

# MANISH GADIA

B.Com, FCA,DISA(ICAI)  
Registered Valuer (IBBI)  
Regn. No. IBBI/RV/06/2019/11646

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2<sup>nd</sup> Floor, Kolkata – 700 013  
manish@jmpassociates.com  
+91 9830328772

To  
The Directors,  
Karnika Industries Limited  
6&6/1, Gurgola Ghat Road P.O. Salkia,  
Howrah, West Bengal, India, 711106  
CIN: L17299WB2022PLC253035

Date: May 05, 2026

**Sub: Clarification to our Report on Fair Value of Equity Shares of Your Company dated 10<sup>th</sup> April, 2026 (UDIN: 26059677DAPKTV8640).**

**Ref: Engagement Letter dated 8<sup>th</sup> April, 2026.**

In terms of the above-mentioned engagement letter, Karnika Industries Limited is evaluating the fair market value of equity shares under preferential issue of shares under the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (SEBI ICDR 2018). Since, the Board of the Directors proposed to issue fresh issue of Equity Shares and Warrants convertible into Equity Shares, the company requires Valuation of its shares for issuing shares in terms of the amended Regulation 166A read with regulation 164 of SEBI ICDR 2018.

I hereby issue the revised Valuation Report, which amends/clarifies:

- a) In Page No. 4 of the Valuation Report, the number of warrants has been inadvertently stated as 39,94,900. However, the correct number of warrants proposed to be allotted is 39,66,860 Fully Convertible Warrants. The same may kindly be read accordingly
- b) The Valuation Report mentions the premium per warrant as Rs. 111/-, which is derived from the computed minimum issue price of Rs. 121/- per equity share (Face Value Rs. 10 + Premium Rs. 111).

As stated in the report:

The minimum issue price has been computed at Rs. 120.11 per share based on the Volume Weighted Average Price (VWAP) of the equity shares traded on NSE over the 90 trading days and 10 trading days preceding the relevant date (10th April, 2026).

Since the exchange XBRL system does not accept decimal values, the issue price has been rounded up to Rs. 121 per equity share to ensure compliance with applicable pricing regulations.

Accordingly, the effective premium per warrant works out to Rs. 111/- (Rs. 121 – Rs. 10 face value).

- c) Provision in Articles of Association: We understand that the Articles of Association of the Company contain an enabling provision for determination of floor price based on a valuation report. However, the omission to specifically reproduce or refer to the said AoA clause in the Valuation Report was inadvertent.



Regulatory Framework under SEBI (ICDR) Regulations, 2018: The pricing of equity shares / convertible securities in the present case has been determined in compliance with the applicable provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, specifically:

- Regulation 164: Prescribes the pricing formula based on the Volume Weighted Average Price (VWAP) of shares traded on the stock exchange for frequently traded shares.
- Regulation 166A: Mandates obtaining a valuation report from a Registered Valuer in case of preferential issue to certain categories such as promoters / non-promoters, as applicable.

Accordingly, the Company has obtained the Valuation Report from a Registered Valuer to ensure full regulatory compliance.

Clarification on Requirement of Valuation Report: The requirement to obtain a Valuation Report in the present case arises primarily from Regulation 166A of SEBI ICDR Regulations, and not merely from the Articles of Association. The AoA provision is enabling in nature and does not override or substitute the statutory requirement.

Further for pt. no. 4(b) above we need to clarify that point 14(1)(C) of the Articles of Association provides that (1) Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares , such shares shall be offered .....(c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a ) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is **determined by the valuation report of a registered valuer** subject to such conditions as may be prescribed under the relevant rules of Section 62.

In this regard, it is submitted that Clause 14(1)(C) of the AoA of the Company expressly provides that further shares may be issued to any persons, subject to approval by way of special resolution, and the price of such shares shall be determined based on the valuation report of a registered valuer. Accordingly, the AoA of the Company contain a provision governing the determination of price for preferential issues, linked to valuation by a registered valuer.

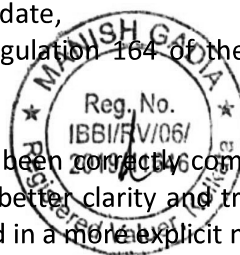
Further, in terms of Regulation 166A(1) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, where the preferential issue results in allotment of more than five percent of the post-issue fully diluted share capital of the Company to an allottee or to allottees acting in concert, the Company is required to obtain a valuation report from an independent registered valuer and consider the same for determination of the issue price.

d) With reference to your observation in pt. 4 (c), regarding the values adopted under the Market Price Method (90 days VWAP and 10 days VWAP), we submit the following:

Review of VWAP Calculations: We have re-examined the computation of the Volume Weighted Average Price (VWAP) of the equity shares of the Company for:

- i) 90 trading days preceding the relevant date, and
  - ii) 10 trading days preceding the relevant date,
- in accordance with the provisions of Regulation 164 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

We confirm that the VWAP values have been correctly computed based on the traded prices and volumes available on NSE. However, for better clarity and transparency, the detailed workings and data sources have now been re-presented in a more explicit manner in the revised report.



Basis of Computation: The VWAP has been calculated using daily traded data (price and volume) of equity shares listed on NSE for the respective periods, strictly in line with the methodology prescribed under Regulation 164.

e) With reference to your observation regarding the financials used under the Net Asset Value (NAV) Method, we submit the following:

Status of Financial Statements: The financial statements as on 30<sup>th</sup> September, 2025, considered for the purpose of NAV computation in the Valuation Report, are Limited Reviewed Financial Statements, duly reviewed by the Statutory Auditors of the Company.

Compliance with Requirement: Accordingly, the financials used for the NAV method are in compliance with your requirement of being audited / subject to limited review, and are reliable for the purpose of valuation.

Submission of Supporting Documents: We are enclosing herewith the Certified True Copy of the Limited Reviewed Financial Statements as on 30<sup>th</sup> September, 2025, as duly approved and authenticated by the Company, for your kind reference and record.

Clarification on Valuation Impact: It may further be noted that the NAV Method has been considered only as an additional reference approach, and the primary basis of pricing remains the Market Price Method in accordance with applicable provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Disclosure Update: The Valuation Report is being suitably updated to explicitly mention that the financial statements used under the NAV Method are Limited Reviewed, for enhanced clarity.

f) With reference to your observation regarding assignment of zero weightage to the Asset Approach and Income Approach in the Valuation Report, we submit the following clarification:

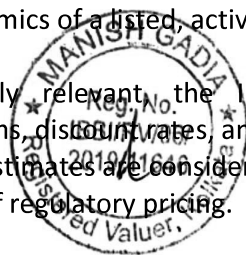
Primary Basis of Valuation: The valuation in the present case has been carried out for the purpose of determining the minimum issue price of equity shares / convertible securities in compliance with the provisions of Regulation 164 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. As per the said regulation, for frequently traded shares, the floor price is mandatorily linked to the Volume Weighted Average Price (VWAP) of market prices.

