



SHREE KARNI FABCOM LIMITED

TECHNICAL TEXTILE & COATED FABRIC

(Formerly known as Shree Karni Fabcom LLP)

September 5, 2024

Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Bandra Kurla Complex, ,
Mumbai-400051

Scrp: SHREEKARNI

Dear Sir / Madam,

Sub: Annual Report for the financial year 2023-24

Further to our Letter dated August 31, 2024, and in terms of the Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report 2023-24 of the Company. The Annual Report 2023-24 has been sent today through electronic mode to the Members who have registered their E-Mail IDS with the Company's R&TA / Depository Participant.

The Annual Report for the Financial Year 2023-24 is also available on the website of the Company at https://skflindia.com/wp-content/uploads/2024/09/Annual_Report_SKFL_2023-24.pdf

Kindly take the above information on records and disseminate.

Thanking You

Yours Faithfully
For Shree Karni Fabcom Limited

RAJIV
LAKHOTIA
Digitally signed
by RAJIV
LAKHOTIA
Date: 2024.09.05
18:00:38 +05'30'

Rajiv Lakhota
Managing Director
DIN: 02939190





GEARING TO

GROW

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INVESTOR INFORMATION

Market Capitalisation as at March 31st, 2024	₹ 25,363.73 Lakhs
CIN	U47820GJ2023PLC140106
NSE Code	SHREEKARNI
Bloomberg Code	NA
Dividend Recommended	No dividend recommended
AGM Date	September 28, 2024
AGM Venue	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")



Scan the QR code to view our Annual Report
Please find our online version at: <https://skflindia.com/>



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Disclaimer: In this annual report, we have provided forward-looking information to assist investors in understanding our future prospects and making informed decisions. This report, along with other statements—both written and oral—that we periodically issue, includes forward-looking statements reflecting our management's expectations and assumptions. Where possible, we have identified these statements with words such as "anticipates," "estimates," "expects," "projects," "intends," "plans," "believes," and similar expressions related to future performance. While we believe our assumptions are reasonable, we cannot assure that these forward-looking statements will materialise as expected. The realisation of these outcomes is subject to risks, uncertainties, and the potential for inaccurate assumptions. If known or unknown risks or uncertainties arise, or if any assumptions prove to be inaccurate, actual results could differ materially from those anticipated, estimated, or projected. We are under no obligation to publicly update any forward-looking statements, whether due to new information, future events, or otherwise.



Remember to celebrate milestones as you prepare for the road ahead.

– Nelson Mandela

GEARING TO GROW

The journey of progress is unceasing, a relentless pursuit of excellence that demands unwavering focus and continuous enhancement of our strengths. Yet, as we advance on this path, it is vital to pause and honour each victory, whether grand or modest. Every milestone reached not only elevates our confidence but also fuels the zeal that propels us towards future triumphs.

At Shree Karni Fabcom Limited, we find ourselves at a momentous milestone in our journey. Successfully completing our IPO and listing on the NSE Emerge in March 2024 marks a significant chapter in our story. We proudly present our inaugural Annual Report to our esteemed stakeholders, whose steadfast belief and unwavering support have been instrumental in these achievements. We also take this opportunity to commend the tireless spirit and dedication of our entire team—our human resources, suppliers, vendors, and leadership at Shree Karni Fabcom Limited—whose collective efforts have brought the company to this pivotal juncture.

As we celebrate these accomplishments, we remain committed to forging ahead with renewed vigour and determination. This is not a time to rest on our laurels but to harness the momentum of our IPO success and channel it into our ambitious vision. We aspire to lead in the speciality textiles sector, advancing with a focus on cutting-edge technology, innovation, and an unwavering commitment to excellence on a global scale.

OUR IDENTITY: VISION, MISSION AND BUSINESS

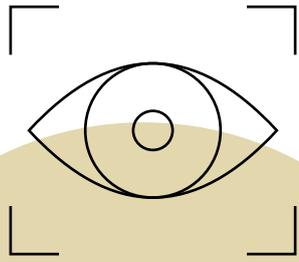
Brand SKFL, renowned for its excellence and innovation in the technical textiles industry, is dedicated to addressing the ever-expanding needs of the burgeoning market with an increasingly diverse product portfolio and a commitment to superior service quality.

Evolving from its solid roots in the trading business to becoming a full-fledged, advanced manufacturing powerhouse, Shree Karni Fabcom Limited has continuously advanced over a rich 50-year legacy in the textile sector. As an ISO 9001:2015 certified entity, Shree Karni Fabcom Limited (SKFL) undertakes the continuous development and refinement of dynamic business processes, with an unwavering focus on proactive customer engagement. Our leadership is deeply rooted in value-based governance, ensuring that every aspect of our operations aligns with our core principles of integrity and excellence.

As a leading manufacturer of specialized technical textiles in India, SKFL is distinguished by its profound expertise and innovative capabilities. Our expansive product portfolio includes a wide range of technical textiles, such as Woven Fabrics, Knitted Fabrics, Coated Fabrics, and 100% polyester. At the heart of our operations is our state-of-the-art manufacturing facility, where we transform yarn into high-quality fabric through advanced knitting processes. Our products serve a broad spectrum of applications, including luggage, roofing, agricultural nets, vehicle covers, tents, fabrics for the armed forces, sports kits, chairs, medical arch support, umbrellas, and raincoats.

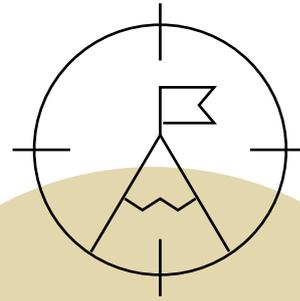
Our business model, primarily focused on Business-to-Business (B2B) engagements, connects us with prominent institutional manufacturers and traders across 13 states and 2 union territories in India, catering to diverse industries such as travel accessories, backpacks, apparel, upholstery, footwear, medical arch

support and other lifestyle and industrial products. This expansive marketing network enhances our competitive strength and significantly amplifies our market presence. Furthermore, our strategic presence in the key functions of weaving, coating, sizing, and embossing within the technical textiles manufacturing value chain is reinforced by our subsidiary, IGK Technical Textile LLP. With a 66.67% stake in this venture, we are positioned to create even greater value for our clientele, further solidifying our leadership in the industry.



VISION

To be the unequivocal leader in the global textile landscape. We envision a future where SKFL is synonymous with cutting-edge technology, unmatched quality, and a commitment to sustainable progress.



MISSION

To pioneer innovation in textiles, creating a tapestry of excellence that not only meets but surpasses global standards. We are dedicated to advancing the industry and empowering our partners to succeed.



MILESTONES OF PROGRESS

Anchored by a steadfast commitment to product innovation, service excellence, continuous technological advancement, and uncompromising integrity, Shree Karni Fabcom Limited has consistently achieved outstanding business performance. As we embark on a new chapter as a listed entity, we are ready to elevate value creation for our stakeholders, guiding Shree Karni Fabcom Limited toward a future defined by exceptional growth and success.

The Cornerstone of Success: Esteemed Clients

	TOMMY HILFGER		Samsnite	<i>Bata</i>
	LIVE SMART			

Pan India Client Base

50+ Years
Presence in the Textile Sector

New Stitching Unit
Commenced operation

3
State-of-the-art
Warehouses

More than 2 Decades
Presence in the Technical
Textiles Sector

90,000 kilos per month / 3,60,000 meters per month
Installed capacity for knitting

200+
Talent Pool

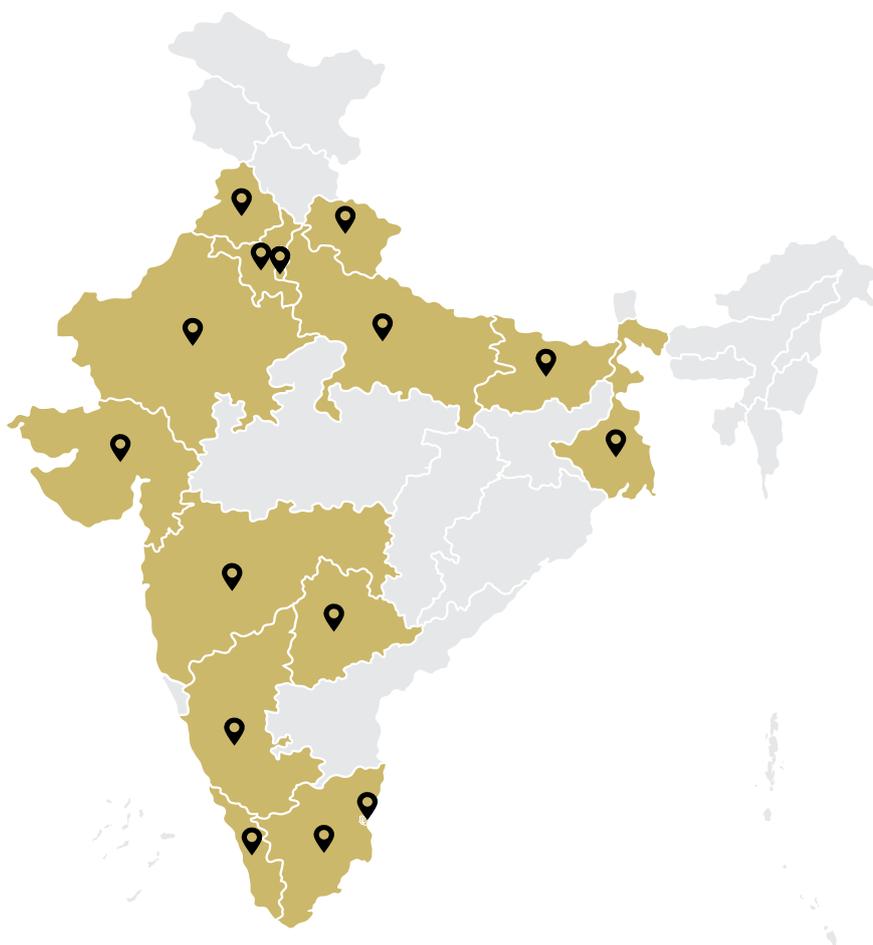
New Dyeing Unit
Construction started

50,000 meters per day
Installed capacity for poly acrylic and polyurethane coating

15,000 meters per day
Installed capacity for PVC



Our Esteemed Client Base



- Maharashtra
- Gujarat
- West Bengal
- Haryana
- Uttar Pradesh
- Uttarakhand
- Karnataka
- Rajasthan
- Tamil Nadu
- Kerala
- Telangana
- Delhi
- Bihar
- Punjab
- Puducherry

3 Coating Machines Installed

1 for EVA/PVC Coating and 2 for PU/PA Department

86 New weaving machines

Installed to enhance production capabilities

8,000 meters per day

Installed capacity for EVA lamination

Listed on NSE Emerge

In March 2024

70,000 meters per day

Installed capacity for weaving

40,000 meters per day

Installed capacity for heat embossing

FINANCIAL HIGHLIGHTS

This year, Shree Karni Fabcom Limited (SKFL) showcased remarkable growth, harnessing its core competencies to make significant strides in the technical textiles industry. By expanding our operational footprint and integrating cutting-edge technologies, SKFL has adeptly set the stage for continued success. Our strong financial performance is a testament to our unwavering dedication to operational excellence, sustainable development, and consistent value creation.



