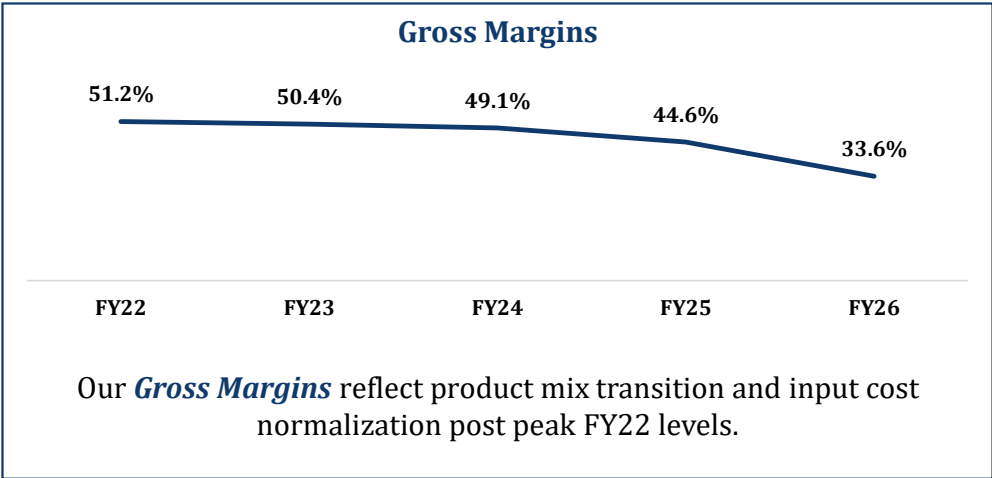
Broad based mix supports resilient and scalable growth



- Boy's Wear**  
Stylish & Comfortable fashion for boys
- Girl's Wear**  
Trendy & adorable styles for girls
- Infant**  
Gentle & safe essentials
- Fabric**  
Quality fabrics for every occasion

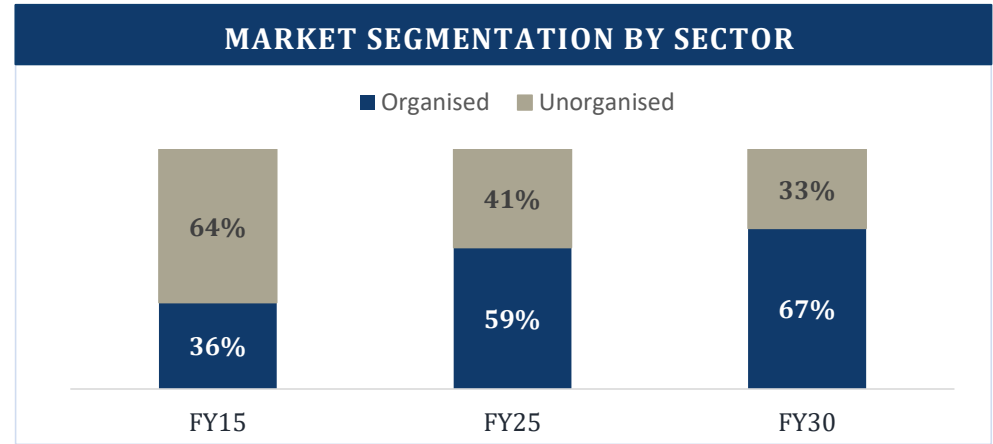
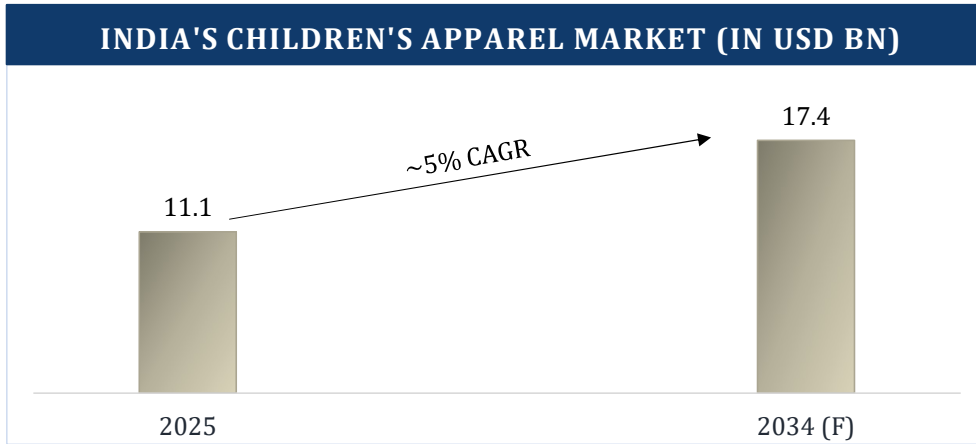
# Investment-Led Transition Phase

Near-term expansion supporting scalable growth and long-term capital efficiency



# India's Kidswear Market: High-Growth Opportunity

Driven by rising disposable income, organized retail expansion, and premiumization trends.