Relevance of Market Approach: Since the equity shares of the Company are frequently traded on the stock exchange, the Market Price Method (VWAP-based approach) is considered the most appropriate and reliable indicator of fair value, reflecting real-time market consensus, liquidity, and price discovery.

Reason for Nil Weight to Other Approaches:

Asset Approach: This approach is generally relevant in cases of asset-heavy entities, liquidation scenarios, or where earnings visibility is limited. In the present case, it does not appropriately capture the going concern value or market dynamics of a listed, actively traded company.

Income Approach: While theoretically relevant, the Income Approach involves significant assumptions relating to future projections, discount rates, and growth factors. For listed entities with active market trading, such subjective estimates are considered less reliable compared to observable market prices for the specific purpose of regulatory pricing.



Regulatory Alignment: The objective of the valuation assignment is not to determine enterprise value under multiple methodologies, but to ensure compliance with regulatory floor pricing norms. Accordingly, the Market Approach has been assigned 100% weightage, while the Asset and Income Approaches have been assigned nil weightage, as they are not determinative for pricing under the applicable SEBI ICDR framework.

Professional Judgement: The assignment of weightages is based on generally accepted valuation principles, the purpose of valuation, and regulatory requirements. The approach adopted ensures that the valuation remains objective, transparent, and compliant with the applicable regulations.

Disclosure Enhancement: For better clarity, the Valuation Report is being submitted again which explicitly elaborate the rationale for assigning nil weightage to the Asset and Income Approaches.

A revised Valuation Report, incorporating the above corrections and aligning all disclosures with the final issue price, is being submitted for your kind consideration.

Request you to take this on your record.

Thanking you



**Manish Gadia**

ICAI Mem. No. 059677

(Regn. No. IBBI/RV/06/2019/11646)

(RVO Mem. No. ICAIRVO/06/RV-P00074/2019-2020)

Date: 05-05-2026

Place: Kolkata





# VALUATION REPORT

## VALUATION OF EQUITY SHARES OF KARNIKA INDUSTRIES LIMITED

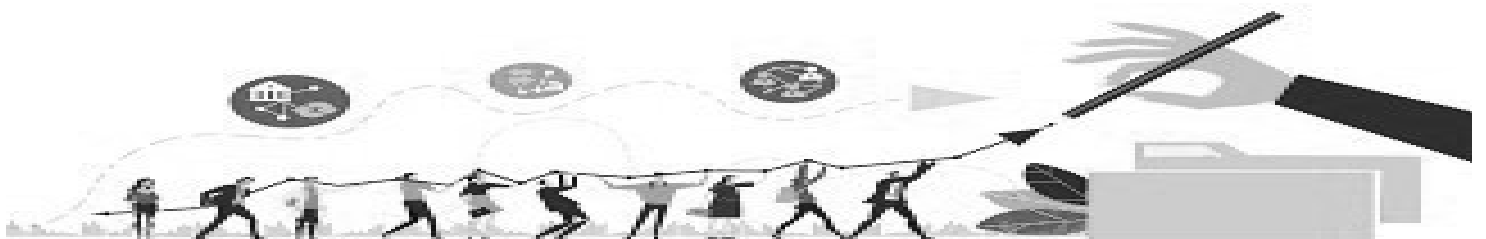
FOR PROPOSED PREFERENTIAL ALLOTMENT OF EQUITY SHARES / WARRANTS

Valuation Date 10th April, 2026

**MANISH GADIA**

REGN. NO. IBBI/RV/06/2019/11646

RVO Mem. No. ICAIRVO/06/RV-P00074/2019-2020



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To,  
The Directors,  
Karnika Industries Limited  
6&6/1, Gurgola Ghat Road P.O. Salkia,  
Howrah, West Bengal, India, 711106  
CIN: L17299WB2022PLC253035

**Sub: Valuation Analysis of Equity Shares of Karnika Industries Limited** as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time.

I refer to the engagement letter dated 08/04/2026 for engaging Mr. Manish Gadia, an Insolvency and Bankruptcy Board of India (“IBBI”) Registered Valuer (“herein-after-referred as “Valuer”) for the purpose of valuation of Equity Shares/warrants of Karnika Industries Limited in accordance with Regulation 164 read with Regulation 166A and other applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time, read with Section 42 and Section 62 (1)(C) of the Companies Act, 2013 for fresh issue of Equity Shares and Warrants convertible into Equity Shares. The company is registered with CIN: L17299WB2022PLC253035 having its registered office at 6&6/1, Gurgola Ghat Road P.O. Salkia, Howrah, West Bengal, India, 711106. The equity shares of the Company are presently listed on the National Stock Exchange Limited (NSE).

In our opinion, the minimum issue price of the securities to be issued under Preferential Issue should be determined in accordance with Regulation 164 of SEBI (ICDR) Regulations, 2018. Based on our calculations and after taking into consideration, the volume weighted average price of the frequently traded Equity Shares of the Company on NSE Limited over the 90 trading days and 10 trading days preceding the relevant date, the minimum issue price is computed to be Rs. 120.11 per fully paid-up equity share of Rs. 10 each as on 10th April, 2026 (“Valuation date”). It is recommended that the Company issue securities at a price not lower than Rs. 120.11 per security. Since the exchange XBRL form does not accept decimal values, the issue price has been rounded up to Rs. 121 (Rs. 10 face value alongwith Rs.111 share premium) per equity share to ensure compliance with applicable pricing regulations.

The detailed valuation report including calculations and assumptions has been attached in pages to follow.



**Manish Gadia**

ICAI Mem. No. 059677

(Regn. No. IBBI/RV/06/2019/11646)

(RVO Mem. No. ICAIRVO/06/RV-P00074/2019-2020)

Date: 10-04-2026

Place: Kolkata

UDIN - 26059677 DAPKTV8640



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# PURPOSE OF VALUATION

I have been appointed by **Karnika Industries Limited** solely to determine the fair valuation of equity shares/warrants of the company **Karnika Industries Limited (the 'Company')**.

