



Karnika

INDUSTRIES LIMITED

CRAFTING QUALITY. STYLING FUTURES.

Q2 & H1 FY27

INVESTOR PRESENTATION



A Complete Wardrobe Solution



QUALITY
YOU TRUST



STYLES
KIDS LOVE



SUSTAINABLE
TOMORROW



COMPLETE
WARDROBE



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Karnika[®]
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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)

35%
Gross Margins (H1FY27)

101%
PAT CAGR
(FY21-FY26)

32%
ROCE (H1FY27)

0.6x
Net Debt-to-Equity
(H1FY27)



Operational Metrics



28 States Distributed
PAN India



500+ Active SKUs (Per Month)



2500+ Trusted Clients



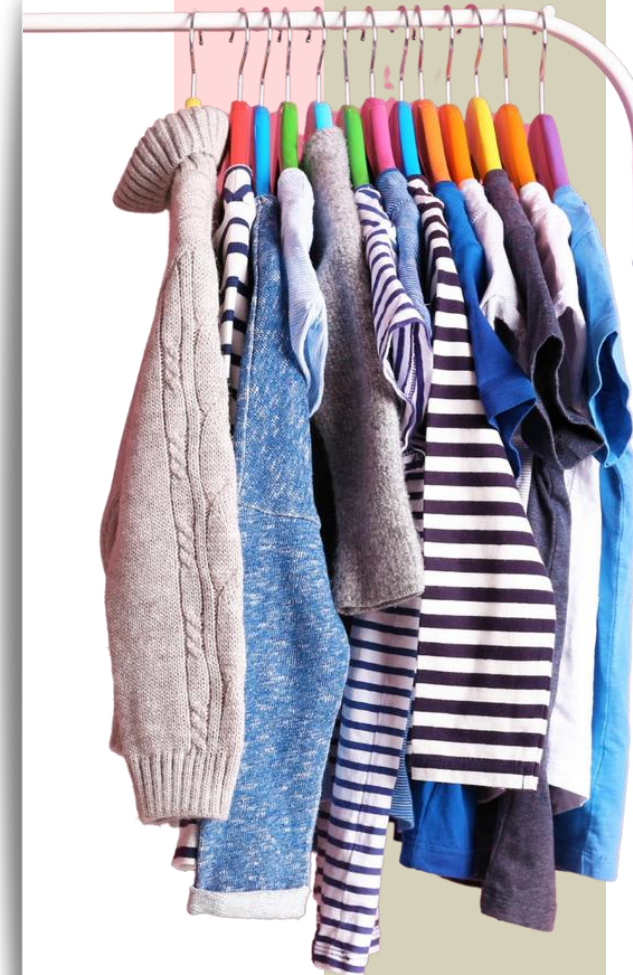
ISO 14001 Certified
ISO 9001:2015 Certified
SEDEX Certified



90% Repeat Clientele

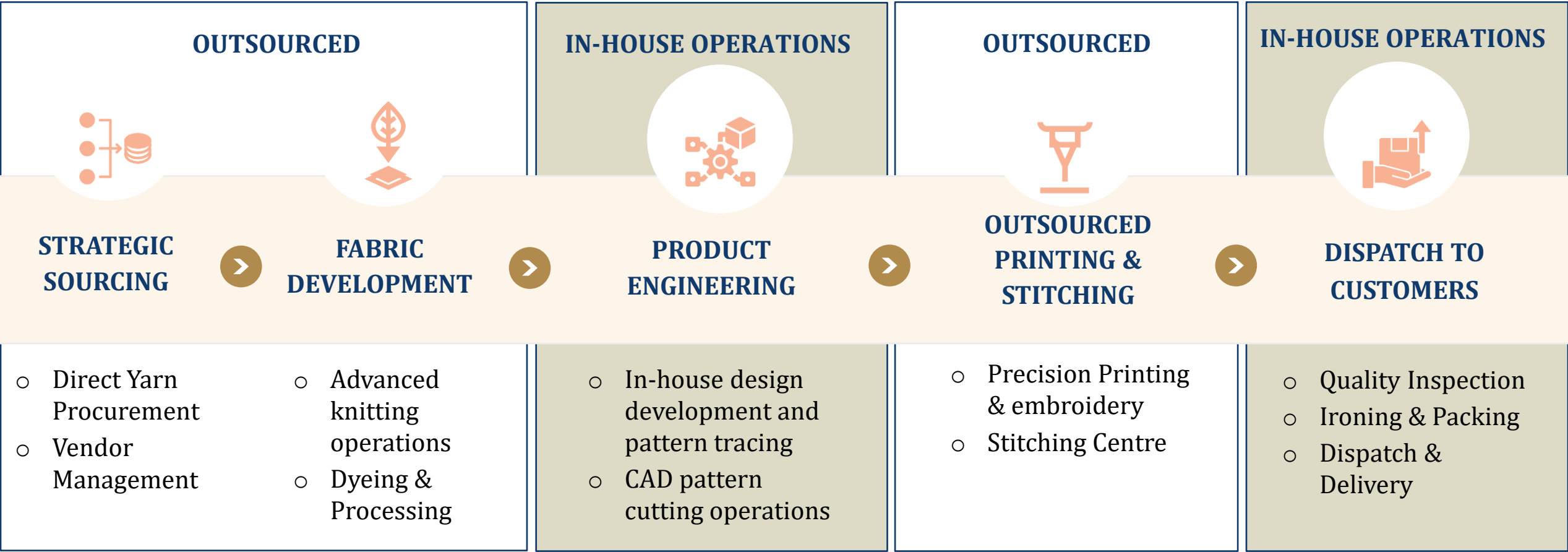


45 Lakh Production
Volume (garments)



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 – 540+

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: **Targeting 55+** on airports, high end streets

6 Shop-in-shop (SIS)

Expanding presence within leading retail destinations.