Total Revenue

₹ **13,079.84** Lakh



EBITDA Margin

15.96%



EBITDA

₹ **2,087.89** Lakh



Profit After Tax (PAT)

₹ **1,301.15** Lakh



PAT Margin

9.95%



Capacity Utilisation - Woven Fabrics

Installed Capacity

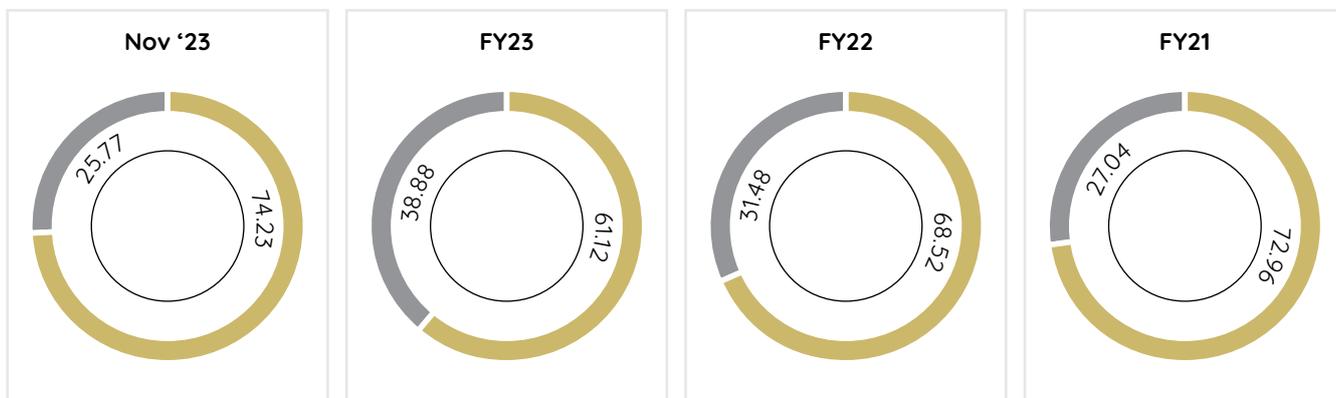
1,75,70,000 meters

Utilised Capacity

1,30,21,332 meters



Top-10 Client-wise Revenue Break-up



Capacity Utilisation - Knitted Fabrics

Installed Capacity
43,20,000 meters



Utilised Capacity
29,70,850 meters



Debt to Equity
(in times)

0.75



Interest Coverage
(in times)

7.11

Return Indicators

Earnings Per Share
₹ **18.40**



Current Ratio
(in times)

1.75

Return on Equity (ROE)
29.19%



Return on Capital Employed (ROCE)
29.57%



Fixed Asset
Turnover Ratio
(in times)

4.48

JOURNEY ACROSS TIME: MILESTONE EVENTS

With over half a century of expertise in the textiles sector and more than twenty years in the technical textiles segment, Shree Karni Fabcom Limited has always championed innovation and progressive strategies. Our evolution from a trading organisation to a publicly listed company, equipped with state-of-the-art manufacturing and warehousing facilities, reflects our steadfast dedication to technological advancement. As we envision our future, we are assured that this forward-looking approach will elevate us to greater heights in the international technical textiles arena, cementing our position as a leader in the industry.

Incorporated as Shree Karni Fabcom LLP

2018

2019

- Commercial production commenced
- Shree Karni was bestowed with an award by VIP Industries Limited, in recognition of their contribution as an esteemed supplier to VIP Industries Limited

Shree Karni was bestowed with an award by VIP Industries Limited, in recognition of the contribution towards innovation

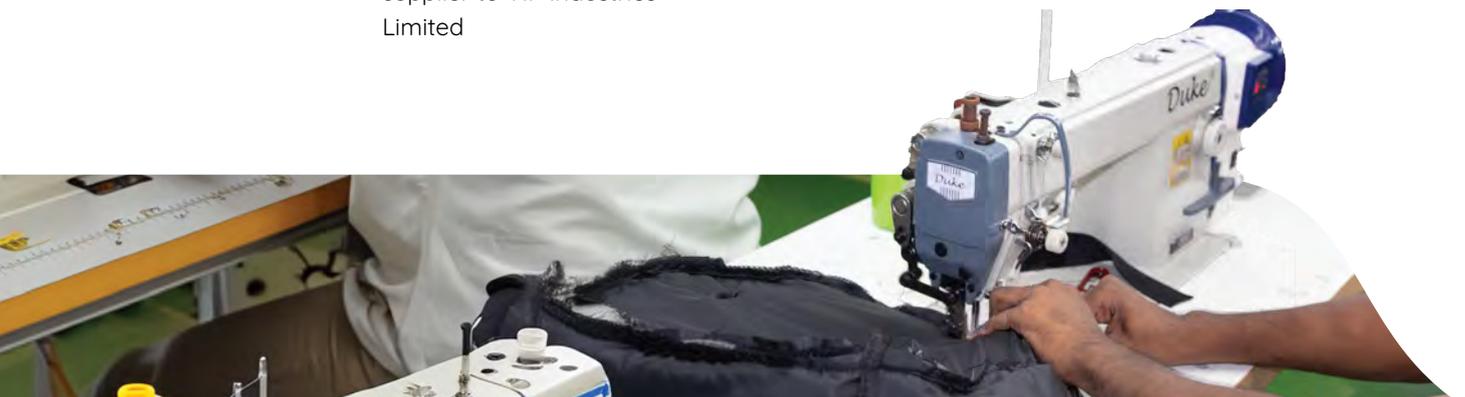
2020

2022

Setting up of new manufacturing facility of the Subsidiary at Rajhans Texpa, Palsana, Surat for weaving and coating of technical textiles

Converted into Shree Karni Fabcom Limited - successful IPO and listing on NSE Emerge in March 2024

2023



PROUD ACHIEVEMENTS: AWARDS & ACCOLADES

As Shree Karni Fabcom Limited prepares to set new milestones in its corporate journey as a listed entity, we are truly honoured to receive these accolades. They are a testament to our unwavering dedication to excellence over the past fifty years and inspire us to consistently surpass industry expectations going forward.

2023-24



MSME ZED SILVER*

Ministry of Micro, Small and Medium Enterprises

2022-23



Participation in Vibrant Weavers Expo 2022

Federation of Gujarat Weavers Welfare Association

2019-20



Valued Contribution Towards Innovation

VIP Industries Limited

2018-19



Esteemed Supplier

VIP Industries Limited

*We are working for gold certification

MANAGING DIRECTOR'S COMMUNIQUE

“

As we continue to innovate and adapt to the evolving market landscape, we look forward to achieving newer milestones and building a prosperous future for Shree Karni Fabcom Limited. Our focus on strong business fundamentals and operational efficiency will guide us in delivering enduring, sustainable value for all our stakeholders.

”



Dear Stakeholders,

With immense pride and joy, I present Shree Karni Fabcom Limited's (SKFL) inaugural Annual Report as a publicly listed company. The overwhelming investor enthusiasm for our IPO was a significant milestone, with SKFL shares debuting strongly on the NSE Emerge at a 14.54% premium over the issue price of ₹227 per share. This achievement is a testament to the trust our shareholders, partners, and stakeholders have placed in us. It also underscores the responsibility we carry to continue guiding Shree Karni Fabcom Limited towards greater heights, safeguarding your investments, and fostering enduring relationships.

As we reflect on the global economic landscape, it is clear that the path to recovery has been marked by both resilience and challenges. The initial rebound from the COVID-19 pandemic has moderated, influenced by the long-term consequences of the pandemic, geopolitical tensions, and economic fragmentation. Additionally, cyclical factors such as monetary policy tightening and the gradual withdrawal of fiscal support have further tempered global growth. Despite these hurdles, India has demonstrated remarkable resilience. The World Bank's latest India Development Update highlights India as one of the fastest-growing major economies in FY22-23, with a growth rate of 7.2%. The Reserve Bank of India (RBI), in its August 2024 Monetary Policy Committee (MPC) meeting, has forecasted an inflation rate of 4.5% and a real GDP growth rate of 7.2% for the upcoming fiscal of 2025, with the core inflation cooling down and a favourable monsoon easing the inflationary pressures on the economy.

India's prominence in the global textiles and natural fibres sector is well-established. Now, the country is rapidly emerging as a key player in the global technical textiles industry, boasting a significant growth rate of 10% and ranking as the fifth-largest technical textiles market worldwide. Technical textiles, a rapidly expanding sub-segment, are utilised across various industries, including agriculture, construction, sports apparel, and healthcare. India's modernisation and manufacturing competitiveness have been key drivers of this segment's growth.

Shree Karni Fabcom Limited's successful transformation into a fully integrated manufacturing operation, equipped with state-of-the-art facilities and advanced technologies, has solidified our position among the industry leaders, ready to capitalise on this growth momentum. Our unwavering commitment to innovation and excellence is evident in our diverse product offerings, which cater to both domestic and international markets.

Under our esteemed brand name 'SKFL,' our product applications span a wide range, including luggage,

roofing, agriculture nets, vehicle covers, tents, armed forces fabric, sports kits, chairs, medical arch supports, umbrellas, and raincoats. Within our B2B framework, we serve institutional manufacturers by providing specialised technical textiles tailored to the exact specifications of contract manufacturers associated with renowned brands. Our strategic approach involves cultivating a robust network of traders across India, ensuring our products reach established markets nationwide.