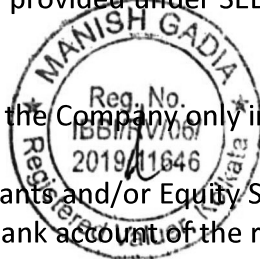
Based on the discussions held with the management and Key Managerial Personnel (KMP's), we understand that the Company is proposing to issue certain equity shares / warrants on preferential basis. The Equity shares of the company are frequently traded. The company is listed on NSE Ltd. In terms of Regulation 166A read with Regulation 164 of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 as amended from time to time ('SEBI (ICDR) Regulations'), shall, besides the market price, require valuation from an independent registered valuer and should be considered for determining the issue price. Thus, we, being Independent Registered Valuers, have been appointed as per the appointment letter dated 8<sup>th</sup> April, 2026. We are issuing this certificate for the purpose of compliance with the Chapter V of SEBI (ICDR) Regulations.

## **Terms Of Issues of Equity Share Warrants**

The Company shall issue and allot to issue and allot the below-mentioned securities to persons belonging to Non-Promoter Category and Promoter Category up to 39,66,860 (Thirty Nine Lakhs Sixty Six Thousand Eight Hundred Sixty only) Fully Convertible Warrants of face value of Rs. 10/- (Rupees Ten Only) each at a premium of Rs. 111/- per warrant, which may be exercised in one or more tranches during the period commencing from the date of allotment of the Warrants until expiry of 18 (Eighteen) months.

## **Terms and conditions of the issue**

- (a) Each Warrant held by the Proposed Warrant Allottees ("Warrant Holder") shall entitle them to apply for and obtain allotment of one Equity Share at any time after the date of allotment but on or before the expiry of 18 (eighteen) months from the date of allotment (the "Warrant Exercise Period").
- (b) The Proposed Warrant Allottees shall, on the date of allotment of Warrants, pay an amount equivalent to at least 25% of the Warrant Issue Price fixed per Warrant in terms of the SEBI (ICDR) Regulations, 2018 which will be kept by the Company to be adjusted and appropriated against the Warrant Issue Price of the Equity Shares. The balance 75% of the Warrant Issue Price shall be payable by the Warrant Holder at the time of exercising the Warrants.
- (c) Warrants, being allotted to the Proposed Warrant Allottees and the Equity Shares proposed to be allotted pursuant to the conversion of these Warrants shall be under lock- in for such period as may be prescribed under SEBI (ICDR) Regulations.
- (d) Warrants so allotted under this resolution shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock-in provided under SEBI (ICDR) Regulations except to the extent and in the manner permitted there under.
- (e) Warrants shall be issued and allotted by the Company only in dematerialized form.
- (f) The consideration for allotment of Warrants and/or Equity Shares arising out of exercise of such Warrants shall be paid to the Company from the bank account of the respective Proposed Warrant Allottees.
- (g) In the event the Warrant Holder(s) do not exercise Warrants within the Warrant Exercise Period, the Warrants shall lapse and the amount paid shall stand forfeited by the Company.



(h) The Warrants by itself until converted into Equity Shares, do not give to the Warrant Holder any voting rights in the Company in respect of such Warrants.

As per Regulation 164(1) of SEBI (ICDR) Regulations, 2018 provides that if the equity shares of the issuer have been listed on a recognised stock exchange for a period of [90 trading days] or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

- a. the [‘90 trading days’] volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or
- b. the [‘10 trading days’] volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.

Provided that if the Articles of Association of the issuer provide for a method of determination which results in a floor price higher than that determined under these regulations, then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue.

#### **Provision in Articles of Association**

Point 14(c) of the Articles of Association provides that

(1) Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares , such shares shall be offered

.....(c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a ) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the relevant rules of Section 62.

As per Regulation 164(5) SEBI(ICDR)Regulations, 2018 For the purpose of this Chapter, “frequently traded shares” means the shares of the issuer, in which the traded turnover on any recognised stock exchange during the [‘240 trading days’] preceding the relevant date, is at least ten per cent of the total number of shares of such class of shares of the issuer: Provided that where the share capital of a particular class of shares of the issuer is not identical throughout such period, the weighted average number of total shares of such class of the issuer shall represent the total number of shares.

Explanation: For the purpose of this regulation, ‘stock exchange’ means any of the recognised stock exchange(s) in which the equity shares of the issuer are listed and in which the highest trading volume in respect of the equity shares of the issuer has been recorded during the preceding [‘90 trading days’] prior to the relevant date.

As per Regulation 166A(1) SEBI (ICDR) Regulations, 2018 - Any preferential issue, which may result in a change in control or allotment of more than five percent of the post issue fully diluted share capital of the issuer, to an allottee or to allottees acting in concert, shall require a valuation report from an independent registered valuer and consider the same for determining the price.

#### **Applicability of SEBI (ICDR) Regulation 166A**

Since the proposed preferential allotment results in an allotment exceeding 5% of the post-issue fully diluted share capital to the proposed allottee(s), the provisions of Regulation 166A of SEBI (ICDR) Regulations, 2018 become applicable. Accordingly, the issue price shall be determined considering the valuation report issued by

an Independent Registered Valuer, and the higher of the price determined under Regulation 164/165 and the valuation report shall be adopted.

Provided that the floor price, in such cases, shall be higher of the floor price determined under sub-regulation (1), (2) or (4) of regulation 164, as the case may be, or the price determined under the valuation report from the independent registered valuer or the price determined in accordance with the provisions of the Articles of Association of the issuer, if applicable.

Provided further that the valuation report from the registered valuer shall be published on the website of the issuer and a reference of the same shall be made in the notice calling the general meeting of shareholders.

## SCOPE OF VALUATION

### **Appointment date, Relevant date and Report date**

The management of the Company has appointed Manish Gadia on 8<sup>th</sup> April, 2026. The analysis of the fair value of the equity share/warrants of the Company has been carried out on the Relevant Date i.e. 10<sup>th</sup> April, 2026. The valuation report is issued on 10<sup>th</sup> April, 2026.

As per Regulation 161 of the SEBI ICDR, 2018, "relevant date" means in case of preferential issue of equity shares, the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue.

b) in case of a preferential issue of convertible securities, either the relevant date referred to in clause (a) of this regulation or a date thirty days prior to the date on which the holders of the convertible securities become entitled to apply for the equity shares.

Explanation: Where the relevant date falls on a weekend or a holiday, the day preceding the weekend or the holiday will be reckoned to be the relevant date.

### **Identity of the Valuer**

Manish Gadia is a Registered Valuer as required under the Companies (Registered Valuers & Valuation) Rules, 2017. He is registered with Insolvency & Bankruptcy Board of India vide registration number IBBI/RV/06/2019/11646.

### **Disclosure of Valuer Interest**

I neither have any present or any prospective contemplated financial interest in the Company nor any personal interest with respect to the Promoters & Board of Directors of the Company. I have no bias/prejudice with respect to any matter that is the subject of the valuation report or to the parties involved with this engagement.