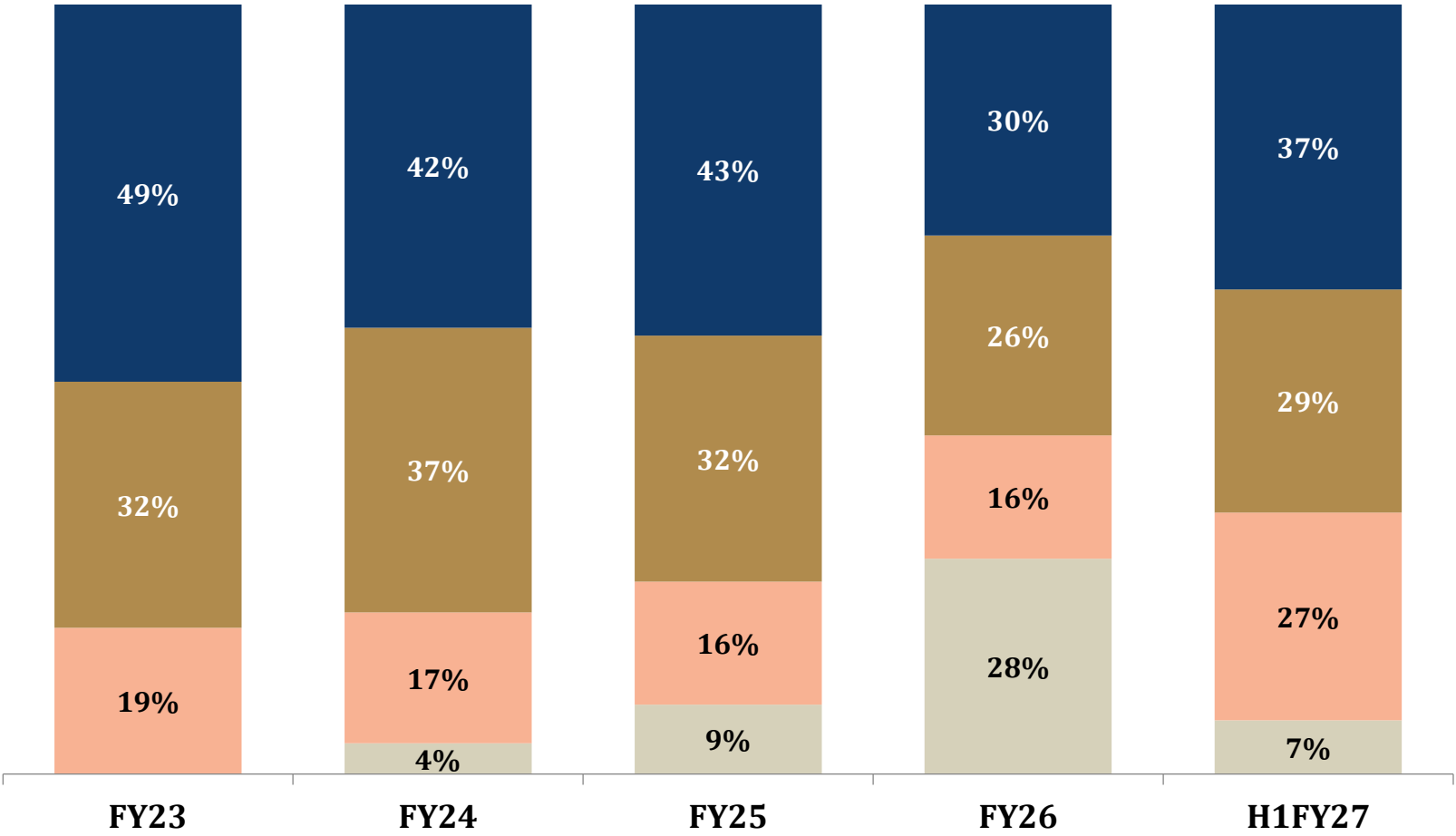
Across leading stores: Pothy's, Spencer's, Chennai Silks counters

SIS: **85+** (as of H1FY27)