### EMERGING OPPORTUNITIES

- Tier II/III Expansion**  
 Huge demand from aspiring consumers outside metros.
- Export Potential**  
 Indian garment players are gaining global traction amid supply chain diversification.
- Formalization of Unorganised Sector**  
 Quality players like Karnika can capture market share from local suppliers.

### KEY GROWTH DRIVERS

- Rising Disposable Income:** Increase in urban and semi-urban families' spending power.
- E-commerce & D2C Growth:** Online channels and D2C brands are making branded kidswear more accessible.
- Sustainability Preference:** Growing demand for organic and eco-conscious clothing among parents.
- Smaller Families:** More spend per child on quality and premium apparel.

Source: [Statista](#); [Imarc Group](#)

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02

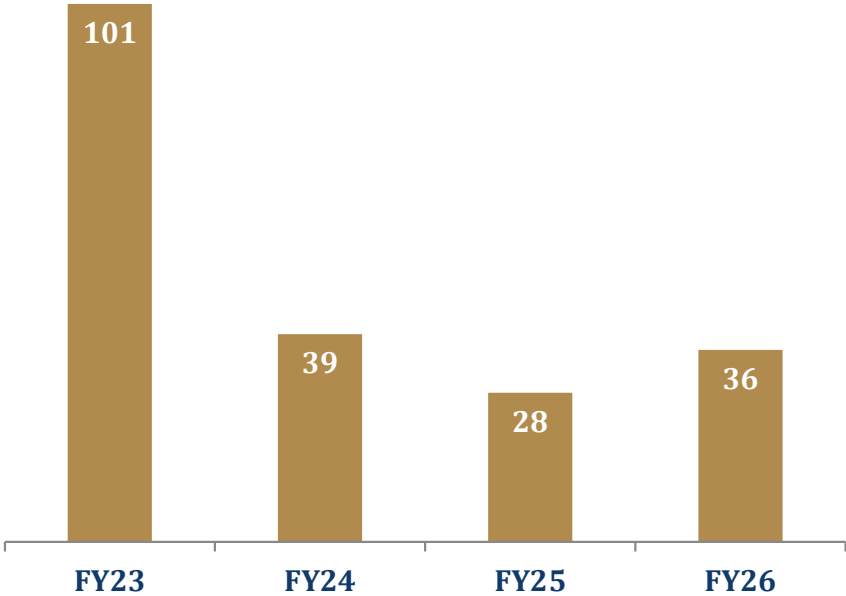
USPs



# Lean & Scalable Business Model

*Outsourced production model supports flexibility, low fixed costs, and efficient capacity utilization.*

## FIXED ASSET TURNOVER (x)



**26%**

**ROCE**  
Strong capital productivity driven by asset-light operations

**90%+**

**OUTSOURCED OPERATIONS**  
Enhances scalability and reduces fixed costs

**90%+**

**CAPACITY UTILIZATION LEVEL FOR ALL PLANTS**

**SCALABLE CAPACITY WITHOUT ADDITIONAL CAPEX ON PLANT**

Growth supported without heavy manufacturing investments

# End-to-End Kidswear Solutions

One trusted destination for stylish, comfortable, and practical kidswear.

## HOLISTIC PRODUCT PORTFOLIO

9 categories. Every need. Every moment.



### SHORTS

Everyday comfort



### JOGGERS

Playful & relaxed



### TEES

Everyday essentials



### SLEEP SUITS

Sweet dreams



### DRESSES

Stylish & comfortable



### ROMPERS

Easy & adorable



### PYJAMAS

Cozy & breathable



### WINTER WEAR

Warm & durable



### INFANT WEAR

Gentle & safe

## WIDE AGE COVERAGE

From infants to tweens, we grow with every child.



0-1 yr  
Infants



1-3 yrs  
Toddlers



3-6 yrs  
Preschool



6-10 yrs  
Kids



10-14 yrs  
Tweens

Karnika®

### BRANDS:

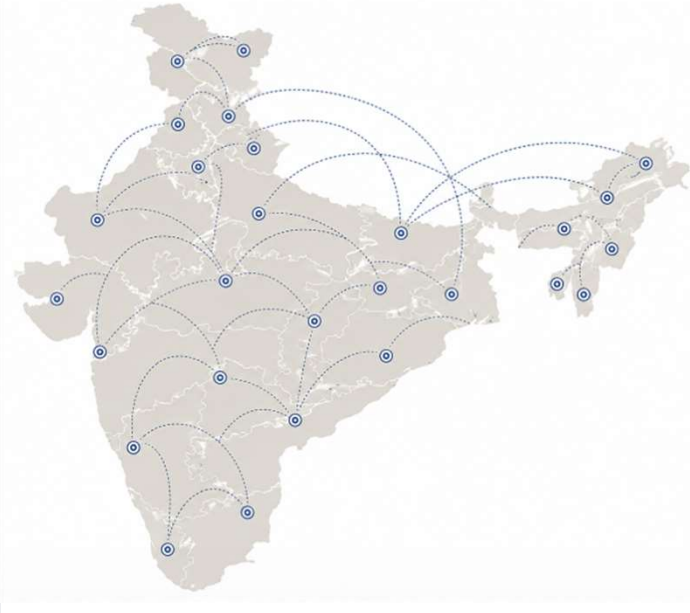


# Strong Domestic Foundation. Expanding Global Footprint.

Gaining market share

Karnika®

## DEEP & WIDESPREAD PRESENCE ACROSS INDIA



## EXPORT PRESENCE – MIDDLE EAST & SOUTHEAST ASIA



 28

States Covered

Pan-India distribution network with deep dealer and B2B relationships

 150+

Distribution Partners

 ~3%

Revenue from Exports

# Powered by Smart Technology

*Building agile and data-driven processes to support seamless growth and operational control*



## CAD-Based Product Development

Integrated CAD tools enable precise product sampling, faster design iterations, quicker approvals, and improved pattern accuracy.