Our manufacturing unit is equipped with state-of-the-art automated machines capable of producing specialised technical textiles, with impressive installed capacity and sustained capacity utilisation. We plan to utilise a portion of the proceeds from our IPO to establish a dyeing facility. We also plan to forward integrate into bag manufacturing at a location near our existing setup, a strong, natural progression of our stitching unit capabilities. Additionally, our recent acquisition of a 66.67% stake in IGK Technical Textile LLP, effective October 31, 2023, will further enhance our operational capabilities in weaving, coating, and embossing.

Looking ahead, we are enthusiastic about the opportunities before us. Our strategic initiatives, including bag manufacturing and the completion of our fully integrated dyeing unit, will further strengthen our market position and drive sustainable growth. We are also on track to obtain WRAP (Worldwide Responsible Accredited Production) and SEDEX (Supplier Ethical Data Exchange) certification by mid-2024, which will enhance our export orientation and adherence to international labour standards.

Our commitment to creating value for all stakeholders is unwavering. As we continue to innovate and adapt to the evolving market landscape, we look forward to achieving newer milestones and building a prosperous future for Shree Karni Fabcom Limited. Our focus on strong business fundamentals and operational efficiency will guide us in delivering enduring, sustainable value for all our stakeholders.

In closing, I extend my deepest appreciation to every member of the SKFL family. Our journey thus far would not have been possible without the wise counsel of our esteemed Board members, the strategic leadership of our talented management team, the dedicated efforts of our operational personnel, and the unwavering support of our business partners. As we embark on yet another promising year, I am filled with renewed optimism and excitement for the future.

Best Wishes,

Mr. Rajiv Lakhota
Managing Director

Source:

Press Release, Ministry of Textiles, May 2024
Red Herring Prospectus, Shree Karni Fabcom Limited

FROM THE DESK OF CFO

“

Shree Karni Fabcom Limited maintains an optimistic business outlook for the upcoming fiscal year, buoyed by favourable domestic macroeconomic tailwinds. As one of the leading players in the specialised technical textiles sector, SKFL is at the forefront of innovations in a rapidly growing industry.

”



Dear Stakeholders,

It is with great pleasure that I address you through Shree Karni Fabcom Limited's (SKFL) inaugural Annual Report. The enthusiastic market response to our IPO and the strong debut of SKFL stock at ₹260, commanding a premium, has been both overwhelming and encouraging. These milestones affirm our commitment to ascending the growth trajectory defined by our strategic goals and action plans.

Shree Karni Fabcom Limited maintains an optimistic business outlook for the upcoming fiscal year, buoyed by favourable domestic macroeconomic tailwinds. India's growth rate, the second highest among G20 countries and nearly double the average for emerging market economies, reflects robust domestic demand, strong public infrastructure investment, and a strengthening financial sector. The World Bank projects India's GDP growth for FY23-24 to be 6.3%, highlighting the resilience of our economy.

As one of the leading players in the specialised technical textiles sector, SKFL is at the forefront of innovations in a rapidly growing industry. Technical textiles, defined by their high-performance functionality rather than aesthetic appeal, are integral to several key industries, including aerospace, packaging, hazard protection, shipping, sports, agriculture, defence, healthcare, and construction. Currently, technical textiles represent approximately 13% of India's total textile and apparel market and contribute 0.7% to the nation's GDP.

Despite these achievements, the consumption of technical textiles in India remains relatively low, at 5-10% compared to 30-70% in some advanced countries. However, the National Technical Textiles Mission (NTTM), established under the leadership of Prime Minister Narendra Modi and the Cabinet Committee on Economic Affairs (CCEA), is poised to be a significant growth enabler for the industry. The NTTM aims to achieve an average growth rate of 15-20%, expanding the domestic market size of technical textiles to \$40-50 billion by 2024 through market development, international technical collaborations, investment promotions, and the Make in India initiative.

To capitalise on this growth potential, Shree Karni Fabcom Limited has achieved several operational milestones that not only enhance our production capabilities but also align with our commitment to environmental sustainability:



New Stitching Unit: By mid-2024, we plan to establish a new stitching unit to manufacture finished goods for major multinational corporations (MNCs) and leading export houses.



Dyeing Unit: Our new dyeing unit, set to be fully operational by the end of 2024, will increase production capacity and improve product quality through comprehensive in-house processing.



Coating Machines: The installation of new coating machines for EVA/PVC and PU/PA coatings will further enhance our product offerings.



Effluent Treatment Plant (ETP): We have implemented an ETP to recycle water, reduce environmental impact, and promote sustainability.



Weaving Capacity: We have bolstered our production capacity by deploying 86 new weaving machines.



Solar Energy: Solar plants have been installed across our factories, aligning with our goal of achieving carbon-free operations.

For FY 24, our revenues from operations were ₹ 13079.84 lakhs. Our EBITDA for this fiscal was ₹2,087.89 lakhs, Our profit after tax for the fiscal ending 31st March, 2024, was ₹1,301.15 lakhs,

Our success is further reinforced by the strategic advantages inherent in our operations. Located in Gujarat, the "Textile State of India," we benefit from proximity to ports and access to the largest polyester production facilities in the country, which significantly reduces transportation costs. Our state-of-the-art R&D facility, staffed by skilled professionals, enables us to stay attuned to rapidly changing market trends. Our sustained market presence has facilitated nationwide expansion and established SKFL as a reliable partner for contract manufacturers and traders. At the core of our operations is an unwavering commitment to quality assurance, with dedicated teams ensuring rigorous quality checks at every stage before dispatch.

As we embark on our journey as a publicly listed entity, Shree Karni Fabcom Limited is fully equipped to capitalise on the robust industry tailwinds shaping the technical textiles landscape in India. I extend my deepest gratitude to all our stakeholders for their invaluable partnership and trust in our vision. As we enter this new phase of growth, we remain committed to exceeding expectations and creating sustainable value for all.

Thank You,

Mr. Arbind Kumar Lahoty
Chief Financial Officer

Source:

Red Herring Prospectus, Shree Karni Fabcom Limited

CREATING VALUE THROUGH BUSINESS PROCESS EXCELLENCE

Shree Karni Fabcom Limited harnesses its deep-rooted industry expertise and insights to propel itself toward unprecedented heights of performance. Driven by an unwavering commitment to excellence, SKFL continually seeks innovation and creates superior value through meticulous refinement of its key business processes which include:



**Raw Material
Procurement**



**Knitted Fabric
Manufacturing**

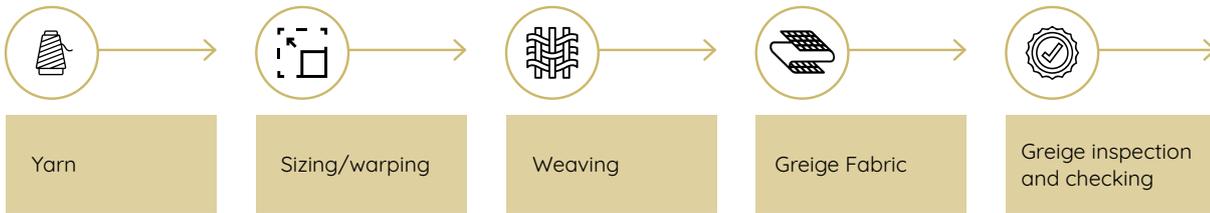


**Woven Fabric
Production**

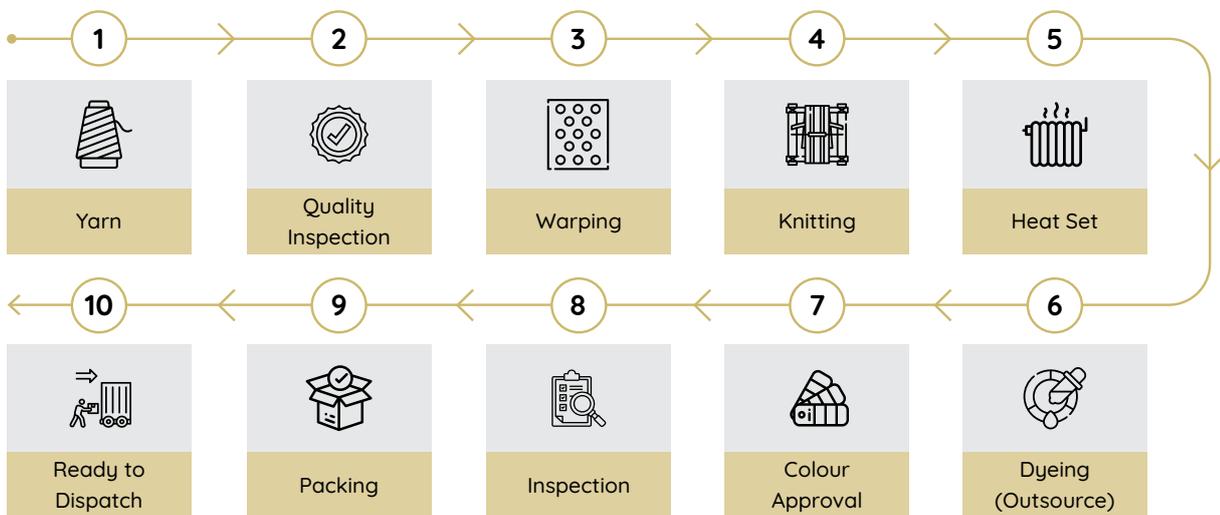
Our production journey commences with the careful procurement of yarn, followed by a comprehensive process that includes weaving, coating, printing, and finishing. The result is a diverse range of customised knitted and woven fabrics, meticulously crafted to meet the unique specifications of our clients. Specialising in Woven Fabrics, Knitted Fabrics, Coated Fabrics, and 100% polyester, we source premium yarn, resin, acrylic, and coating chemicals to produce specialised technical textiles of the highest quality. At the heart of our operations is our expertise in transforming yarn into fabric through advanced knitting processes. Additionally, we collaborate with our subsidiary, IGK Technical Textile LLP, to handle weaving, coating, sizing, and embossing, ensuring that our specialised technical textiles meet the exacting standards required by the industry.