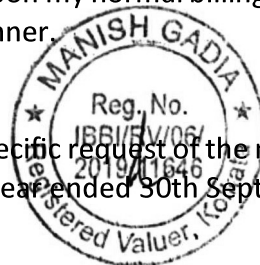
My professional fee for this valuation is based upon my normal billing rates, and not contingent upon the results or the value of the business or in any other manner.

### **Restrictions on use of the report**

This Valuation Report has been issued on the specific request of the management for the Value of the Company based on the latest available financials for the year ended 30<sup>th</sup> September, 2025.

### **Specific Purpose:**

Valuation analysis and its results are specific to the purpose of valuation as mentioned in the section "Purpose of Valuation". It may not be relevant for any other purpose or entity. This Report is prepared exclusively for the



above stated purpose and must not be copied, disclosed or circulated or referred to in correspondence or discussion with any other party. Neither this report nor its content may be used for any other purpose without my prior written consent.

**Not an advice to buy or sell:**

The analysis in this report is based on the information provided by the management and such information as is obtained from market sources. However, my report is not advising anybody to take a buy or sell decision, for which specific opinion may be required from experts.

**No audit or certification:**

My work does not constitute an audit or certification of the historical financial statements. I cannot and do not express an opinion on the accuracy of any financial information referred to in this report. I have relied on the assumptions made by the management of the company. These assumptions require exercise of judgement and are subject to uncertainties.

## BACKGROUND OF THE COMPANY

**NAME: KARNIKA INDUSTRIES LIMITED**

**CIN: L17299WB2022PLC253035**

**DATE OF INCORPORATION: 13-04-2022**

**REGISTERED ADDRESS: 6&6/1, GURGOLA GHAT ROAD P.O. SALKIA, HOWRAH, WEST BENGAL, INDIA, 711106**



Karnika Industries Limited is a NSE Listed Public Limited Company. It is a well-established name in the kidswear manufacturing industry, backed by over two decades of experience. Rooted in strong values of integrity and innovation, the company specializes in turning high-quality fabrics into stylish, comfortable, and durable garments.

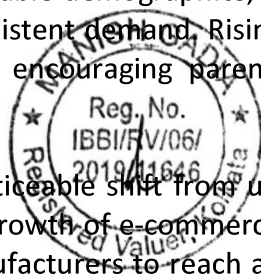
With a state-of-the-art manufacturing facility spanning over 200,000 sq. ft., Karnika has the capability to produce more than 850,000 units per month and offers a diverse portfolio of 500+ product designs. The company proudly serves retailers across India and international markets, ensuring consistency and reliability in every order.

Driven by a skilled and dedicated team, Karnika maintains an impressive 92% on-time delivery rate, reflecting its commitment to operational excellence. Beyond manufacturing, the company focuses on offering a wide range of fabrics, fine craftsmanship, and a customer-centric approach—making it a trusted partner for kidswear solutions.

### **FUTURE GROWTH & INDUSTRY OUTLOOK (INDIA)**

The kidswear segment in India is emerging as one of the most dynamic and resilient categories within the textile and apparel industry. Driven by favorable demographics, including a large and growing child population, the sector continues to benefit from consistent demand. Rising disposable incomes, increasing urbanization, and changing consumer preferences are encouraging parents to spend more on high-quality, branded, and fashionable clothing for children.

In recent years, there has been a noticeable shift from unorganized to organized players, supported by the expansion of retail chains and rapid growth of e-commerce platforms. Online marketplaces have significantly enhanced accessibility, allowing manufacturers to reach a wider customer base across both urban and semi-urban regions. Additionally, increasing awareness regarding skin-friendly fabrics, sustainability, and comfort has pushed demand for premium and specialized kidswear products.



On the global front, India is gaining recognition as a competitive manufacturing hub due to its cost advantages, skilled workforce, and improving infrastructure. Export opportunities in kidswear are expanding, especially in regions such as Europe, the Middle East, and North America. Government initiatives supporting the textile sector further strengthen the industry outlook.

## **SWOT ANALYSIS**

### **Strengths:**

Companies in this segment benefit from established manufacturing infrastructure, economies of scale, and the ability to offer a wide variety of designs and products. Strong operational efficiency, such as high on-time delivery rates, enhances customer trust and long-term relationships. A skilled workforce and experience in fabric sourcing and garment production also provide a competitive edge.

### **Weaknesses:**

The business is often characterized by high working capital requirements due to inventory management and credit cycles. Demand can be seasonal, especially during festive periods, leading to fluctuations in production planning. Additionally, price sensitivity in the domestic market can put pressure on margins.

### **Opportunities:**

There is significant potential for growth through expansion into international markets and increasing exports. The rapid growth of e-commerce and direct-to-consumer channels offers new revenue streams. Premiumization, branding, and sustainable clothing present further opportunities, especially among urban consumers. Collaborations with retailers and private labeling can also drive volume growth.

### **Threats:**

The industry faces intense competition from unorganized players offering lower-priced alternatives. Volatility in raw material prices, particularly cotton and synthetic fibers, can impact profitability. Rapidly changing fashion trends and consumer preferences require continuous innovation, while global economic uncertainties may affect export demand.

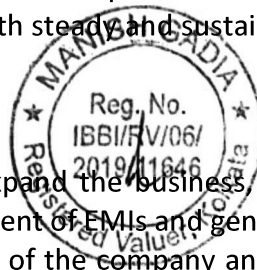
## **FORECAST**

The Indian kidswear market is projected to grow at a compound annual growth rate (CAGR) of approximately 8–10% over the next five years. Organized and scalable manufacturers are expected to capture a larger share of the market due to their ability to maintain quality, consistency, and compliance with global standards.

Companies with strong production capacity, design capabilities, and efficient supply chains are well-positioned to benefit from both domestic and international demand. Continued investment in technology, branding, and sustainable practices will further enhance competitiveness. Overall, the outlook for the kidswear manufacturing industry remains positive, with steady and sustainable growth expected in the medium to long term.

### **PURPOSE OF NEW SHARE CAPITAL**

The primary objective of this issue is to expand the business, repay existing loans, acquisition of strategic investments, working capital including payment of EMIs and general corporate purposes. It is also proposed to increase the Net-Worth and the Cash Flows of the company and to reduce the future interest liability of the company.