Balanced Multi-Category Product Portfolio

Broad based mix supports resilient and scalable growth



Boys' Wear

Stylish & Comfortable fashion for boys

Girls' Wear

Trendy & adorable styles for girls

Infant

Gentle & safe essentials

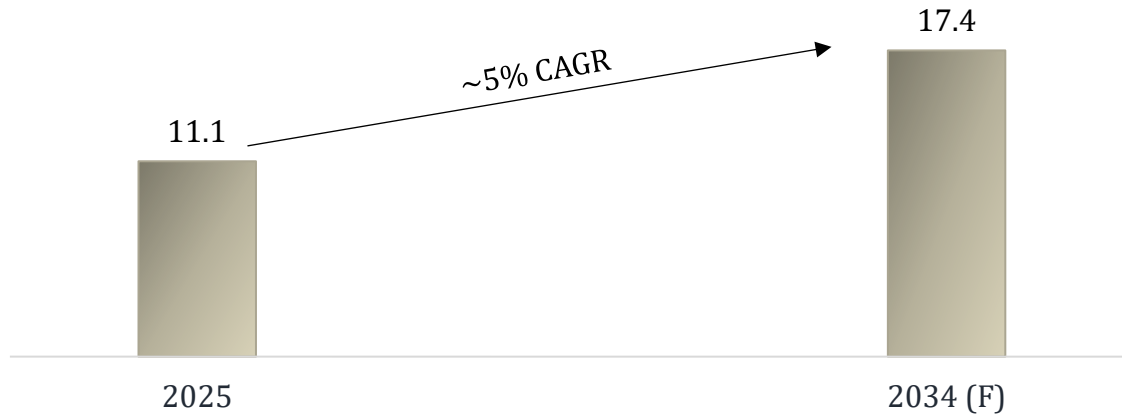
Fabric

Quality fabrics for every occasion

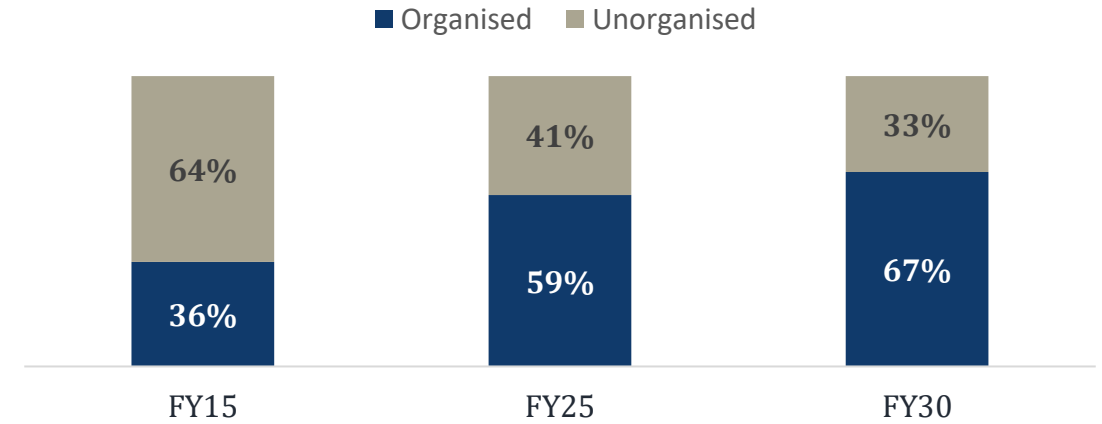
India's Kidswear Market: High-Growth Opportunity

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

INDIA'S CHILDREN'S APPAREL MARKET (IN USD BN)



MARKET SEGMENTATION BY SECTOR



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.

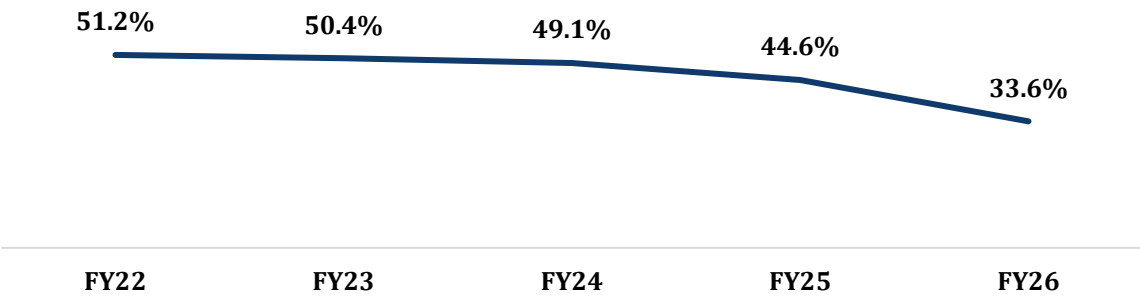


Smaller Families: More spend per child on quality and premium apparel.

Investment-Led Transition Phase

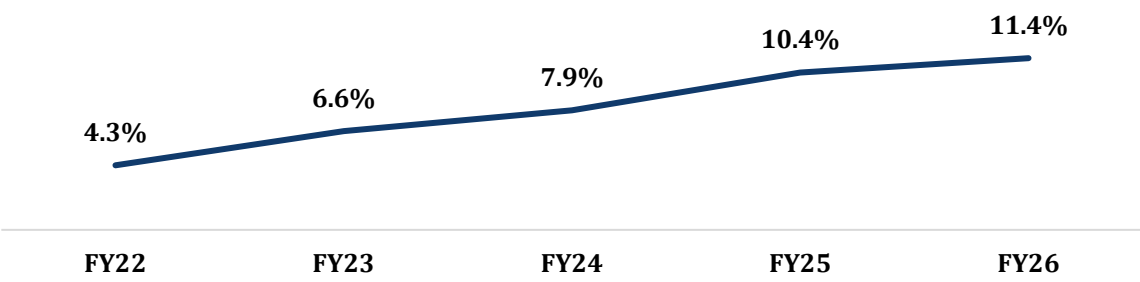
Near-term expansion supporting scalable growth and long-term capital efficiency