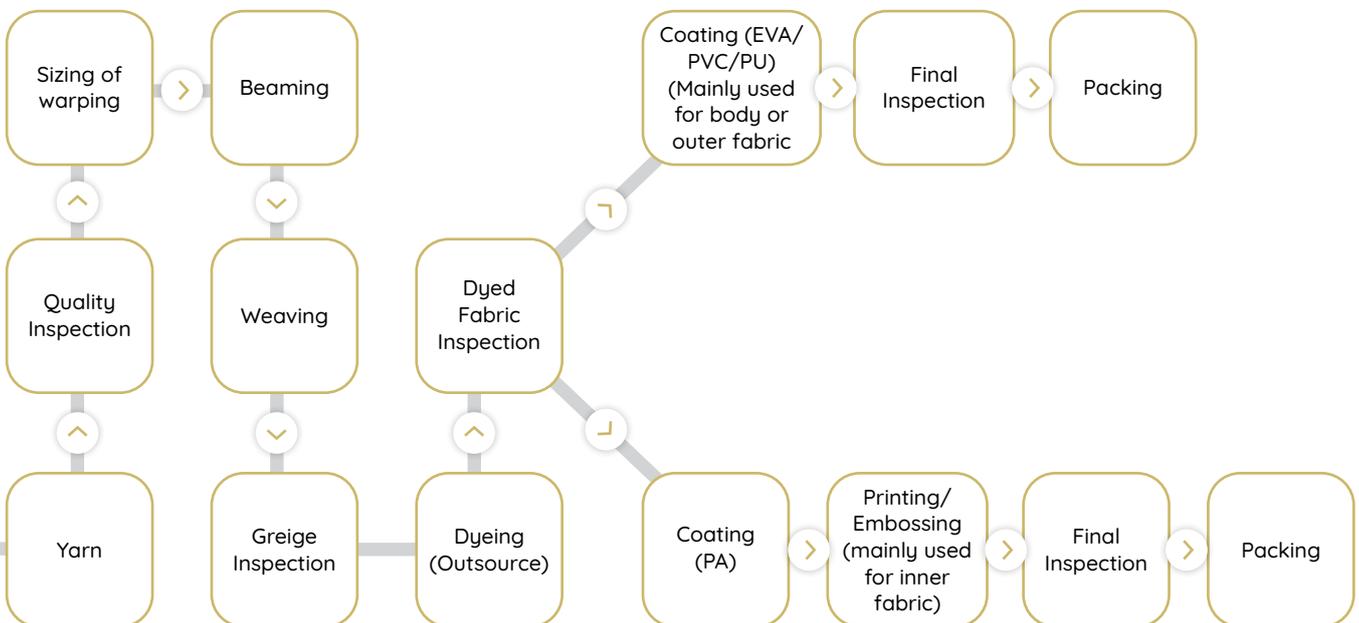
From Source To Production: The Art Of Raw Material Procurement



From Yarn To Texture: The Art Of Knitted Fabric Manufacturing

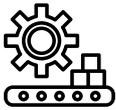


From Threads To Textiles: A Journey Through Woven Fabric Production



STRENGTHS THAT DEFINE US

At Shree Karni Fabcom Limited (SKFL), our unwavering commitment to excellence, innovation, and sustainability forms the bedrock of our operations. Guided by our core values of tenacity, agility, resourcefulness, and resilience, we navigate the complexities of the industry with a forward-thinking approach. Our dedication to creating unparalleled value for our stakeholders is reflected in the superior quality of our technical textiles and our relentless pursuit of strategic growth. Supported firmly by our intrinsic strengths, SKFL continues to fortify its leadership position in the technical textiles industry, delivering exceptional value to our customers and stakeholders alike.



Leading Manufacturer of Specialised Technical Textiles

Shree Karni Fabcom Limited (SKFL) stands at the forefront of the specialised technical textiles industry, backed by a deep-rooted market presence and extensive expertise. Our proven track record reflects our ability to deliver high-quality, cutting-edge textiles tailored to meet the unique demands of diverse sectors. Our knitted fabrics have been trusted by contract manufacturers serving prestigious brands in the luggage, footwear, and apparel industries.



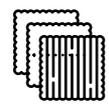
Strategic Location Advantage

Our strategically situated manufacturing facilities offer a distinct logistical advantage, enabling us to minimise transportation costs and ensure prompt delivery to both domestic and international markets.



Superior Quality Control

At SKFL, quality is the cornerstone of our operations. With stringent quality control protocols in place, every product is crafted to meet the highest standards of performance, durability, and safety. This commitment has earned us the trust and loyalty of our customers worldwide. Through the continuous dedication and expertise of our quality assurance and quality control team, we have been awarded the ISO 9001:2015 certification by INTERTEK. This globally recognised standard serves as an independent mark of quality, covering semi-finished and finished textile products at all stages of production, as well as all accessory materials used in the process.



Comprehensive Product Range

Our expansive product portfolio spans numerous industries and applications, positioning us to seize diverse market opportunities while mitigating risks. This breadth of offerings strengthens our resilience and market adaptability.



Expert Leadership

SKFL's growth is driven by a highly experienced leadership team, known for their strategic vision, keen professional acumen and exceptional project execution. Their depth of knowledge and expertise ensures the company remains agile and forward-thinking in a competitive industry.



Leveraging Government Initiatives

We leverage a range of government incentives designed to bolster the technical textiles sector, from financial support to infrastructure development. These policies play a key role in fostering innovation and sustaining industry growth. The incentives available under the Technology Upgradation Fund Scheme (TUFS) and the Amended Technology Upgradation Fund Scheme (ATUFS) provided by the Central Government of India, along with the Gujarat Textile Policy, 2012, introduced by the State Government of Gujarat, have been instrumental in our growth. Under these schemes, we receive an interest subsidy of 6% on the loans availed by us.



Cost Efficiency and Timely Delivery

Our commitment to cost-effective production enables us to offer competitive pricing without compromising on quality standards. Streamlined processes and economies of scale ensure we consistently meet delivery schedules while optimising costs for our clients.

OUR INNOVATION HUB

At Shree Karni Fabcom Limited (SKFL), our focus is on expanding capabilities, refining processes, and evolving towards new heights in organisational value creation. Investing in state-of-the-art manufacturing and warehousing facilities is a critical growth enabler, positioning us ahead of the competitive curve.

These investments will introduce new production variations, enhance cost-effective manufacturing, and optimise our storage systems for greater efficiency. Our current manufacturing operations encompass three key facilities: a knitting facility, a PVC/EVA lamination facility, and a dedicated R&D facility. Additionally, our subsidiary houses three more specialized units: a woven facility, a coating facility, and an embossing facility.



Manufacturing

The establishment of our cutting-edge manufacturing facility in Palsana, Surat, is a testament to our unwavering commitment to innovation and substantial investments in human capital, products, and technology. This facility includes three warehouses for finished products and one for raw materials, all situated on company-owned land. Equipped with advanced machinery for knitting, coating, weaving, and quality control, the facility is designed to meet the highly specialised product specifications demanded by our customers and shaped by industry trends. Our core focus remains on delivering high-quality speciality fabrics at competitive prices, with a steadfast commitment to ensuring timely and reliable deliveries.



Warehousing

We operate three warehouses dedicated to raw materials and finished goods. Finished products undergo stringent quality checks, with lot or beam numbers assigned for efficient tracking. Organised locational aisles and stacks in our warehouses facilitate the easy dispatch of finished goods, while a tracking system in our raw material godown ensures the systematic storage of fabrics and chemicals.



Quality Testing

To ensure the delivery of high-quality products that meet applicable standards, we have established a comprehensive Research and Development (R&D) facility. This facility houses our quality assurance and quality control teams, who perform rigorous tests on fabrics at various stages—from grey cloth to finished products—within our in-house laboratory. Our quality testing facility is equipped with the latest machinery, tools, and technology, including:

Colour Matching Cabinet

Suitable to maintain colour consistency and quality in all applications

Tensile Testing Machine

To evaluate the tensile strength or ability of a material to stretch to a limit without developing a crack

Stiffness Tester

Related to the final dimensional stability of the finished product

Rubbing Fastness Tester

Evaluating resistance of the color of textiles to abrasion or staining to other textiles

GSM Tester

Checking the quality and weight of the fabrics in grams per square meter

Spectrophotometers

A colour measurement device used to capture and evaluate colour

Spray Tester Manual

To determine the resistance of any fabrics, which may or may not have been given a water-resistant or water-repellent finish, to surface wetting by water

Sample Cutter Machine

To cut out rapidly, accurately and safely circular specimens of fixed diameter and any type of material including woven, non-woven and knitted textiles etc.

Vernier Caliper

To measure lengths precisely

Thickness Gauge

Digital or LCD tools used for taking thickness measurements on parts, materials or coatings in a range of situations

Sewing Machine

Controls the fabric with feeding devices and forms a perfect stitch

Wrap Ree

A device for measuring yarn and making it into hanks of a standard size!

Hot Air Oven

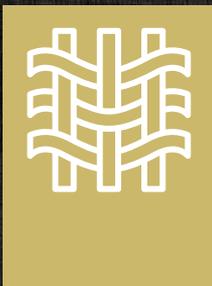
Laboratory testing equipment that is used to test the fastness of the colour of fabric by Prospero meter

OUR OFFERINGS:

SPECTRUM OF EXCELLENCE

Shree Karni Fabcom Limited (SKFL) has carved out a leading position in specialised technical textiles that are vital across various industries as a diversified, multi-product, and multi-segment enterprise. Our comprehensive product portfolio is meticulously designed to meet the demands of institutional clients and bulk buyers, while our ongoing expansion and innovation into new products and customer segments continually fuel our sustainable growth.

Specialising in woven fabrics, knitted fabrics, coated fabrics, and 100% polyester; SKFL sources premium-quality yarn, resin, acrylic, and coating chemicals to craft a wide array of specialised technical textiles. Our core business expertise lies in transforming yarn into fabric through sophisticated knitting techniques, while our subsidiary, IGK Technical Textile LLP, handles the value-added functions of weaving, coating, sizing, and embossing. This integrated approach allows us to deliver products that serve a vast range of applications, from luggage and roofing materials to agricultural nets, vehicle covers, tents, military fabrics, sports kits, seating solutions, medical arch support, umbrellas, and raincoats. Our products are proudly marketed and sold under the SKFL brand, reflecting our commitment to quality and innovation.