**DIRECTOR'S/KMP DETAILS-**

<b>DIN/PAN</b>	<b>DIRECTOR'S /KMP NAME</b>	<b>DESIGNATION</b>	<b>APPOINTMENT DATE</b>
02926873	Shiv Shankar Mundhra	Whole-time director	13/04/2022
05254448	Niranjan Mundhra	Managing Director	13/04/2022
08577538	Mahesh Kumar Mundhra	Whole-time director	13/04/2022
09549207	Kirti Mundhra	Director	01/01/2023
*****8574N	Krishan Kumar Karnani	CFO	01/01/2023
10083439	Kirti Taparia	Director	24/03/2023
*****3016P	Muskan Mundhra	Company Secretary	27/06/2023

Financial data as on 30th September, 2025:

<b>Particulars</b>	<b>Amount (For 2025-26 upto 30.09.25 in Rs. Lakhs)</b>	<b>Amount (For 2024-25 in Rs. Lakhs)</b>
Equity Share Capital	6199.75	1239.95
Other Equity	2267.88	5838.35
<b>NetWorth</b>	<b>8467.63</b>	<b>7078.30</b>

List of shareholders as on 30th September, 2025

<b>Category of Shareholders</b>	<b>No. of Shares held</b>	<b>%age of shareholding</b>
Promoter & Promoter group	45501500	73.39
Other than Promoter & Promoter group	16496000	26.61
Total	61997500	100.00

**List of Proposed Allottees**

<b>Proposed Allottees</b>	<b>Category</b>	<b>No. of warrants to be allotted</b>
Niranjan Mundhra	Promoter	247930
Shiv Shankar Mundhra	Promoter	247930
Mahesh Kumar Mundhra	Promoter	247930
Jagdish Prasad Mundhra	Promoter	661150
Saroj Devi Mundhra	Promoter	330570
Poonam Mundhra	Promoter	330570
Priyanka Mundhra	Promoter	330570
Kirti Mundhra	Promoter	330570
Krishan Kumar Karnani	Promoter	82640
Jagdish Prasad Mundhra HUF	Promoter	247930
Niranjan Mundhra HUF	Promoter	247930
Shiv Shankar Mundhra HUF	Promoter	247930
Mahesh Kumar Mundhra HUF	Promoter	247930
Bhagwan Nath Sidh	Other than Promoter	165280
<b>Total</b>		<b>3994900</b>



# SOURCES OF INFORMATION

In connection with this valuation exercise, I have used and relied upon the following information about the company received from the management of Karnika Industries Limited and/or gathered from public domain:

- ❖ Audited Balance Sheet of the Company as on 31<sup>st</sup> March, 2025.
- ❖ Unaudited Balance Sheet & Financial Results of the Company as on 30th September, 2025.
- ❖ Representations from the management (written and oral) that affect the value of the shares of the company.
- ❖ Public documents as available from external sources such as MCA (mca.gov.in), NSE, and others.
- ❖ Market / industry surveys & information.
- ❖ Share holding pattern as on 31-03-2025.
- ❖ Company Profile, Memorandum & Articles of Association
- ❖ Other information and documents for the purpose of this engagement.

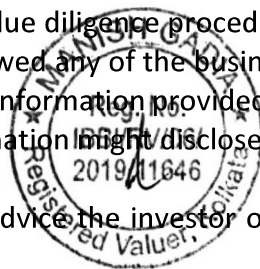
During the discussion with the Management, I have also obtained explanations and information considered reasonably necessary for my exercise. The Company have been provided with the opportunity to review the draft report (excluding the recommended valuation) as a part of my standard practice to make sure that factual / omissions are avoided in my final report.

I have relied upon the truth, accuracy and completeness of the information, data and financial terms provided to me or used by me; I have considered that the same are not misleading and do not accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the Company. The valuation analysis and result are substantively based only on information contained in this report and are governed by concept of materiality. Please refer to the caveats, limitations and disclaimers mentioned in this report.

## LIMITATIONS, QUALIFICATIONS AND EXCLUSIONS

This valuation is subject to the following limiting conditions:

1. This report has been prepared for the purpose of determining/estimating the Fair Value per Equity share of the Company based on the international/generally accepted valuation methodologies for the purpose of a Private Placement / Preferential Issue as per Regulation 164 of the SEBI (ICDR) Regulations.
2. The Terms of my engagement was such that I was mandated to rely upon the information & projections provided to me by the client with no further due diligence on the data or on the projections was done by me. I would not be held responsible for the achievability or authenticity of the forecasts or data.
3. The scope of work did not include any due diligence procedures. I have not conducted a site review of the subject business premises, nor have I reviewed any of the business financials. I do not imply that it should not be construed that I have verified any of the information provided to me, or that my inquiries could have verified any matter, which a more extensive examination might disclose.
4. By this report I am not purporting to advise the investor or investee companies on the prudence of the investment.



5. Neither me nor my employee undertakes responsibility in anyway whatsoever to any person in respect of any errors in this report arising due to limited time and information available to us.

6. I have not undertaken responsibility to update this report for the events and circumstances occurring after the valuation date. This report is purely recommendatory in nature. My liability, if any, shall be limited to the professional fees paid to me for rendering these services.

7. This report and the information provided herein is my sole Intellectual property and I hold its complete copyrights. No part of this report shall be reproduced/copied/extracted etc. without the express permission of mine in writing unless statutorily required. Such consent shall not be unreasonably withheld.

## DISCLAIMERS

The valuation of the Company contained herein is not intended to represent at any time other than the date that is specifically stated in this report. I have no responsibility to update this report for events and circumstances occurring after the valuation date.

Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and I do not assume any obligation to update, revise or reaffirm this report.

Valuation analysis and its results are specific to the purpose of valuation as mentioned in the section "Purpose". It may not be relevant for any other purpose or entity. This Report is prepared exclusively for the above stated purpose. Neither this report nor its content may be used for any other purpose without my prior written consent.

My work does not constitute an audit or certification of the historical financial statements. I cannot and do not express an opinion on the accuracy of any financial information referred to in this report. I have relied on the assumptions made by the management of the Company. These assumptions require exercise of judgment and are subject to uncertainties.

The Management of the Company has indicated to me that it has understood that any omissions, inaccuracies, or misstatements may materially affect my analysis/results. Accordingly, I assume no responsibility for any errors in the above information furnished by the Management of the Company and their impact on the present valuation exercise.

I have assumed that the company will maintain the character and integrity of the Company through any reorganization or reduction of any owner's/manager's participation in the existing activities of the Company

In no event shall I be liable for any loss, damage, cost or expense arising in any way from fraudulent acts, misrepresentations or willful defaults on the part of the Company, their directors, employees or agents. In no circumstances shall my liability relating to services provide in connection with the engagement set out in this report exceed the amount paid to me in respect of the fees charged for those services.

The assumptions used in their preparation as I have been explained, are based on the management's present expectation of both – the most likely set of future business events and the management's course of action related to them. Wherever I have not received detailed information from the management, I have used my

assessment of value based on experiences and circumstances of the case. It is usually the case that some events and circumstances do not occur as expected or are not anticipated.