Gross Margins



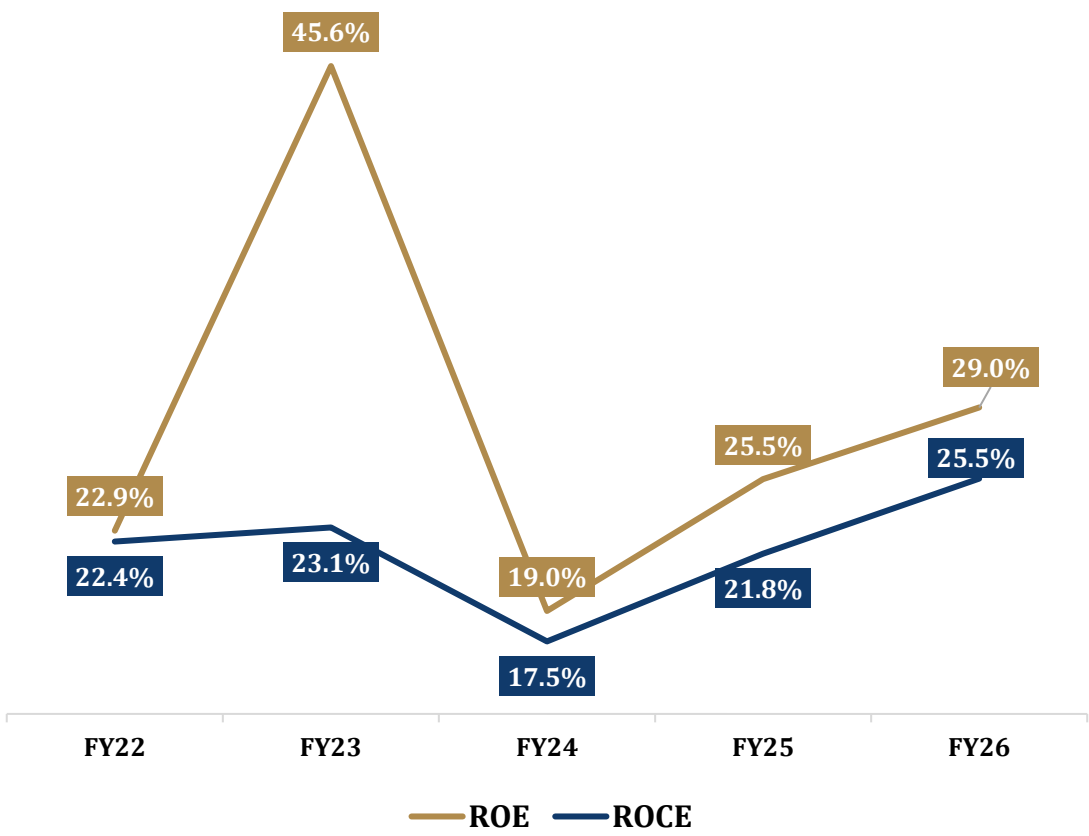
Our *Gross Margins* reflect product mix transition and input cost normalization post peak FY22 levels.

PAT Margins



Healthy PAT margins reflecting strong operating discipline and efficient cost management

Return Ratios Adjusting with Capacity & Capital Expansion



Improving earnings conversion supporting superior ROCE and ROE trajectory over the medium term

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02

Quarterly Performance



“ Q2 FY27 marked a **record quarter for Karnika Industries**, with the highest-ever quarterly revenue, EBITDA and PAT, reflecting strong business momentum.

India's branded kidswear market presents a significant long-term opportunity, supported by rising brand awareness and the shift towards organised retail. Our diversified brand portfolio, integrated manufacturing capabilities and expanding pan-India presence position us to capitalise on this opportunity.

Our **integrated B2B and B2C strategy** remains central to our growth roadmap, combining established sourcing and distribution capabilities with an expanding retail and omnichannel presence to strengthen consumer reach and create additional growth avenues.

Going forward, our focus remains on **expanding market reach, strengthening brand equity and driving operational efficiencies**, while maintaining profitability and financial discipline to support sustainable long-term growth.