## Quality Control Process

Multi-point quality checks across production ensure continuous improvement, complete traceability, and audit readiness.



## Automated Cutting Technology

Automated cutting machines improve consistency, reduce fabric wastage, and support quality at scale.



## Cloud-Based Reporting & Decision Support

Cloud-enabled dashboards provide real-time insights on capacity utilisation, order status, and lead times for faster decision-making.



## ERP-Driven Workflow Management

Real-time inventory, production scheduling, and dispatch planning improve visibility, coordination, and operational efficiency.



## Cybersecurity & Data Integrity

Regular IT audits and access controls safeguard sensitive data, strengthen compliance, and reduce digital risk.

# Strategic Brand Engagement Initiatives

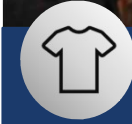
Connecting with customers through curated industry events and showcases.



**TRADE SHOWS & EXHIBITIONS**



**FASHION SHOWS**



**GARMENT FAIRS**

**01** **TRADE SHOWS & EXHIBITIONS**  
Enhances brand visibility and facilitates networking with potential clients.

**02** **FASHION SHOWS**  
Demonstrates creativity, quality, and innovation in children's wear.

**03** **GARMENT FAIRS**  
Participation generates advance orders and facilitates market expansion.

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03

# Financial Performance



# Management Commentary



FY26 was a strong growth year for Karnika Industries, supported by favorable industry trends, expanding distribution reach and increasing consumer preference for branded kidswear. The Indian kidswear market continues to benefit from premiumization, rising disposable incomes and growing penetration of organized retail.

Karnika delivered robust revenue growth of 44% YoY to Rs. 248 Cr, driven by healthy demand across categories and continued scale-up of operations. EBITDA grew 43% YoY to Rs. 37 Cr, reflecting the strength of the business despite ongoing investments towards brand building, distribution expansion and growth initiatives.

Profitability remained healthy with Profit Before Tax and Profit After Tax growing 61% YoY and 57% YoY respectively, supported by improving operating leverage and scale efficiencies.

Going forward, we remain focused on strengthening our integrated kidswear platform through deeper market penetration, product innovation and continued investments towards building a scalable and profitable growth franchise.