I have relied upon the representations received from the Management that the information contained in this Report is materially accurate and complete, fair in the manner of its portrayal and therefore forms a reliable basis for the valuation.

This report shall at all times be read and interpreted in full, no part of it shall be read independently for any reason whatsoever. This report and the information provided herein is the sole Intellectual property of the company and the company holds its complete copyrights. No part of this report shall be reproduced/copied/extracted etc. without the express permission of the company in writing unless statutorily required. Such consent shall not be unreasonably withheld.

The fee for the engagement is not contingent upon the results reported.

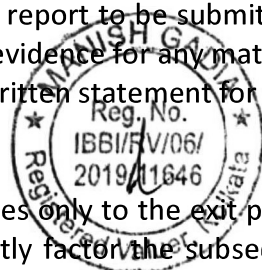
In the course of the valuation, I was provided with both written and verbal information. I have however, evaluated the information provided to me by the Management of the Company through broad inquiry, however I have not carried out a due diligence or audit procedures for the purpose of this engagement, nor have I independently investigated or otherwise verified the data provided. Through the above evaluation, nothing has come to my attention to indicate that the information provided was materially mis-stated/incorrect or would not afford reasonable grounds upon which to base the report. I do not imply and it should not be construed that I have verified any of the information provided to us, or that my inquiries could have verified any matter, which a more extensive examination might disclose. The terms of my engagement were such that I was entitled to rely upon the information provided by the Management of the Company.

The Report assumes that the Company complies fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Company will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Valuation Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws and litigation and other contingent liabilities that are not recorded in the audited balance sheet of the Company. My Analysis of value assumes that the assets and liabilities of the Company, reflected in the respective latest balance sheet remain substantially intact as of the Report date.

The assumptions used in their preparation, as I have been explained, are based on the management's present expectation of both – the most likely set of future business events and the management's course of action related to them. Wherever I have not received detailed information from the management, I have used my assessment of value based on experiences and circumstances of the case. It is usually the case that some events and circumstances do not occur as expected or are not anticipated and this may materially affect my result of value.

My engagement is limited to preparing the report to be submitted to the management of Karnika Industries Limited. I shall not be liable to provide any evidence for any matters stated in the report nor shall I be liable or responsible to provide any explanation or written statement for any assumption, information, methodology or any other matter pertaining to the report.

The fair value measurement approach relates only to the exit price from a market participant's view point at the measurement date and does not directly factor in the subsequent reversibility or otherwise of price. It is



based on the perspective of market participants rather than just the entity itself, so fair value is not affected by an entity's intentions of retaining or otherwise of the asset, liability or equity item that is being fair valued.

This report does not look into the business/ commercial reasons behind the transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are achievable.

I owe responsibility to only the management of the Company that has engaged me and nobody else. I do not accept any liability to any third party in relation to this certificate. In any case, my liability to the Company or any third party is limited to be not more than the amount of the fee received by me from the Company for the engagement.

I hereby certify that the valuer is suitably qualified and authorized to practice as a valuer; and does not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the company (including the parties with whom the company is dealing, including the lender or selling agent, if any). The valuer accepts instructions to value the company only from the appointing authority or eligible instructing party.

I am not advisor with respect to legal, tax and regulatory matters for the transaction. This Valuation report is subject to the laws in India.

I have no present or planned future interest in the company or its group companies, if any and the fee payable for this valuation is not contingent upon the value of shares reported herein.

## STANDARD OF VALUE

The valuation exercise is aimed at the assessment of the Fair Value of the Karnika Industries Limited. I am required to arrive at the above valuations based on internationally accepted valuation practices. I have used "Fair Market Value" (FMV) as a standard of value for ascertaining the enterprises value.

Fair market value is defined as:

*"The price at which property would change hands between a hypothetical able and willing buyer and a hypothetical willing and able seller, acting in arm's length in an open and unrestricted market when neither is under any compulsion to buy or sell and when both have reasonable knowledge of the relevant facts."*

My analysis and report are in conformity with the "ICAI Valuation Standards" (IVS) issued by the Institute of Chartered Accountants of India. In addition to the general standards guidelines of the IVS, my report specifically complies with ICAI Valuation Standard 102 - Valuation Bases, ICAI Valuation Standard 103 - Valuation Approaches and Methods, ICAI Valuation Standard 201 - Scope of Work, Analyses and Evaluation, ICAI Valuation Standard 202 - Reporting and Documentation and ICAI Valuation Standard 301 - Business Valuation. Ind AS (113) as well as IFRS 13 defines fair value as *"the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."*

## PREMISE OF VALUE

My Opinion with respect to determination of fair value of the Equity Shares of Company is based on Going Concern basis since the company is carrying out its operations in a professional manner with an objective to carry on its business.

## VALUATION METHODOLOGY

Valuation of a business is not an exact science and ultimately depends upon what it is worth to a serious investor or buyer who may be prepared to pay a substantial goodwill. This exercise may be carried out using various methodologies, the relative emphasis of each often varying with:

- ❖ Whether the entity is listed or not listed on a stock exchange
- ❖ Industry to which the company belongs
- ❖ Past track record of the business and the case with which the growth rate in cash flows to perpetuity can be estimated.
- ❖ Extent to which industry and comparable company information is available.

The International Accounting Standard Board (IASB), which is the independent standard setting body of the IFRS foundation, has set out two internationally accepted valuation methodologies for arriving at the fair value of a share namely, the income approach and the market approach.

The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the value. In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue. These can be broadly categorized as follows:

### **Asset based**

#### **Adjusted Net Assets Value method (NAV)**

The Value arrived at under this approach is based on the audited/provisional financial statements of the business and may be defined as Shareholders Funds or Net Assets owned by the business. The Adjusted Net Assets Value of the business is arrived at after making adjustments for the fair value of Assets and Liabilities as on the date of valuation.

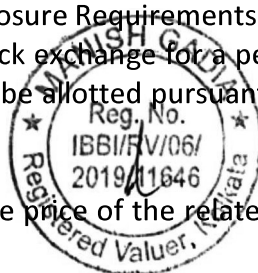
### **Market Based**

Market approach is a valuation approach that uses prices and other relevant information generated by the market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

### **Pricing of frequently traded shares**

Regulation 164. (1) SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 - If the equity shares of the issuer have been listed on a recognized stock exchange for a period of 90 trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

- a. the 90 trading days volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date; or



b. the 10 trading days volume weighted average prices of the related equity shares quoted on a recognized stock exchange preceding the relevant date.

“Provided that if the Articles of Association of the issuer provide for a method of determination which results in a floor price higher than that determined under these regulations, then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue.”