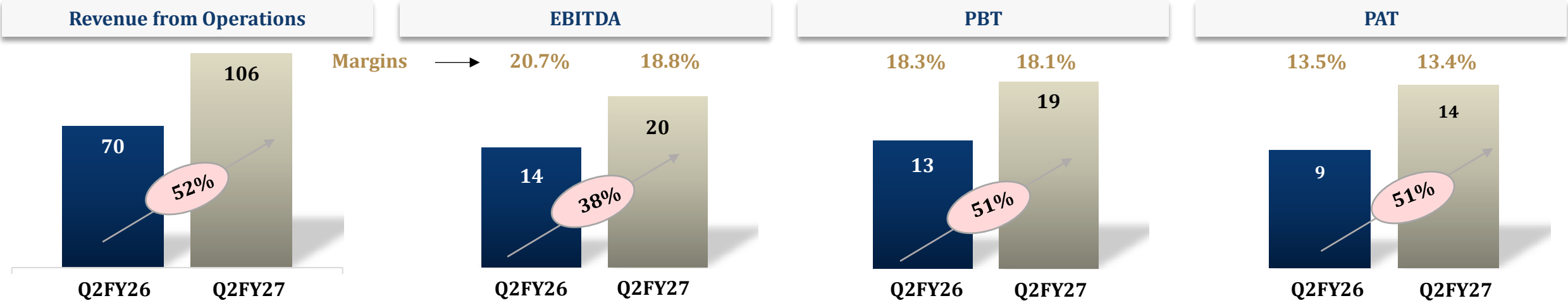


Mr. Niranjan Mundhra
Managing Director

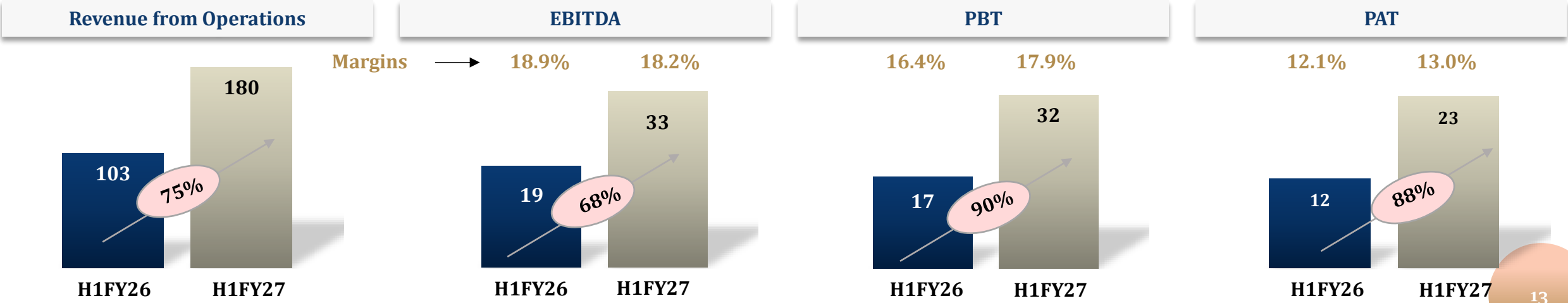
Q2 & H1 FY27 Financial Performance

Steady Revenue Growth

Q1 FY26



H1 FY26



Q2 & H1 FY27 Financial Performance

Particulars (INR Cr)	Q2FY27	Q2FY26	Y-o-Y (%)	Q1FY26	Q-o-Q (%)	H1FY27	H1FY26	Y-o-Y (%)
Revenue from Operations	106	70	52.3%	74	44.0%	180	103	74.7%
Expenses	86	55	56.0%	61	41.2%	147	84	76.2%
EBITDA	20	14	38.1%	13	57.0%	33	19	68.1%
EBITDA Margins (%)	18.8%	20.7%	(193) bps	17.2%	156 bps	18.2%	18.9%	(71) bps
Depreciation	0.2	0.4	(54.6%)	0.2	(23.8%)	0.4	1	(47.0%)
Other Income	1	0.1	896.1%	2	(35.7%)	3	1	172.6%
Share of Profit/(Loss) from Associates	(0.2)	0	-	0	-	0	0	-
Finance Cost	1	1	7.3%	1	6.3%	3	3	5.2%
Profit Before Tax	19	13	50.7%	13	50.5%	32	17	90.3%
PBT Margins (%)	18.1%	18.3%	(19) bps	17.3%	78 bps	17.9%	16.4%	146 bps
Tax	5	3	49.8%	4	38.6%	9	4	95.7%
Profit After Tax	14	9	51.0%	9	55.2%	23	12	88.3%
PAT Margins (%)	13.4%	13.5%	(11) bps	12.4%	97 bps	13.0%	12.1%	94 bps
EPS Diluted (INR)	2.01	3.29	(38.9%)	1.44	39.6%	3.45	6.07	(43.2%)

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03

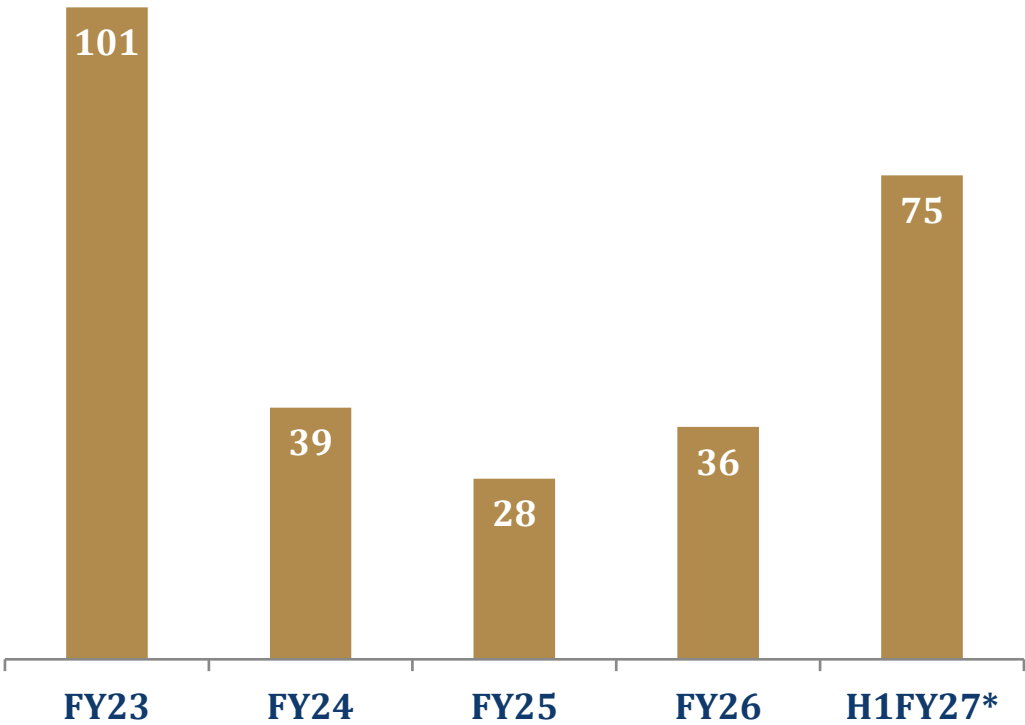
USPs



Lean & Scalable Business Model

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

FIXED ASSET TURNOVER (x)



**Annualised FATR*

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

BRANDS:

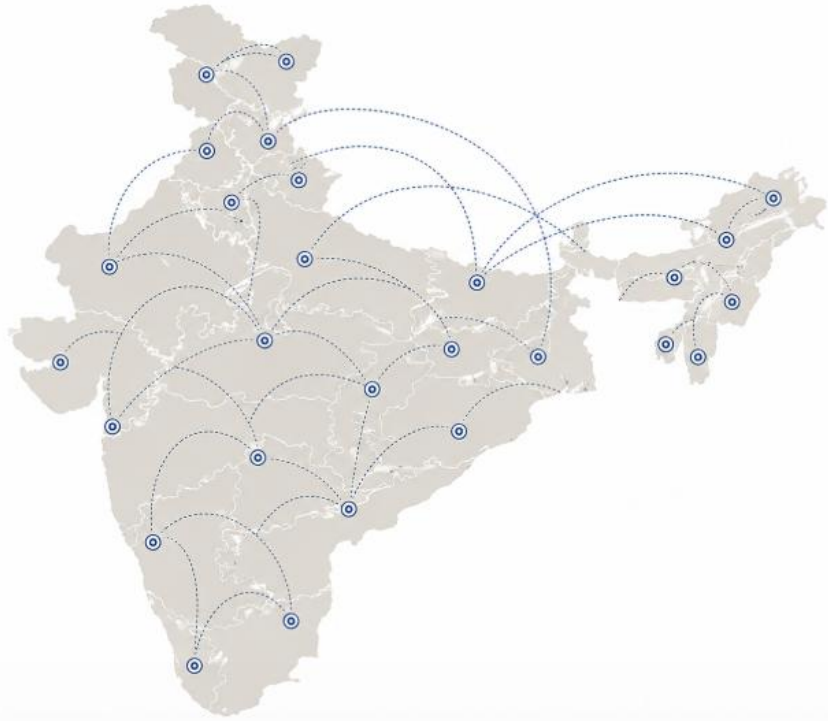


Strong Domestic Foundation. Expanding Global Footprint.

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

 **<1%**

**Revenue from Exports
(H1FY27)**

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 – 60th GARMENT BUYERS & SELLERS MEET
WBGMDA, KOLKATA**

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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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

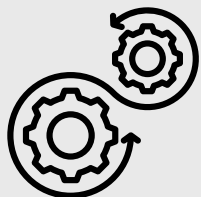
Positions Karnika for long-term profitable growth and stronger market leadership

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.

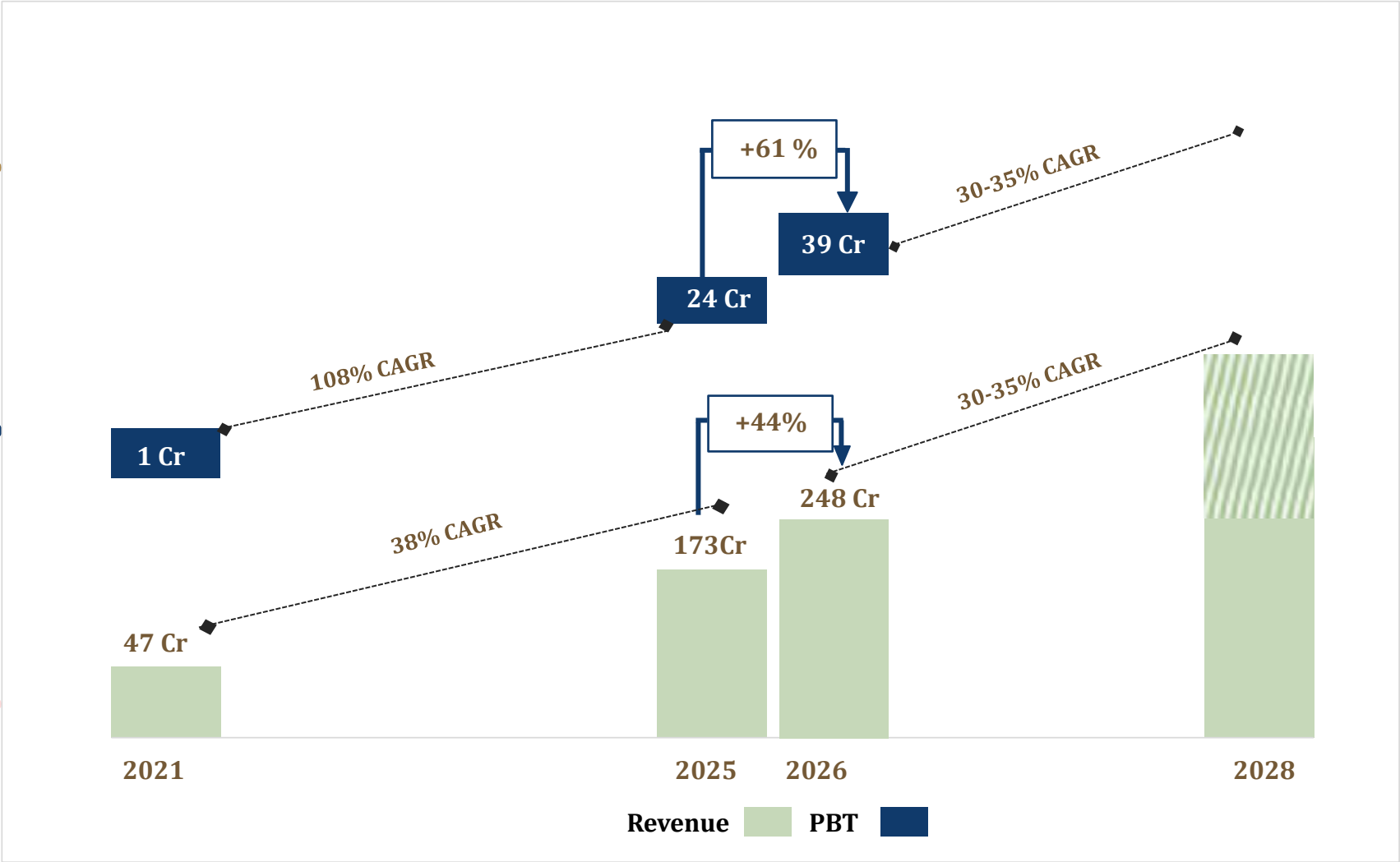
2028: Accelerating the Next Growth Phase