Woven Fabrics

Used in Manufacturing of

Interlining

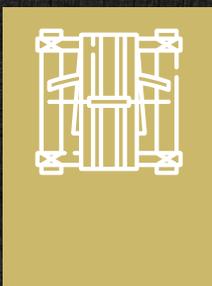
Jackets, wallet and hard luggage

Tafeta

Back-packs, Rain Cover, Umbrella, Vehicle cover, Soft and Hard Luggage

Matty

Soft luggage and back-packs



Knitted Fabrics

Air Mesh

Back-packs, Shoes, Chairs, Masks, Helmets, Medical Arch Support



Coated Fabrics

PIJ Coated Matty

Back-packs

WR Coated lining

Back-packs, Rain Cover, Umbrella, Vehicle Cover, Soft and Hard Luggage

AF Coated lining

Soft and Hard Luggage, Back-packs

PVC Lamination

Soft luggage

EVA Lamination

Soft luggage

Unveiling Excellence: A Close Look At The Product Portfolio



Pu Coated
Fabrics



Eva Coated
Fabrics



Air Mesh Fabric



Recycled
Fabrics



Inter Lining
Fabrics



Rain Proof
Fabrics



Armed Forces
Fabrics



Luggage & Backpack
Fabrics



Speciality Custom
Fabrics



Knit Backing
Fabrics

ASCENDING THE GROWTH TRAJECTORY

India's textile sector is one of the nation's oldest and most diverse industries, with roots that stretch back centuries. From traditional hand-spun and hand-woven textiles to capital-intensive, advanced mills, India has been a global leader in traditional textiles and natural fibres. Today, the country is rapidly emerging as a key player in the technical textiles segment—also known as industrial, functional, performance, or hi-tech textiles.

To propel further growth, attract private equity, and boost employment in the technical textiles segment, the government has introduced several initiatives, including the Scheme for Integrated Textile Parks (SITP), the Technology Upgradation Fund Scheme (TUFS), and the Mega Integrated Textile Region and Apparel (MITRA) Park scheme.

India's comparative advantage in skilled manpower and cost-effective production further strengthens its position in the global textile market. The technical textiles sub-segment, in particular, is witnessing rapid growth, driven by increasing demand across sectors like agriculture, construction, sports apparel, and healthcare. Technical textiles now account for approximately 13% of India's total textile and apparel market, contributing 0.7% to the country's GDP.

The Indian government is actively supporting the technical textile industry through various initiatives:

- ▾ 100% FDI is permitted in the textile sector through the automatic route.
- ▾ The National Technical Textiles Mission (NTTM), launched by the Ministry of Textiles, aims to position India as a global leader in technical textiles, with a budget of ₹ 1,480 Crores allocated for 2020-21 to 2023-24.
- ▾ The Production-Linked Incentive (PLI) Scheme, valued at ₹ 10,683 crore (\$ 1.44 billion), supports man-made fibres and technical textiles over five years.
- ▾ A uniform GST rate of 12% on man-made fabrics (MMF), MMF yarns, and apparel was implemented in January 2022.
- ▾ The Samarth scheme, a placement-oriented umbrella upskilling program under the Ministry of Textiles, has trained 1,83,844 beneficiaries across 1,880 centres, covering both traditional and technical textiles, with an implementation period extending to March 2024.
- ▾ In June 2023, the government approved R&D projects worth \$ 7.4 million (₹ 61.09 crores) in the textile sector, with a dedicated corpus of ₹ 1,000 crores (\$ 127.72 million) for R&D in technical textiles.
- ▾ Significant funding, such as ₹ 900 crore (\$ 109.99 million) under the Amended Technology Upgradation Fund Scheme (ATUFS), has been allocated in the 2023-24 union budget to encourage private equity investment and employment generation.
- ▾ FDI inflows into the textiles sector have reached \$ 4.47 billion between April 2000 and March 2024.
- ▾ The PM Mega Integrated Textile Regions and Apparel Parks (MITRA) Scheme, with an outlay of ₹ 4,445 Crores, aims to boost the textile industry and its value chain, especially in the MMF and technical textiles sectors, over seven years up to 2027-28.
- ▾ Technotex India, the annual flagship event organized by the Ministry of Textiles, serves as a premier platform for showcasing and promoting technical

textiles. The event plays a crucial role in fostering business opportunities and forging strategic partnerships within the industry.

- ▶ To enhance the export potential of technical textiles, the government has implemented several schemes, including the Merchandise Exports from India Scheme (MEIS) and the Rebate of State and Central Taxes and Levies (RoSCTL). These initiatives are designed to provide substantial support to exporters, driving growth in international markets.
- ▶ The Scheme for Integrated Textile Parks (SITP) aims to provide state-of-the-art infrastructure for new textile units, including those focused on technical textiles. By offering world-class facilities, the scheme seeks to boost production and exports, reinforcing India’s position in the global textile market.

SKFL’s Expansion Strategy

Shree Karni Fabcom Limited is committed to enhancing its capabilities and expanding its market presence, leveraging its robust and diversified marketing network while capitalizing on favourable industry trends. Our unwavering dedication to delivering premium technical textiles has been the cornerstone of our success in both domestic and international markets.

Stitching Unit Launch and Bag Manufacturing Expansion (Mid-2024)

In mid-2024, we launched our stitching unit, marking an important milestone in our expansion strategy. This facility is geared towards producing finished goods for major multinational corporations and leading export houses, enabling us to meet the rising demand for high-quality, finished technical textiles. Also, we intend to expand our operations into bag manufacturing on land adjacent to our existing facilities.

Our foray into bag manufacturing represents a strategic move towards forward integration, allowing us to tap into the high-margin bag market. This expansion aligns with the growing demand for interlining fabrics in luggage and sportswear, opening up substantial growth opportunities.

New Dyeing Facility

We are establishing a fully integrated dyeing facility, slated to be operational by the end of 2024, which will significantly boost our production capacity and enable complete in-house processing, including rotary printing.

Market Diversification and Penetration

We continue to manufacture, process, and coat woven fabrics for domestic sales, with a focus on capitalising on untapped markets and segments. To further extend our market reach, we plan to achieve WRAP certification by mid-2024, which will enable us to offer value-added products to export markets, further diversifying our product offerings.

Strengthening Our Marketing Network

Our current marketing and sales team, consisting of three dedicated professionals, is focused on both the organised and unorganised sectors of the technical textile industry. To bolster our market reach, we plan to expand our team with industry experts, ensuring a deeper understanding of customer needs and fostering continued growth in the domestic market.



PEOPLE AND CULTURE

Our continued success is rooted in our most valuable asset—our people. Their unwavering dedication and spirit have been the driving forces behind the exceptional results we achieved in the financial year 2023-24. It is their relentless commitment and expertise that have transformed SKFL from a modest trading entity into a robust manufacturing company with sound market fundamentals.

At SKFL, we regard our employees not merely as assets, but as the driving force behind our success. Their well-being and professional growth are integral to our mission and reflect our broader commitment to the communities we serve. Understanding the intrinsic connection between our company’s success and the continuous development of our talent pool, we place a strong emphasis on upskilling and fostering a cohesive, healthy work environment that evolves in tandem with technological advancements. With a dedicated team of 39 employees, we are committed to maintaining a strong focus on work-life balance, ensuring that skilled personnel are always on hand to execute tasks with efficiency.

To unlock the full potential of our employees, enhance productivity, achieve operational excellence, and uphold our high standards of quality and safety, we regularly implement comprehensive training and development initiatives including:



Ongoing Training

Continuous training programs in our stitching unit to ensure labour is skilled and up-to-date with the latest practices.



Marketing Team Development

Recruitment of a qualified marketing team to strengthen customer relationships and drive sales, ensuring market competitiveness.



Strategic Hiring

Proactive recruitment strategies, including the integration of a competent HR team, to boost productivity and drive organisational growth.



Industry Expert Workshops

Organised workshops led by industry experts, offering hands-on experience and insights into the latest textile technologies.



Performance Reviews and Development Plans

Regular performance evaluations coupled with personalised development plans to address skill gaps and promote career progression.



Cross-Functional Training

Promotion of cross-functional training to ensure employees are versatile and adaptable, thereby enhancing overall competency across the organisation.

Our commitment to employee development is reflected in our financial investment towards their compensation and well-being. For the current fiscal, , our employee benefits expenses totalled ₹ 449.69 Lakhs, accounting for 3.44 % of total revenue. This figure encompasses salaries, wages, bonuses, allowances, directors' remuneration, welfare fund contributions, gratuity provisions, and other related expenses. Notably, this expense has been on an upward trend, rising from ₹ 195.61 Lakhs (1.54% of total revenue) in FY 22-23.



EMPOWERING COMMUNITIES

At SKFL, we are driven by the transformative power of corporate responsibility to effect lasting, positive change. Our CSR initiatives are deeply embedded in our commitment to sustainability and social impact, advocating for causes that support environmental stewardship and enhance community well-being. We are dedicated to making a meaningful difference, channelling our efforts toward building a brighter, more sustainable future. Our actions are designed to secure the prosperity and health of our planet and its people for generations to come.

As a socially responsible organisation, we focus on impactful CSR initiatives that align with national priorities and address crucial local needs. Our strategies adhere to the mandates of Section 135 of the Companies Act, 2013, and are guided by a comprehensive CSR policy, ensuring that our contributions are both significant and compliant with regulatory requirements.



CSR Initiatives at SKFL

SKFL hosted a blood donation camp at our factory, encouraging employee participation to support local healthcare needs and foster a culture of community involvement.



Blood Donation Camp



As part of our environmental commitment, we conducted a plantation drive around the factory to enhance the local ecosystem, improve air quality, and create a greener workplace.



Factory Plantation Drive

We built a birdhouse to provide shelter for local bird species, reflecting our dedication to wildlife conservation and promoting biodiversity in our vicinity.



Bird House Construction

SKFL constructed a shed in a local gaushala (cow shelter) to protect cows from adverse weather, ensuring their comfort and well-being.



Gaushala Shed Construction

We organised a comprehensive health check-up camp for all employees and labourers, emphasising the importance of preventive care and promoting overall wellness within our workforce.



Health Check-Up Camp

PROTECTING THE PLANET

SKFL is dedicated to sustainability, operating with a focus on four key pillars: environmental stewardship, green initiatives, compliance with regulations, and supply chain sustainability. Additionally, we emphasise employee and community engagement, along with transparent reporting, to ensure our efforts are both effective and accountable. These pillars guide our commitment to creating a positive impact while driving sustainable growth across all facets of our business.