#### Comparable Company Market Multiple Method

Under this methodology, market multiples of comparable listed companies are computed and applied to the business being valued in order to arrive at a multiple based valuation. The difficulty here is in the selection of a comparable company since it is rare to find two or more companies with the same product portfolio, size, capital structure, business strategy, and profitability and accounting practices.

Whereas no publicly traded company provides an identical match to the operations of a given company, important information can be drawn from the way comparable enterprises are valued by public markets.

#### Comparable Transactions Multiple Method

This approach is somewhat similar to the market multiples approach except that the sale and EBITDA multiples of reported transactions in the same industry in the recent past are applied to the sales and EBITDA of the business being valued.

The following are some of the instances where a valuer applies the market approach:

- ❖ Where the asset to be valued or a comparable or identical asset is traded in the active market;
- ❖ There is a recent, orderly transaction in the asset to be valued; or
- ❖ There are recent comparable orderly transactions in identical or comparable asset(s) and information for the same is available and reliable.

#### Income Based

##### Discounted Cash flow Method (DCF)

DCF uses the future free cash flows of the firm/equity holders discounted by the weighted average cost of capital (WACC), to arrive at the present value. The WACC, based on an optimal vis-à-vis actual capital structure, is an appropriate rate of discount to calculate the present value of future cash flows as it considers debt-equity risk by incorporating debt-equity ratio of the firm. In general, DCF method is a strong and widely accepted valuation tool, as it concentrates on cash generation potential of a business considering that this method is based on future potential and is widely accepted.

##### Profit Earning Capacity Value

Profit Earning Capacity Value is one of the traditional methods of business valuation whereby maintainable future profits after tax are ascertained on the basis of past earnings (suitably adjusted for any changes in the key parameters) which are then capitalized at a discounting rate.

## VALUATION APPROACH USED

### **Market Based: Market Price Method**

The Company's shares are listed and traded at INSE. The Equity Shares of the Company are frequently traded within the meaning of explanation provided in Regulation 164 (5) of Chapter V of the SEBI (ICDR) Regulations, 2018. Trading volume of equity shares of the Company is more during the preceding 90 trading days prior to the relevant date.



For calculation of market value, we have considered the trade data obtained from NSE for the period 27th Nov, 2025 to 9th April, 2026 (90 trading days preceding the relevant date i.e. 10th April, 2026) as below:

Particulars	MM/DD/YY	Day
Relevant Date	10-04-2026	Friday

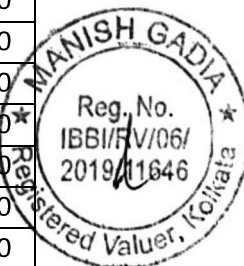
**As per NSE:**

(a) the 90 trading days volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date:

Date	Total Traded Quantity	Turnover
09-Apr-26	5000	645400
08-Apr-26	28000	3635400
07-Apr-26	2000	244000
06-Apr-26	3000	356200
02-Apr-26	7000	807950
01-Apr-26	7000	769650
30-Mar-26	18000	1906750
27-Mar-26	291000	30865850
25-Mar-26	29000	3172700
24-Mar-26	1000	114000
23-Mar-26	3000	342550
20-Mar-26	14000	1576500
19-Mar-26	54000	5899050
18-Mar-26	57000	6493450
17-Mar-26	57000	6511900
16-Mar-26	138000	15036400
13-Mar-26	20000	2206400
12-Mar-26	2000	228000
11-Mar-26	4000	457050
10-Mar-26	95000	10966450
09-Mar-26	78000	8693100
06-Mar-26	9000	1006700
05-Mar-26	152000	16473200
04-Mar-26	272000	30446350
02-Mar-26	264000	30039500
27-Feb-26	352000	40812350
26-Feb-26	427000	56402050
25-Feb-26	55000	7316250
24-Feb-26	242000	31985500
23-Feb-26	13000	1728750
20-Feb-26	13000	1832800
19-Feb-26	19000	2740850
18-Feb-26	110000	15665150
17-Feb-26	137000	19051450



16-Feb-26	27000	3660200
13-Feb-26	42000	5743600
12-Feb-26	24000	3168700
11-Feb-26	16000	2011850
10-Feb-26	12000	1439600
09-Feb-26	3000	355650
06-Feb-26	8000	934550
05-Feb-26	14000	1615100
04-Feb-26	7000	796300
03-Feb-26	6000	711950
02-Feb-26	3000	347000
01-Feb-26	5000	582100
30-Jan-26	2000	232200
29-Jan-26	10000	1176050
28-Jan-26	2000	235050
27-Jan-26	13000	1551650
23-Jan-26	1000	119000
22-Jan-26	5000	599400
21-Jan-26	1000	118000
20-Jan-26	7000	817750
19-Jan-26	15000	1796000
16-Jan-26	3000	365500
14-Jan-26	64000	7689550
13-Jan-26	4000	476250
12-Jan-26	13000	1552850
09-Jan-26	9000	1081950
08-Jan-26	17000	2021400
07-Jan-26	2000	236500
06-Jan-26	165000	19322800
05-Jan-26	2000	239800
02-Jan-26	3000	356250
01-Jan-26	1000	117550
31-Dec-25	1000	117450
30-Dec-25	13000	1503100
29-Dec-25	13000	1535050
26-Dec-25	18000	2132500
24-Dec-25	8000	950500
23-Dec-25	5000	605000
22-Dec-25	15000	1792950
19-Dec-25	15000	1773100
18-Dec-25	16000	1887900
17-Dec-25	24000	2820350*
16-Dec-25	13000	1562300
15-Dec-25	7000	845350
12-Dec-25	15000	1869850
11-Dec-25	4000	467200



10-Dec-25	31000	3727950
09-Dec-25	267000	31798500
08-Dec-25	10000	1256000
05-Dec-25	31000	4015250
04-Dec-25	7000	937900
03-Dec-25	6000	804000
02-Dec-25	17000	2212100
01-Dec-25	9000	1180450
28-Nov-25	2000	270900
27-Nov-25	18000	2346750
<b>TOTAL</b>	<b>40,49,000</b>	<b>48,63,13,950</b>

90 trading days volume weighted average price – Rs. 120.11

(b) the 10 trading days volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date:

Date	Total Traded Quantity	Turnover
09-Apr-26	5000	645400
08-Apr-26	28000	3635400
07-Apr-26	2000	244000
06-Apr-26	3000	356200
02-Apr-26	7000	807950
01-Apr-26	7000	769650
30-Mar-26	18000	1906750
27-Mar-26	291000	30865850
25-Mar-26	29000	3172700
24-Mar-26	1000	114000
<b>Total</b>	<b>3,91,000</b>	<b>4,25,17,900</b>

10 trading days volume weighted average price – Rs. 108.74

We have considered volume weighted average price for a period of 90/10 trading days by taking into consideration aggregate daily turnover in the scrip over the period of 90/10 trading days and dividing the same by the total number of shares traded during the said period.