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. Niranjan 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

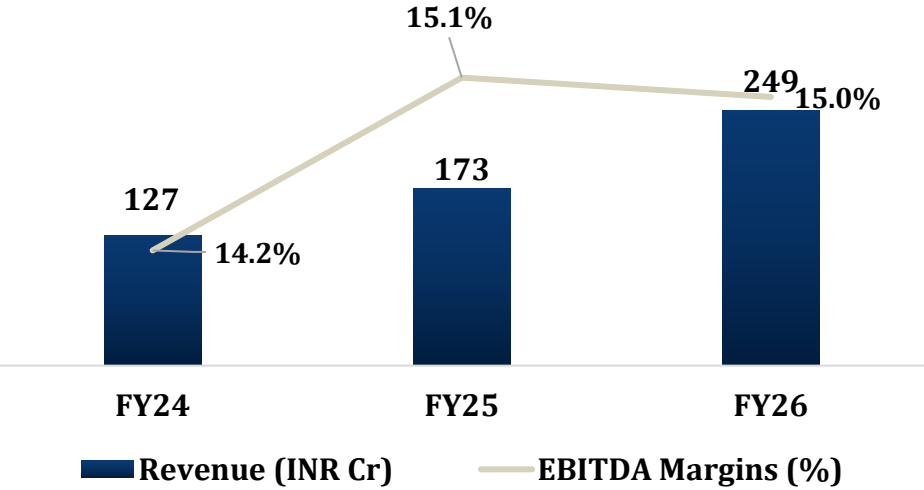
- Holds an Honours degree in Bachelor of Commerce
- ~10 years of experience in finance and accounts