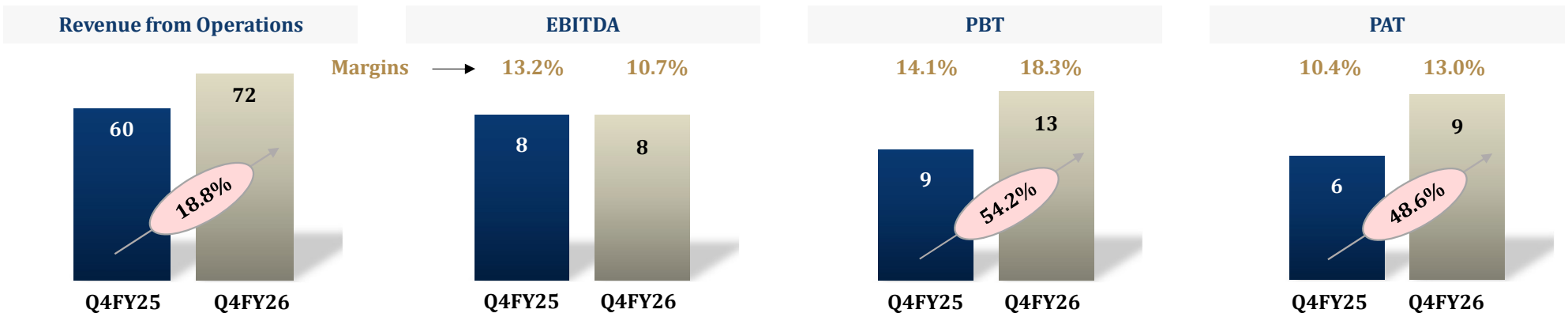


**Mr. Niranjana Mundhra**  
**Managing Director**

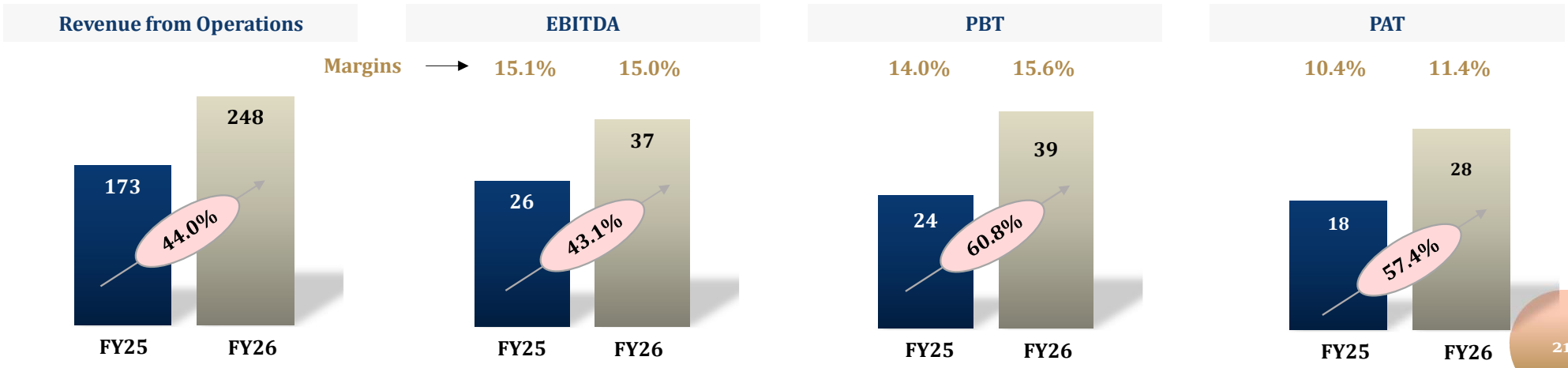
# Q4 & FY26 Financial Performance

Steady Revenue Growth

## Q4 FY26



## FY26



# Q4 & FY26 Financial Performance

Particulars (INR Cr)	Q4FY26	Q4FY25	Y-o-Y (%)	Q3FY26	Q-o-Q (%)	FY26	FY25	Y-o-Y (%)
<b>Revenue from Operations</b>	<b>72</b>	<b>60</b>	<b>18.8%</b>	<b>74</b>	<b>(2.6)%</b>	<b>248</b>	<b>173</b>	<b>44.0%</b>
Expenses	64	52	22.2%	64	0.8%	211	147	44.2%
<b>EBITDA</b>	<b>8</b>	<b>8</b>	<b>(3.4)%</b>	<b>10</b>	<b>(24.3)%</b>	<b>37</b>	<b>26</b>	<b>43.1%</b>
<b>EBITDA Margins (%)</b>	<b>10.7%</b>	<b>13.2%</b>	<b>(246) bps</b>	<b>13.8%</b>	<b>(305) bps</b>	<b>15.0%</b>	<b>15.1%</b>	<b>(9) bps</b>
Depreciation	0	0	113.8%	0	(3.7)%	2	1	47.2%
Other Income	7	2	244.2%	1	1315.0%	9	4	132.9%
Finance Cost	1	1	-2.2%	1	(5.2)%	5	4	21.1%
<b>Profit Before Tax</b>	<b>13</b>	<b>9</b>	<b>54.2%</b>	<b>9</b>	<b>48.3%</b>	<b>39</b>	<b>24</b>	<b>60.8%</b>
<b>PBT Margins (%)</b>	<b>18.3%</b>	<b>14.1%</b>	<b>420 bps</b>	<b>12.0%</b>	<b>628 bps</b>	<b>15.6%</b>	<b>14.0%</b>	<b>164 bps</b>
Tax	4	2	70.0%	2	69.6%	10	6	70.8%
<b>Profit After Tax</b>	<b>9</b>	<b>6</b>	<b>48.6%</b>	<b>7</b>	<b>41.1%</b>	<b>28</b>	<b>18</b>	<b>57.4%</b>
<b>PAT Margins (%)</b>	<b>13.0%</b>	<b>10.4%</b>	<b>260 bps</b>	<b>9.0%</b>	<b>402 bps</b>	<b>11.4%</b>	<b>10.4%</b>	<b>97 bps</b>
<b>EPS Diluted (INR)</b>	<b>1.45</b>	<b>5.06</b>	<b>(71.3)%</b>	<b>1.05</b>	<b>38.1%</b>	<b>6.72</b>	<b>14.54</b>	<b>(69.0)%</b>

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04

# Strategic Priorities



# Strategic Priorities

Scaling an integrated kidswear platform through distribution, efficiency and profitable growth



01

## HIGHER MARGINS & CAPITAL EFFICIENCY

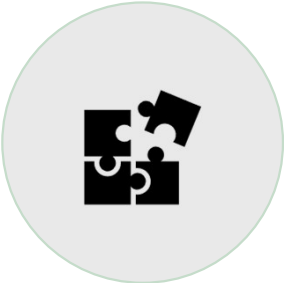
- Forward integration into retail captures higher value across the value chain
- Asset-light SIS & kiosk model enables profitable scaling with limited capex
- Operating leverage improves as distribution and volumes expand



02

## PAN-INDIA CONSUMER FRANCHISE

- Expands direct consumer reach across Tier 2 & Tier 3 markets
- Multi-channel presence across offline retail, D2C & leading marketplaces
- Strengthens brand visibility with EBO and KIOSK expansion.