Green Initiatives

- Adoption of environmentally friendly technologies and processes.
- Investment in renewable energy sources for sustainable operations.
- Promoting eco-friendly materials and production methods.

Environmental Stewardship

- Commitment to reducing environmental impact through responsible manufacturing practices.
- Efficient energy management and resource conservation.
- Minimizing waste generation and promoting recycling and reuse.

Compliance with Regulations

- Ensuring compliance with environmental regulations and standards.
- Adhering to local, national, and international environmental guidelines.
- Regular monitoring and reporting of environmental performance.

Transparent Reporting

- Regularly communicating sustainability efforts and progress to stakeholders.
- Providing transparent reporting on environmental performance and goals.
- Encouraging feedback and input from stakeholders on sustainability matters.

At SKFL, our commitment to protecting the planet and enhancing the environmental sensitivity of our operations is demonstrated through several concrete actions:

Effluent Treatment Plant

We have installed an effluent treatment plant with a capacity of 30,000 litres/hour to manage wastewater generated from our manufacturing unit. This plant, set up according to the guidelines of the Gujarat Pollution Control Board (GPCB), ensures the primary treatment of wastewater. The treated water is then discharged for secondary treatment, making it free from harmful and hazardous substances.



Gujarat Eco Textile Park Membership

We have secured membership with Gujarat Eco Textile Park Limited to facilitate the collection and conveyance of 0.295 million litres/day of partially treated wastewater from our manufacturing unit, further supporting sustainable waste management practices.

Solar Plant Installation

In our pursuit of carbon-free operations, we have installed solar plants at our factories, underscoring our dedication to environmental responsibility and reducing our carbon footprint. The Solar Module installed at Shree Karni Fabcom has a capacity of 293.090 KWp DC / 260 KW AC and is expected to generate power to the magnitude of 4,72,000 KWh / Year. The capacity of the Solar Module installed at IGK Technical Textiles LLP is 294.300 KWp DC / 240 KW AC. It shall enable generation of 4,75,000 KWh of power per year. These systems record the transfer of power to and drawn from the grid on Net Metering System wherein the captive loads first utilise power generated during the day and the excess is transferred to the grid. In the event of shortfall in power generation at the plant, the same is drawn from the grid.



OUR ANCHORS OF WISDOM

Shree Karni Fabcom Limited's success is anchored by a Board of Directors renowned for their diverse expertise and strategic acumen. Their visionary leadership continuously shapes and guides our strategic direction, transforming our aspirations into tangible achievements. The Board's unwavering commitment to steering the company's course, executing pivotal strategies, and delivering exceptional value to all stakeholders remains a cornerstone of our enduring success.



Mr. Radhe Shyam Daga

Whole Time Director

Mr. Radhe Shyam Daga, Whole-time Director and esteemed Promoter of our Company, brings over two decades of invaluable experience in the textile industry. At 66, his leadership stands as a pillar of strength, guiding the day-to-day operations with precision and insight. Under his stewardship, the organisation benefits from seamless operations and a steadfast commitment to excellence. Mr. Daga's profound expertise not only fortifies the foundation of our company but also drives its continued success and operational efficiency.



Mr. Manoj Kumar Karnani

Whole Time Director

Mr. Manoj Kumar Karnani, at 49, serves as Promoter and Whole-time Director at our esteemed Company, bringing a wealth of expertise and leadership to our team. With a professional background as an independent agent specialising in customs clearance consultancy, Mr. Karnani possesses deep knowledge of customs laws, which is vital to our operations. His over two decades of hands-on experience in international trade management play a pivotal role in optimising our import and export functions. Beyond his role as a key authority on customs regulations, Mr. Karnani is actively involved in the day-to-day operations, ensuring seamless and efficient workflows. His strategic insight and operational expertise greatly enhance our company's ability to navigate the complexities of international trade, solidifying his indispensable role within our organisational framework.



Mr. Rajiv Lakhotia
Managing Director

Mr. Rajiv Lakhotia, aged 43, serves as a distinguished Promoter and Managing Director at SKFL, bringing invaluable leadership to our organisation. A graduate of the University of Calcutta with a bachelor’s degree in commerce, Mr. Lakhotia’s professional journey is marked by a deep commitment to excellence. At SKFL, he plays a pivotal role in driving Business Development, Customer Relations, and Growth initiatives. His visionary leadership, attuned to the dynamic needs of the industry, has been instrumental in advancing the company’s growth. Under his stewardship, SKFL continues to thrive, with his strategic direction significantly contributing to our ongoing success and development.



Mr. Raj Kumar Agarwal
Whole Time Director

Mr. Raj Kumar Agarwal, aged 40, serves as Promoter and Whole-time Director at our esteemed Company, bringing a wealth of expertise to our global operations. A Commerce graduate from Capital University, Mr. Agarwal’s deep understanding of the international market, coupled with his fluency in the Chinese language, makes him an invaluable asset. Devoting a significant portion of his time abroad, he oversees all international procurement activities, from sourcing raw materials and machine parts to managing finished and semi-finished goods. Beyond his procurement expertise, Mr. Agarwal has been instrumental in identifying and integrating cutting-edge global technology and machinery into our operations. His unwavering focus on enhancing the company’s sourcing and manufacturing capabilities ensures that we remain at the forefront of industry innovation. His dedication and strategic vision are vital to the company’s growth and technological advancement.



Ms. Rashmi Bihani
Independent Director

Ms. Rashmi Bihani, aged 43, serves as an Independent Director of our Company. A distinguished fellow of the Institute of Chartered Accountants of India, she holds a certificate of practice from the Institute, reflecting her deep expertise in the field. With over 15 years of experience in accounting, audit, and taxation, Ms. Bihani brings a wealth of knowledge and insight to her role. Her extensive experience and professional acumen are invaluable assets to the Company, ensuring robust financial governance and compliance.



Ms. Swati Singhania

Independent Director

Ms. Swati Singhania, 40, is an Independent Director of our Company. As a fellow member of the Institute of Chartered Accountants of India, she brings over 18 years of expertise in accounting, deal structuring, and taxation. In her role as the proprietor of M/s. S Singhania & Associates, her extensive experience and strategic vision have proven invaluable, significantly enhancing our Company's financial and operational excellence.



Mr. Sriyans Lunia

Independent Director

Mr. Sriyans Lunia, 32, serves as an Independent Director of our Company. He holds a Bachelor's degree in Commerce from the University of Calcutta and has previously worked as a Credit Verification Officer at Genpact India Private Limited. Currently, he is the Accounts Manager at Symbiosis Assistance Private Limited. With 8 years of experience in accounting, finance, taxation, and legal matters, Mr. Lunia brings valuable expertise to our organisation.



Mr. Arbind Kumar Lahoty

Chief Financial Officer

Mr. Arbind Kumar Lahoty is a highly accomplished professional with a Bachelor's degree in Commerce. His career includes notable associations with prestigious organisations like KP Group and Agarwal A Kumar and Associates. As an associate member of the Institute of Chartered Accountants of India, Mr. Lahoty has garnered over 7 years of in-depth experience in accounting and supply chain management. Currently, he plays a pivotal role in overseeing finance, accounting, taxation, and budgeting, while excelling in financial reporting and establishing robust internal control systems.

CORPORATE INFORMATION

Board of Directors

Managing Director

Rajiv Lakhota

Whole Time Director

Radhe Shyam Daga
Manoj Kumar Karnani
Raj Kumar Agarwal

Independent Director

Rashmi Bihani
Swati Singhanian
Sriyans Lunia

Stakeholders Relationship Committee

Rashmi Bihani
Swati Singhanian
Sriyans Lunia - Chairman

Chief Financial Officer

Arbind Kumar Lahoty

Statutory Auditors

Baid Agarwal Singhi & Co.
Chartered Accountants
Firm Registration No.: 328671E

Secretarial Auditor

M/s. M Shahnawaz & Associates
Practising Company Secretaries
M No. 21427; CoP 15076

Registered Office

Plot 188, 189, 190, Block No. 314,
Rajhans Texpa, Village Baleshvar,
Taluka Palsana, Surat - 394 317,
Gujarat, India.

E-mail: shreekarni@skflindia.com

Phone: +91 262 235 0900

Website: www.skflindia.com

Audit Committee

Rashmi Bihani
Swati Singhanian
Sriyans Lunia - Chairman
Raj Kumar Agarwal

Nomination and Remuneration Committee

Rashmi Bihani
Swati Singhanian
Sriyans Lunia - Chairman

Corporate Social responsibility Committee

Swati Singhanian
Sriyans Lunia - Chairman
Radhe Shyam Daga

Company Secretary and Compliance Officer

Jyoti Chitlangiya
Resigned w.e.f May 29, 2024)

Internal Auditor

M/s. R S Y & CO, Chartered
Accountants FRN No. 146495W

Registrars & Share Transfer Agents

M/s. MAS Services Limited,
T-34, 2nd Floor, Okhla Industrial Area,
Phase - II, New Delhi -110020

Bankers

Standard Chartered Bank
C.K. Tower, Beside Sargam Shopping
Centre, Towards Dumas Road, Parle
Point, Surat-395007

Axis Bank

Citylight, Surat, Gujarat-395007



NOTICE OF AGM

NOTICE is hereby given that the 1st Annual General Meeting of the members of **Shree Karni Fabcom Limited** will be held on Saturday, September 28, 2024 at 1.00 P.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS:

- To consider and adopt the:
 - Audited Standalone Annual Financial Statements of the Company for the financial year ended 31st March, 2024 and the Reports of the Board of Directors and the Auditors' thereon; and
 - Audited Consolidated Annual Financial Statements of the Company for the financial year ended 31st March, 2024, and the Report of the Auditors' thereon.
- To appoint a Director in place of Mr. Rajiv Lakhota (DIN: 02939190), Managing Director, who retires by rotation and being eligible, offers himself for re-appointment.
- Appointment of **M/s. Baid Agarwal Singhi & Co., Chartered Accountants**, as Statutory Auditors. to hold office for a period of 5 (Five) consecutive financial years, from the conclusion of the 1st Annual General Meeting of the Company until the conclusion of the 6th Annual General Meeting of the Company and to authorise the Board of Directors of the Company to fix their remuneration.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of the Board, M/s. Baid Agarwal Singhi & Co, Chartered Accountants, (FRN: 0328671E) be and is hereby appointed as the Statutory Auditors of the Company, to hold office for a period of 5 (five) consecutive years commencing from the conclusion of this Annual General Meeting till the conclusion of the 6th Annual General Meeting of the Company to be held for the financial year 2028-2029, at such remuneration as may be determined by the Board in consultation with the auditors in addition to reimbursement of all outof-pocket expenses to be incurred by them in connection with the audit.