(a) 90 trading days volume weighted average price: Rs. 120.11

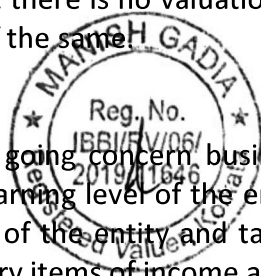
(b) 10 trading days volume weighted average price: Rs. 108.74

Therefore, Applicable Minimum Price [higher of (a) or (b)]: Rs. 120.11

The Management has informed us that there is no valuation methodology / formula prescribed in Articles of Association and also provided a copy of the same.

**Profit Earning Capacity Value (PECV)**

PECV method is used while valuing a going concern business with a good profitability history. It involves determining the future maintainable earning level of the entity from its normal operations. It is essential for the valuer to understand the business of the entity and take into account the normal business profits after adjusting the nonrecurring/extraordinary items of income and expense.



### **Asset based: Adjusted Net Assets Value method (NAV)**

It is the value of the assets of the company that determine the fair value of the company. Hence, in the present case, the company have been valued by using Net Asset Value Method. Other Assets are considered at book value, other than investments in securities and fixed assets, which have been considered at their respective fair value for the proposed further issue of shares.

Considering the Supreme Court's decision in the Hindustan Lever Employee Union vs. Hindustan Lever Limited, (1995) (83 Com Case 30) wherein the Honourable Court had opined on the Fair Value for a Listed company, the Fair Value is derived as under:

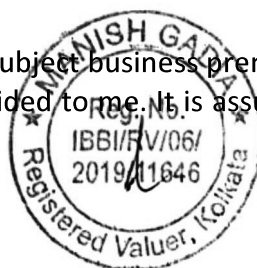
#### **FAIR VALUE OF EQUITY SHARE OF KARNIKA INDUSTRIES LIMITED**

<b>HLL Case Law</b>			
<b>Valuation Approach</b>	<b>Value Per Share (INR)</b>	<b>Weights</b>	<b>Weighted Value per equity share</b>
Asset Approach-NAV method	13.66	0%	0.00
Profit Earning Capacity Value- PECV approach	81.36	0%	0.00
Market Approach-Market price method	120.11	100%	120.11
<b>Weighted Average Price per share</b>		<b>100%</b>	<b>120.11</b>

Therefore, in the present situation, I have considered the weighted average of NAV method, PECV Method and Market Method to arrive at the fair value of the company.

## **KEY ASSUMPTIONS**

- ❖ I have relied on the Audited balance sheet for the period ended on 31<sup>st</sup> March 2025, Unaudited balance sheet for the period ended on 30th September 2025, and information provided as not to be misleading and did not find any material reason to not rely on them.
- ❖ Since the company is expected to generate positive cash flows in future, I don't have any reason to believe that the company may not be in existence in near future. Accordingly, I have valued the company on a going concern basis.
- ❖ I have not attempted to confirm whether or not the Equity Shares of Karnika Industries Limited are free and clear of liens and encumbrances, or that the Company has good title to the instrument.
- ❖ I have not conducted the site review of the subject business premises neither do I confirm the accuracy of the financials of Karnika Industries Limited provided to me. It is assumed that these statements are true and correct.



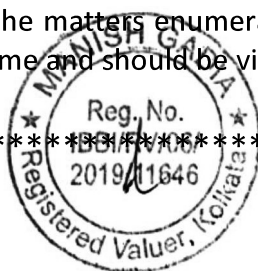
## CONCLUSION

In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. quality of the management, present and prospective competition, yield on comparable securities and market sentiment etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon said in *Gold Coast Selection Trust Ltd. Vs. Humphrey* reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:

*"If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible."*

The values so arrived at are subject to the matters enumerated in 'Disclaimer statement', 'Scope of Work & Limitation' and information provided to me and should be viewed in the light thereof.

\*\*\*\*\*



**VALUATION OF KARNIKA INDUSTRIES LIMITED AS ON 30TH  
SEPTEMBER, 2025**

**NET ASSET VALUE METHOD**

<b>Particulars</b>	<b>Amount (in Rs. Lakhs)</b>	<b>Amount (in Rs. Lakhs)</b>
<b>Fixed Assets</b>		
Book value of Tangible Assets	686.28	
Intangible Assets	6.40	692.68
<b>Non-current investments</b>		
Non-current investments	1,614.96	
Other Financial Assets	123.11	1,738.07
Deferred Tax Assets		46.72
<b>Book Value of All the Assets</b>		
Current Investments		
Inventories	4,315.09	
Trade Receivables	8,920.81	
Cash and Bank Balances	167.77	
Short term loans & Advances	743.92	
Other Financial Assets	1,574.27	
Other Current Assets	158.70	
<b>Total Assets</b>	<b>15,880.56</b>	
<b>Less: Unamortised Deferred Expenditure</b>	-	15,880.56
<b>Book Value of Total Liabilities</b>		
Short-term borrowings	6,474.05	
Deferred Tax Liabilities		
Trade payables	2,993.36	
Short-term Provisions	115.49	
Long-term Provisions	18.58	
Other current liabilities	183.64	
<b>Total Liabilities</b>	<b>9,785.12</b>	
<b>Provision for Income Tax</b>	-	-9,785.12
<b>TOTAL ASSETS</b>		<b>8,572.91</b>
Long Term Liabilities	105.28	-105.28
<b>Net Value of Assets</b>		<b>8,467.63</b>
<b>No.of Shares Outstanding as on 30th September, 2025</b>		6,19,97,500
<b>Net asset value per share</b>		13.66



**PECV Method (Avg PAT/ No of shares)**

Profit After Tax (in Rs. ` lakhs)		no. of share	EPS	Adjusted No. of Share	Adjusted EPS
<b>2025</b>	1,803.04	<b>1,23,99,500</b>	<b>14.54</b>	<b>1,23,99,500</b>	<b>14.54</b>
<b>2024</b>	1,010.49	<b>1,23,99,500</b>	<b>8.15</b>	<b>1,23,99,500</b>	<b>8.15</b>
<b>2023</b>	818.21	<b>1,23,99,500</b>	<b>6.60</b>	<b>1,23,99,500</b>	<b>6.60</b>
<b>Total PAT</b>	<b>3,631.74</b>			<b>Avg PAT</b>	<b>1,210.58</b>
				<b>Average EPS</b>	<b>9.76</b>
				<b>Discount Rate</b>	<b>12%</b>
				<b>Value of share</b>	<b>81.36</b>