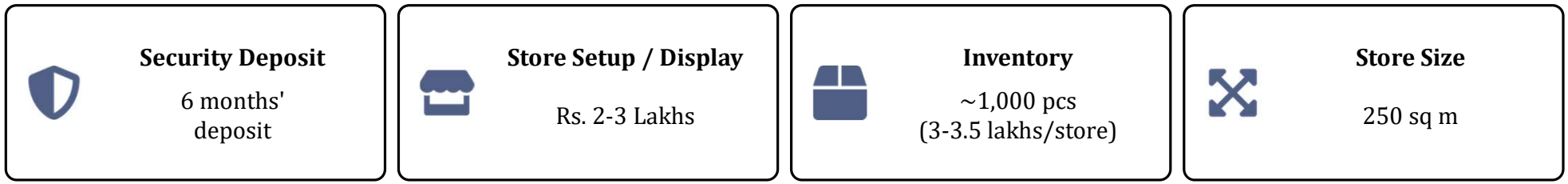
03

## CREATING A SCALABLE INTEGRATED PLATFORM

- End-to-end control from sourcing to consumer shelf
- Diversified revenue streams improve business resilience
- Positions Karnika for long-term profitable growth and stronger market leadership

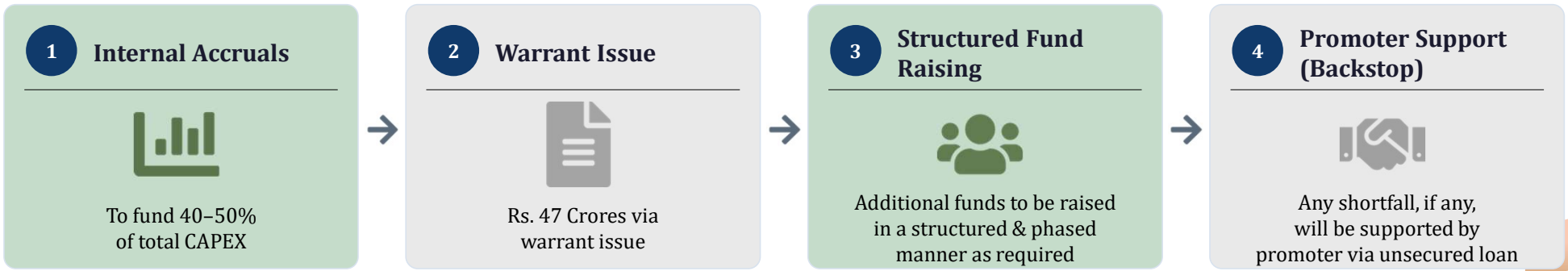
# Expanding Retail Touchpoints

Supporting brand growth through EBO and Kiosk Expansions



**Kiosks: 55+ / Target - 1000+ (FY28E)**  
**EBO on Rental Target - 150+ (FY28E)**

## FUNDING PLAN OVER NEXT 2 YEARS




# Karnika + KidCity Acquisition Rationale

*Building India's Most Integrated & Scalable Kidswear Platform*




**01**  
**END-TO-END INTEGRATION**



Seamless control from yarn sourcing to consumer shelf enables better quality, faster response and stronger brand consistency.

**02**  
**STRATEGIC VALUE & COST ADVANTAGE**



Integrated scale drives cost efficiencies and allows offering premium quality kids wear at attractive price points (Rs. 199 - Rs. 499).

**03**  
**EXPANDED CONSUMER REACH**



Wider footprint across offline retail, D2C and marketplaces with strong presence in Tier 2/3 cities unlocks a large and growing consumer base.

**04**  
**DIVERSIFIED REVENUE STREAMS**



Balanced mix of manufacturing and retail channels reduces concentration risk and enhances business resilience.

**05**  
**STRONG PLATFORM FOR PROFITABLE GROWTH**



Integrated operations, scalable retail model and multi-channel presence position Karnika for sustained growth and margin expansion.