August 31, 2024

Registered Office:

Shree Karni Fabcom Limited
Plot no -188, 189, 190, Block No - 314,
Rajhans Texpa NH-48,
Village- Baleshwar Taluka
Palsana Surat – 394317
Tel : +91 - 262 235 0900
Email : shreekarni@skflindia.com
Website: www.skflindia.com
CIN: U47820GJ2023PLC140106

By order of the Board

For **Shree Karni Fabcom Limited**

Dhiraj Ramkishor Vaishnav

Company Secretary and Compliance Officer

Membership No. A62575

NOTES:

- The Statement pursuant to Section 102 of the Companies Act, 2013, is not applicable as there is no special business.
- Pursuant to various circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India (collectively referred to as 'SEBI Circulars'), holding of the Annual General Meeting ('AGM') through VC/OAVM, without the physical presence of the Members, is permitted. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations'), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/ OAVM which does not require physical presence of members at a common venue. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.

Notes

3. A statement giving relevant details of the directors seeking appointment/ reappointment under Item No. 2 of the accompanying notice, as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is annexed herewith as Annexure-I.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. In terms of MCA Circulars, since physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility for appointment of proxies by the Members under Section 105 of the Act, will not be available for the AGM and, hence, the Proxy Form and Attendance Slip are not annexed to this Notice. The Board of Directors has appointed **CS Md. Shahnawaz, Practicing Company Secretary (ACS No. 21427, CP No. 15076)** as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
5. Corporate/Institutional members (i.e. other than individuals, HUF, NRI, etc) are required to send scanned copy of its Board or governing body resolution/authorization etc., authorizing its representative to attend AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization be sent to the Scrutinizer by email through its registered email address to msassociates16@gmail.com with a copy marked to evoting@nsdl.co.in.
6. Members attending the AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. Members can login and join the AGM 30 minutes prior to the scheduled time to start the AGM and the window for joining shall be kept open till the expiry of 15 minutes after the scheduled time to start the AGM. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members, on first-come-first-served basis. However, the participation of large members (members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Auditors at the AGM, shall be without restriction of first-come-first served basis. Instructions and other information for members for attending the AGM through VC/OAVM are given in this Notice.
8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the aforesaid MCA and SEBI Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
10. For ease of conduct, members who would like to ask questions/express their views on the items of the business to be transacted at the meeting can send their questions/ comments in advance mentioning their name, demat account number, email id and mobile number at cs@skflindia.com. The same will be replied by the Company suitably. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
11. The Registers of Members and Share Transfer Books of the Company will remain closed from **Sunday, September 22, 2024 to Saturday, September 28, 2024** (both days inclusive) for the purpose of annual closure of books.
12. Since the 1st AGM will be held through VC/ OAVM pursuant to the Circulars, the proxy form, attendance slip and route map have not been annexed to this Notice.
13. In compliance with the aforesaid MCA and SEBI Circulars, the Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice calling AGM along with the explanatory statement and Annual Report 2023-24 are available on the website of the Company at www.skflindia.com and on the website of the Stock Exchange i.e. National Stock Exchange of India Limited at www.nseindia.com and on the website of National Securities Depository Limited (NSDL) i.e. www.evoting.nsdl.com (the Authorised agency for providing voting through electronic means and AGM through VC/OAVM). Company's web-link on the above will also be provided in advertisement being published in Financial Express (English Edition) and Financial Express (Gujarati Edition).

Notes

14. Members who have not yet registered their e-mail address and mobile number are requested to register the same with their Depository Participants ("DP").
15. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, etc., to their DPs.
16. For receiving all future correspondence (including Annual Report) from the Company electronically, the Members have to register their e-mail address with their Depository Participants and the Company as well.

Members may note that the Notice and Annual Report 2023-24 will also be available on the Company's website www.skflindia.com, websites of the Stock Exchanges i.e. National Stock Exchange of India Limited at www.nseindia.com and on the website of NSDL www.evoting.nsdl.com.

17. In case a person has become a member of the Company after dispatch of the AGM Notice, but on or before the cut-off date for e-voting i.e Saturday, September 21, 2024, such person may obtain the User ID and Password from RTA requesting through e-mail at investor@masserv.com.
18. With a view to helping us serve the members better, members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
19. The Company has not paid any dividend in past, thus, details of the amount of dividend which remained unpaid/unclaimed for a period of 7 years and due for transfer to IEPF is not applicable to the Company.

Further, pursuant to the provisions of Section 124(6) of the Act read with the relevant Rules made thereunder, as there is no equity shares on which dividend has not been paid or claimed for seven (7) consecutive years or more, no shares are due for transfer to the IEPF as notified by the Ministry of Corporate Affairs.

20. In terms of SEBI Circular dated 09/12/2020, the depository shall send SMS/email alerts regarding the details of the upcoming AGM to the demat holders atleast 2 days prior to the date of commencement of e-voting. Hence members are requested to update the mobile no/email ID with their respective depository participants.
21. The documents referred to in the proposed resolutions are available for inspection at its Registered Office of the Company during normal business hours on any working day except Saturday as well as Sundays, upto the date of meeting.
22. Instructions for e-voting and joining the AGM are as follows:

In terms of the provisions of section 108 of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014, as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and regulation 44 of the SEBI Listing Regulations, the Company is providing facility of remote e-voting to exercise votes on the items of business given in the Notice 1st Annual General Meeting (AGM) through electronic voting system, to members holding shares as on Saturday, September 21, 2024 (end of day), being the cut-off date fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by NSDL or to vote at the e-AGM.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

[Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standard -2 on General Meetings]

Name of the Director	Rajiv Lakhotia
DIN	02939190
Date of Birth	March 10, 1981
Age	43 years
Date of Appointment	April 11, 2023
Qualification	Graduate
Experience and Expertise	Presently heading the customer development considering the changing need of the industry and has played a key role in the growth and development of the company. He is head of sales department.
Number of Meetings of the Board attended during the financial year (2023-24)	22 out of 22 meetings
List of Directorship/ Membership /Chairmanship of Committees of other Board	<ul style="list-style-type: none"> Indian Companies • Paropkar Estate Private Limited • SKF Iron And Mining Private Limited LLP's • Shree Karni Artha LLP

Notes

Name of the Director	Rajiv Lakhotia
Membership / Chairmanship of Committees of Other Board:	NIL
Shareholding in the Company	12,50,000 shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Not related to any Directors, Manager and other Key Managerial Personnel of the Company
Terms and Conditions of appointment or re-appointment along with details of remuneration, if any to be paid and the remuneration last drawn	Being liable to retire by rotation Last Drawn remuneration: Rs 8,00,000/- Per Month
Justification for choosing the appointees for appointment as Independent Directors	NA

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

The remote e-voting period begins on Wednesday, September 25, 2024 at 9:00 A.M. and ends on Friday, September 27, 2024 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Saturday, September 21, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Saturday, September 21, 2024.

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

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

Step 1: Access to NSDL e-Voting system

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: www.eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider – NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If the user is not registered for IDeAS e-Services, option to register is available at www.eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at www.eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
	<ol style="list-style-type: none"> Visit the e-Voting website of NSDL. Open web browser by typing the following URL: www.evoting.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Notes

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are www.web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at www.web.cdslindia.com/myeasi/Registration/EasiRegistration. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- Your User ID details are given below :

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

Notes

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Membes holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

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

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

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

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

Notes

5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to msassociates16@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Amit Vishal at evoting@nsdl.co.in

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investor@masserv.com or cs@skflindia.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investor@masserv.com or cs@skflindia.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

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

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

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

Notes

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@skflindia.com. The same will be replied by the company suitably.

General Instructions

- i. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- ii. CS Md. Shahnawaz, Practicing Company Secretary (Membership No. ACS- 21427 & CP No. 15076) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- iii. The members, who are present VC / OAVM at the AGM but have not cast their votes during the remote e-voting period, shall be allowed to cast their voting through evoting.
- iv. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- v. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company <https://skflindia.com/> and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to the National Stock Exchange of India Limited.

August 31, 2024

Registered Office:

Shree Karni Fabcom Limited
 Block no - 314, Plot no -188 to 190,
 Rajhans Texpa NH-48,
 Village- Baleshwar Taluka – Palsana Surat – 394317
 Tel : +91 - 262 235 0900
 Email : shreekarni@skflindia.com
 Website: <https://skflindia.com/>
 CIN: U47820GJ2023PLC140106

By order of the Board

For Shree Karni Fabcom Limited

Dhiraj Ramkishor Vaishnav

Company Secretary and Compliance Officer
 Membership No. A62575

DIRECTOR'S REPORT

TO,
THE MEMBERS,
SHREE KARNI FABCOM LIMITED

Dear Members,

Your Directors are pleased to submit the 1st Annual Report on the business and operations of your Company ("the Company" or "SHREE KARNI"), along with the audited financial statements, for the financial year ended March 31, 2024. The consolidated performance of the Company and its subsidiaries has been referred to wherever required

1. FINANCIAL SUMMERY OR HIGHLIGHTS / PERFORMANCE OF THE COMPANY

The Financial Results for the year ended March 31, 2024 and the corresponding figure for the previous year are as under:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Revenue from Operations	13,079.84	12,694.65	13,707.77	12,694.65
Other Income	38.77	9.40	70.93	9.40
Total Income	13,118.61	12,704.05	13,778.70	12,704.05
Total Expenditure	11,422.26	11,992.05	11,875.12	11,992.05
Profit before tax	1,696.35	712	1,903.58	712
Current Tax	402.02	250.23	402.02	250.23
Income tax Adjustment	9.49	-	9.49	-
Deferred Tax Adjustment	(16.31)	-	(16.31)	-
Profit after Tax	1,301.15	461.77	1,471.27	461.77
Basic Earnings per share (in ₹)	18.40	6.53	20.80	6.53

Notes:

- Equity shares are at par value of ₹10/- per share.
- 18,72,000 equity shares were allotted pursuant to Initial Public Offer ("IPO") on March 12, 2024.