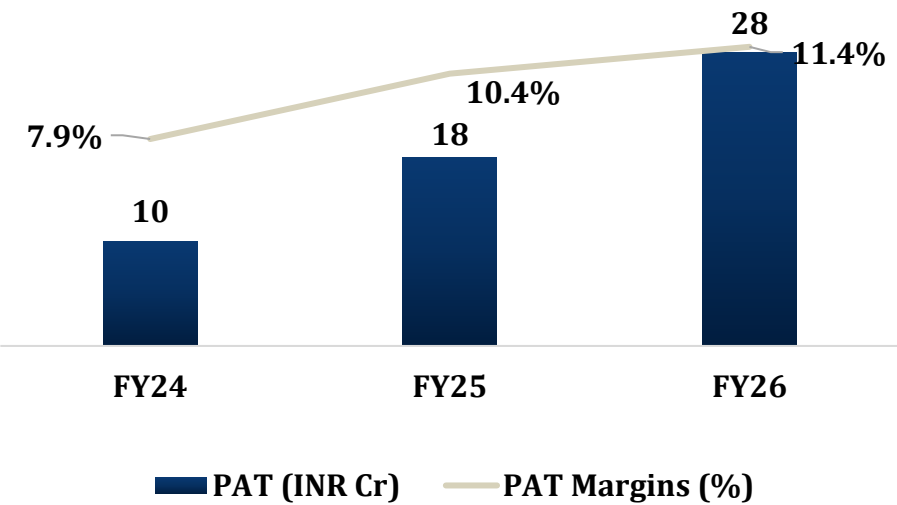
Mr. Yash Jhavar
Independent Director

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

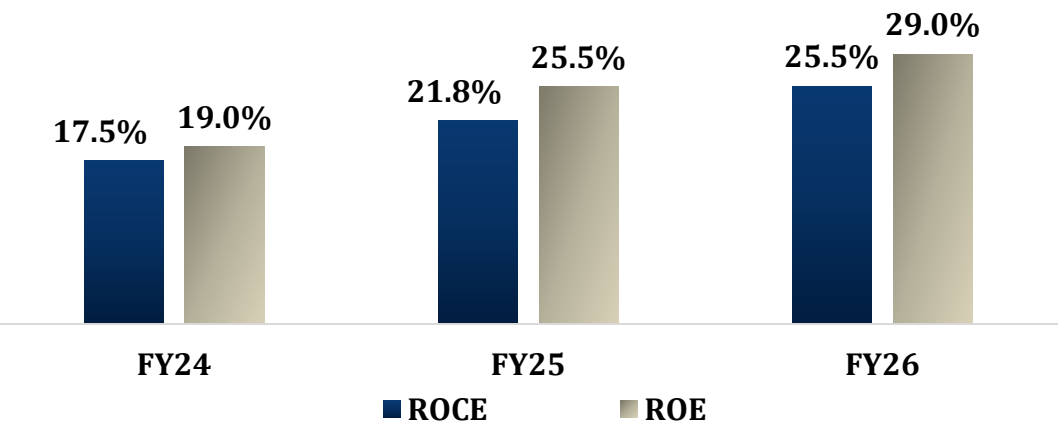
Delivering Growth with Margin Expansion



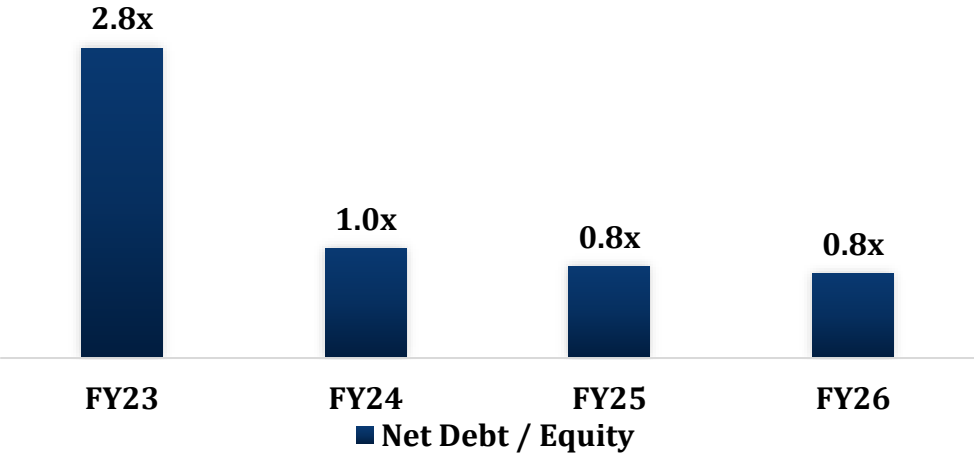
Strengthening Bottom Line Performance

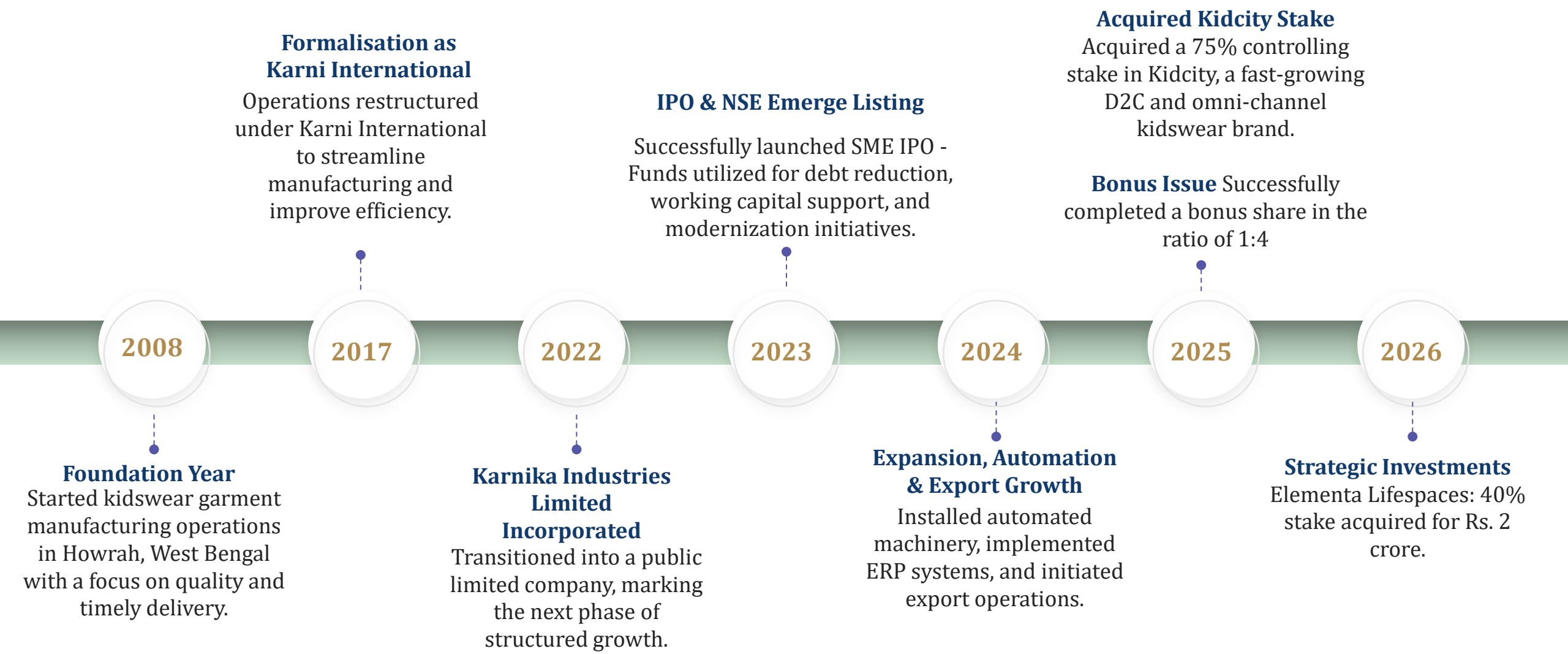


Higher Capital Efficiency & Returns



Sharp Reduction in Leverage Levels





Historical Statement of Profit & Loss

Particulars (INR Cr)	FY23	FY24	FY25	FY26
Revenue from Operations	125	127	173	248
Cost of Goods Sold	62	65	96	165
Gross Profit	63	62	77	84
Gross Margin (%)	50.4%	49.1%	44.6%	33.6%
Employee Cost	6	7	6	8
Other Operating Expenses	41	38	45	39
EBITDA	15	18	26	37
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
Profit Before Tax	11	14	24	39
Tax	3	3	6	10
Profit After Tax	8	10	18	28
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
Shareholders' Fund				
Equity Share Capital	9	12	12	62
Reserves & Surplus	9	41	58	34
Non Controlling Interest	0	0	0	2
Total Equity	18	53	71	98
Non-current Liabilities				
Long term borrowings	0	2	1	1
Deferred Tax Liability (Net)	0	0	0	0
Long term provisions	0	0	0	0
Total Non-Current Liabilities	0	2	1	1
Current Liabilities				
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
Total Current Liabilities	80	65	82	116
Total Equity and Liabilities	98	120	154	215

Particulars (INR Cr)	FY 23	FY24	FY25	FY26
Non-Current Assets				
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
Total Non-Current Asset	2	6	17	29
Current Assets				
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
Total Current Assets	96	114	137	185
Total Assets	98	120	154	215



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