# 2028: Accelerating the Next Growth Phase

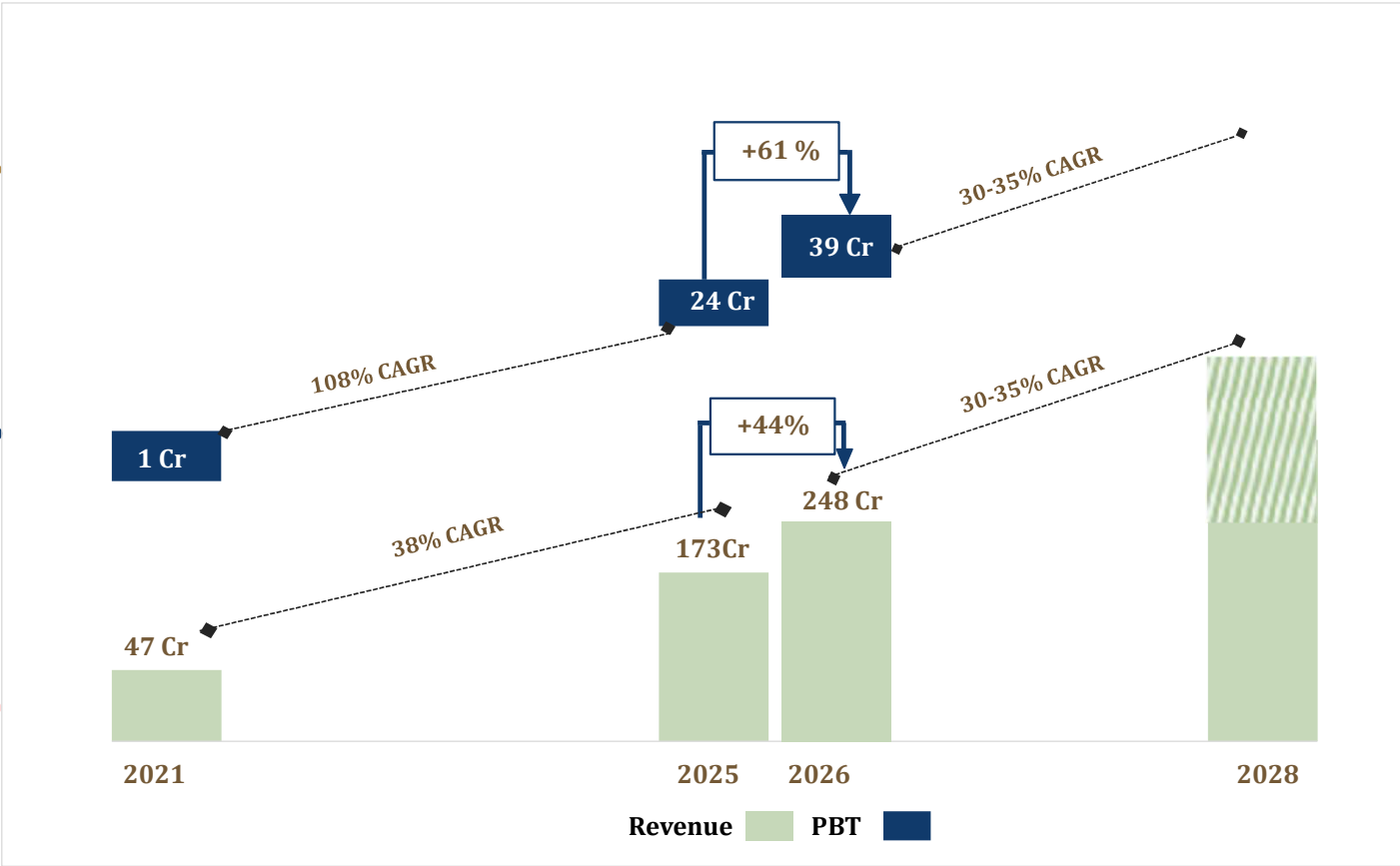
Building scale with disciplined execution.



Brand Amplification

Distribution Expansion

Operational Efficiencies



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# 05 Annexure



# The People Behind Karnika

*Building a future-ready brand through strategic leadership & innovation*



**Mr. Niranjana Mundhra**  
Managing Director

- ~10 years of experience in the textile industry
- Played a key role in building the family business into a recognized name in the kidswear garment segment



**Mr. Shiv Shankar Mundhra**  
Whole-Time Director

- MBA professional with 12+ years of experience in fabric manufacturing and apparel trade
- Strong expertise in operations management and manufacturing execution



**Mr. Mahesh Kumar Mundhra**  
Whole-Time Director

- Strong leader with a focus on team building and quality execution
- Oversees operations, budgeting, and client management



**Mrs. Kirti Mundhra**  
Non-Executive Director

- Strong foundation in accounting, finance, and business management
- Skilled in financial analysis and business operations



**Mrs. Kirti Taparia**  
Independent Director

- Holds an Honours degree in Bachelor of Commerce
- ~10 years of experience in finance and accounts



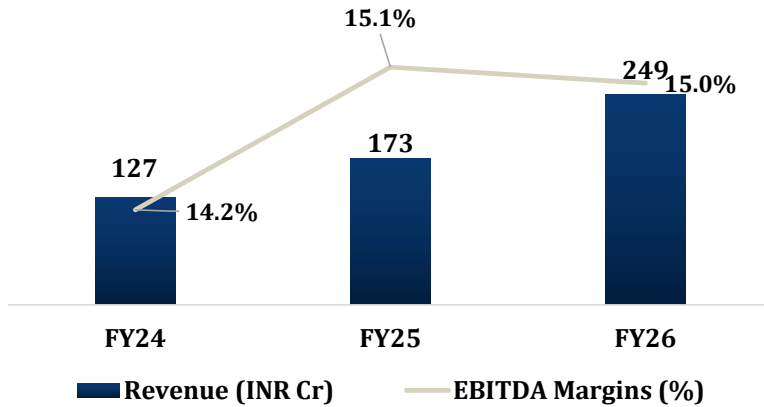
**Mr. Yash Jhawar**  
Independent Director

- Background in Actuarial Science with strong analytical expertise
- ~3 years of experience as an Insurance and Investment Analyst

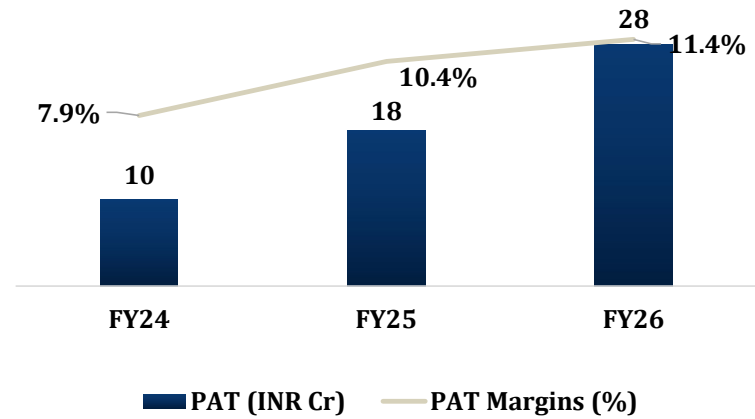
# Execution led growth

Building a Scalable & Profitable Growth Franchise

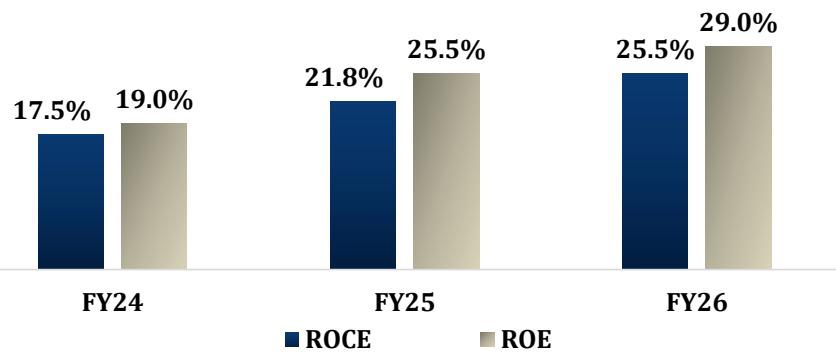
## Delivering Growth with Margin Expansion



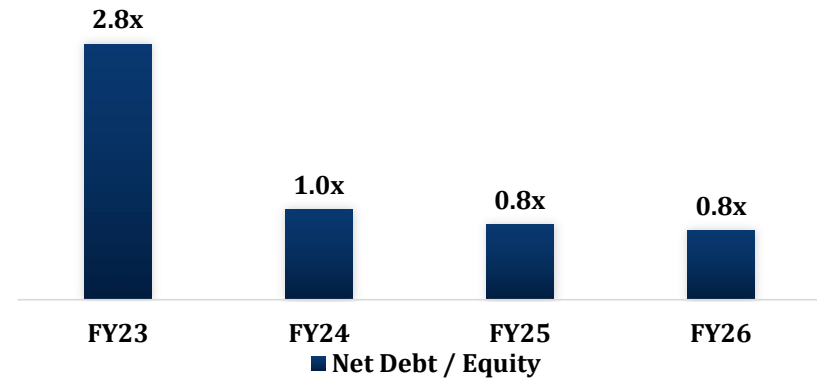
## Strengthening Bottom Line Performance



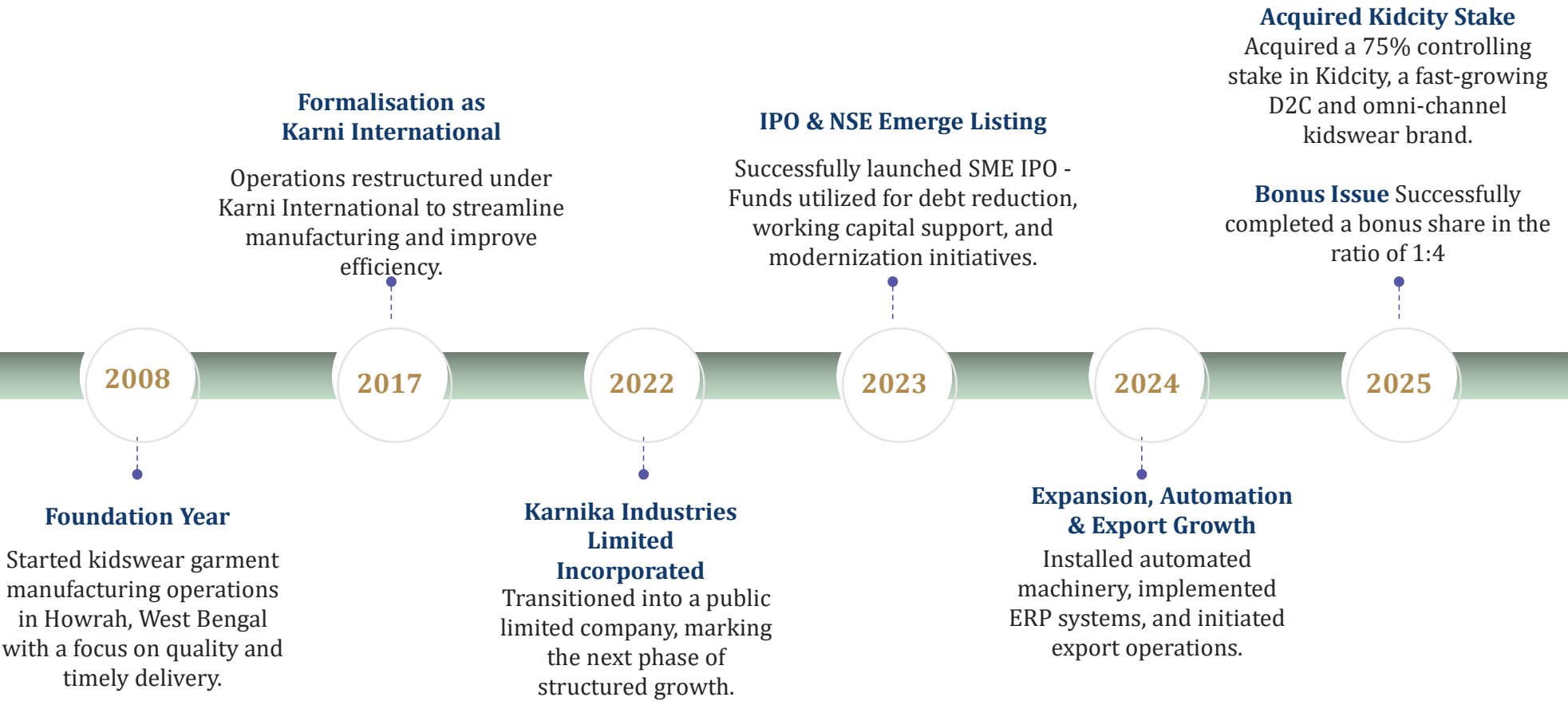
## Higher Capital Efficiency & Returns



## Sharp Reduction in Leverage Levels



# Timeline



## Historical Statement of Profit & Loss

Particulars (INR Cr)	FY23	FY24	FY25	FY26
<b>Revenue from Operations</b>	<b>125</b>	<b>127</b>	<b>173</b>	<b>248</b>
Cost of Goods Sold	62	65	96	165
<b>Gross Profit</b>	<b>63</b>	<b>62</b>	<b>77</b>	<b>84</b>
Gross Margin (%)	50.4%	49.1%	44.6%	33.6%
Employee Cost	6	7	6	8
Other Operating Expenses	41	38	45	39
<b>EBITDA</b>	<b>15</b>	<b>18</b>	<b>26</b>	<b>37</b>
EBITDA Margins ( %)	12.2%	14.2%	15.1%	15.0%
Other Income	1	1	4	9
Interest	5	5	4	5
Depreciation	0	1	1	2
<b>Profit Before Tax</b>	<b>11</b>	<b>14</b>	<b>24</b>	<b>39</b>
Tax	3	3	6	10
<b>Profit After Tax</b>	<b>8</b>	<b>10</b>	<b>18</b>	<b>28</b>
PAT Margins (%)	6.6%	7.9%	10.4%	11.4%
Basic EPS	8.99	8.15	14.54	6.72
Diluted EPS	8.99	8.15	14.54	6.72

# Historical Balance Sheet

Particulars (INR Cr)	FY 23	FY24	FY25	FY26
<b>Shareholders' Fund</b>				
Equity Share Capital	9	12	12	62
Reserves & Surplus	9	41	58	34
Non Controlling Interest	0	0	0	2
<b>Total Equity</b>	<b>18</b>	<b>53</b>	<b>71</b>	<b>98</b>
<b>Non-current Liabilities</b>				
Long term borrowings	0	2	1	1
Deferred Tax Liability (Net)	0	0	0	0
Long term provisions	0	0	0	0
<b>Total Non-Current Liabilities</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>1</b>
<b>Current Liabilities</b>				
Short term borrowings	52	50	59	75
Trade payables	26	13	21	34
Other current liabilities	2	1	2	7
Short term provisions	0	0	0	0
<b>Total Current Liabilities</b>	<b>80</b>	<b>65</b>	<b>82</b>	<b>116</b>
<b>Total Equity and Liabilities</b>	<b>98</b>	<b>120</b>	<b>154</b>	<b>215</b>

Particulars (INR Cr)	FY 23	FY24	FY25	FY26
<b>Non-Current Assets</b>				
Property, plant, equipment and intangible assets	2	5	7	6
Capital Work-in-progress	0	0	0	1
Goodwill	0	0	0	0
Non-Current Investments	0	0	9	20
Deferred tax assets (net)	0	0	0	1
Other Non-Current Assets	0	1	1	1
<b>Total Non-Current Asset</b>	<b>2</b>	<b>6</b>	<b>17</b>	<b>29</b>
<b>Current Assets</b>				
Inventories	49	48	50	58
Trade receivables	40	51	75	88
Cash and bank balances	2	12	0	0
Short term loans and advances	1	1	9	15
Other financial assets	0	0	1	22
Other current assets	5	3	2	2
<b>Total Current Assets</b>	<b>96</b>	<b>114</b>	<b>137</b>	<b>185</b>
<b>Total Assets</b>	<b>98</b>	<b>120</b>	<b>154</b>	<b>215</b>

# Karnika<sup>®</sup>

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