2. TRANSFER TO RESERVES

We do not propose to transfer any amount to general reserve.

3. DIVIDEND

To strengthen the financial position of the Company and to augment working capital, your directors do not recommend any dividend for the FY 2024.

4. STATE OF COMPANY'S AFFAIRS

Your Directors are pleased to share the exceptional, operational and financial performance achieved by the Company even during this turbulent times of inflation, growth slowdown, aggressive interest rate hikes and other geopolitical factors and its consequent effect on economies of worldwide.

During the FY2024:

- Revenue from operations at ₹ 13,707.77 lakhs in FY 24 as compared to ₹ 12,694.65 lakhs in FY23, translating to a growth of 3.03% on consolidated basis.
- PAT at ₹1471.27 lakhs in FY 24 as compared to ₹461.77 lakhs in FY 23, translating to a staggering growth of 218.62% on consolidated basis.

It is expected that the Company will achieve better operation and financial performance in FY2025.

5. CHANGE IN THE NATURE OF BUSINESS

There is no Change in the nature of the business / operation of the Company done during the year under review.

Director's Report (Contd.)

6. CHANGE IN NAME AND STATUS OF THE COMPANY

The Company was originally formed as a limited liability partnership in the name and style of "Shree Karni Fabcom LLP" bearing LLP identification number AAM-1759 pursuant to a certificate of incorporation date March 7, 2018 issued by the Registrar of Companies, Gujarat at Ahmadabad. Subsequently, pursuant to a resolution passed in the meeting of a partners held on November 26, 2022, Shree Karni Fabcom LLP was converted into a private limited company under the name 'Shree Karni Fabcom Private Limited' and a certificate of incorporation dated April 11, 2023 was issued by the Registrar of Companies, Central Registration Centre. Subsequently, pursuant to a resolution passed by our Board of Director in their meeting held on October 3, 2023 and by the shareholders at an extra-ordinary general meeting held on October 10, 2023 our company was converted into a public limited company and consequently the name of our company was change to "Shree Karni Fabcom Limited" and a fresh certificate of incorporation dated October 20, 2023 was issued by the Registrar of Company, Gujarat at Ahmedabad. The Corporate Identification Number of our Company is U47820GJ2023PLC140106.

7. INITIAL PUBLIC ISSUE

The Company has successfully completed the Initial Public Offer (IPO). In the IPO, 18,72,000 Equity Shares of ₹10/- each at a issue price of ₹ 227/- per share aggregating to ₹187.20 Lakhs which was oversubscribed by 275.16 times. The issue was opened for subscription on March 6, 2024 and closed on March 11, 2024. The Board has allotted 18,72,000 Equity Shares of ₹227/- each to the successful applicant on March 12, 2024. The equity shares of the Shree Karni Fabcom Limited got listed on March 14, 2024 on the NSE EMERGE. As on March 31, 2024 the Authorised Share Capital of the Company is ₹ 8,00,00,000 divided into 80,00,000 Equity Shares of ₹10/- each. The Paid up Share Capital of the Company is ₹ 7,07,20,000 divided into 70,72,000 Equity Shares of ₹10/- each.

8. UTILISATION OF FUNDS RAISED THROUGH IPO

During the year under review, the Company has come up with Initial Public offer of 18,72,000 Equity Shares for cash at a price of ₹227/- per Equity Shares (including a premium of Rs 217/- per Equity Shares), aggregating to ₹ 42.49 crores. Pursuant to Regulation 32(1)(a) and 32(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby confirmed that there was no deviation(s) or variation(s) in the utilization of public issue proceeds from the objects as stated in the prospectus dated March 12, 2024.

9. DEMATERIALISATION OF SHARES

During the year under review, the Company has entered into tripartite agreements for dematerialization of equity shares with the MAS Services Limited, National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2024, the share of the Company held in demat form represents 100% of the total issued and paid-up capital of the Company. The Company ISIN No. is INE0S4Y01010. M/s. MAS Services Limited is the Registrar and Share Transfer Agent of the Company.

10. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION BETWEEN THE END OF FINANCIAL YEAR AND DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred during the period from the end of the financial year to which the financial statement related till the date of this report except:

11. SHARE CAPITAL AND INITIAL PUBLIC OFFERING OF YOUR COMPANY

The Company has successfully completed the maiden Initial Public Offer (IPO). In the IPO, 18,72,000 Equity Shares of Rs 10/- each was offered by the Company for subscription at an issue price of Rs 227/- per shares. The issue was opened for subscription on March 6, 2024 and closed on March 11, 2024. The Board has allotted 18,72,000 Equity Shares of Rs 10/- each to the successful applicant on March 12, 2024. The equity shares of the Shree Karni Fabcom Limited got listed on March 14, 2024 on the NSE Emerge. Your company share price debuted on National Stock Exchange of India Limited at Rs 260/- per share, a premium of 14 % over its issue price

As on March 31, 2024, share capital of the Company was 70,72,000 Equity Shares of face value of Rs 10 each.

12. ALTERATION OF MEMORANDUM AND ARTICLES OF ASSOCIATION

During the FY 2023-24, the Company has increased its authorised capital from ₹ 1,00,00,000 (Rupees One Crore) to ₹8,00,00,000 (Rupees Eight Crores) and consequently altered its capital clauses in the Memorandum of Association. Further, there was alteration in the articles of Association of company for Adoption of new set of Articles of Association of the Company pursuant to the Companies Act, 2013 and upon conversion to a Public Limited Company.

Director's Report (Contd.)

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The following are the changes in the Board of the Company during the year under review:

DIN/PAN	Name	Particulars of Change	Appointment/Cessation date
02939190	Rajiv Lakhotia	Appointed as Managing Director	October 10, 2023
07848061	Radhe Shyam Daga	Appointed as Whole Time Director	October 10, 2023
08156230	Manoj Kumar Karnani	Appointed as Whole Time Director	October 10, 2023
09748957	Raj Kumar Agarwal	Appointed as Whole Time Director	October 10, 2023
07062288	Rashmi Bihani	Appointed as Independent Director	October 10, 2023
08178507	Sriyans Lunia	Appointed as Independent Director	November 1, 2023
03610903	Swati Singhania	Appointed as Independent Director	October 10, 2023
AJIPL3769J	Arbind Kumar Lahoty	Appointed as Chief Financial Officer	November 9, 2023
BHDPC0836R	Jyoti Chitlangiya*	Appointed as Company Secretary	November 9, 2023

*Mrs. Jyoti Chitlangiya, Company Secretary & Compliance Officer of the Company tendered her resignation from the position of the Company Secretary & Compliance Officer of the Company with effect from May 29, 2024

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Rajiv Lakhotia (DIN: 02939190), Managing Director, is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible has offered himself for reappointment. Necessary resolution for his re-appointment is included in the Notice of AGM for seeking approval of Members. The Directors recommend his re-appointment for your approval. A brief profile of Mr. Rajiv Lakhotia (DIN: 02939190), will be given in the Notice convening the forthcoming AGM for reference of the shareholders.

14. DECLARATIONS BY INDEPENDENT DIRECTORS

In accordance with the provisions of Section 149(7) of the Companies Act, 2013, each of the Independent Directors has confirmed to the Company that he or she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (the Listing Regulations) as amended.

In the opinion of the Board of Directors, all Independent Directors of the Company fulfils the conditions specified in the Act and Rules made thereunder.

15. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, Regulation 17(10) of the Listing Regulations, peer evaluation of all Board members, annual performance evaluation of its own performance, as well as the evaluation of the working of Board's Committees was undertaken. This evaluation is led by the Chairman of the Nomination and Remuneration Committee with a specific focus on the performance and effective functioning of the Board and its Committees. The evaluation process, inter alia, considers attendance of Directors at Board and committee meetings, acquaintance with business, communication inter se board members, the time spent by each of the Board members, core competencies, personal characteristics, accomplishment of specific responsibilities and expertise.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members on the basis of the criteria such as the composition of Committees, effectiveness of committee meetings, etc.

The report on the performance evaluation of the Individual Directors was reviewed by the Board and feedback was given to the Directors.

16. BOARD MEETING

During the year under review Board met 25-04-2023; 10-05-2023; 06-06-2023; 12-06-2023; 07-07-2023; 15-07-2023; 31-08-2023; 01-09-2023; 13-09-2023; 30-09-2023; 03-10-2023; 15-10-2023; 18-10-2023; 31-10-2023; 06-11-2023; 09-11-2023; 12-12-2023; 15-12-2023; 22-12-2023; 27-12-2023; 26-02-2024 and 12-03-2024. There were 22 board meetings held in accordance with the provisions of Companies Act, 2013.

The intervening gap between two consecutive meetings was within the limit prescribed under the Companies Act, 2013 and SEBI Listing Regulations.

Director's Report (Contd.)

17. MEETING OF THE INDEPENDENT DIRECTORS

During FY2023-24, one meeting of Independent Directors was held without the presence of the Executive Directors or Management Personnel on March 30, 2024. At such meeting, the Independent Directors have discussed, among other matters, the challenges faced by the Company, growth strategies, flow of information to the Board, strategy, leadership strengths, compliance, governance, HR related matters and performance of Executive Directors.

18. COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE

The Audit Committee of the Board comprises of:

Name of Directors	Category
Ms. Rashmi Bihani	Independent Director
Ms. Swati Singhania	Independent Director
Mr. Sriyans Lunia	Chairperson
Mr. Raj Kumar Agarwal	Whole-Time Director

During the year under review, there has been no instance where the recommendations of the Audit Committee have not been accepted by the Board. The terms of reference of the Audit Committee are in accordance with the provision of the Companies Act, 2013 and in line with SEBI Listing Regulations although the listing regulation pertaining to Audit Committee is not applicable to the Company.

B. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board comprises of:

Name of Directors	Category
Ms. Rashmi Bihani	Independent Director
Ms. Swati Singhania	Independent Director
Mr. Sriyans Lunia	Chairperson

During the year under review, there has been no instance where the recommendations of the Nomination and Remuneration Committee have not been accepted by the Board. The terms of reference of the Nomination and Remuneration Committee are in accordance with the provision of the Companies Act, 2013 and in line with SEBI Listing Regulations although the listing regulation pertaining to Nomination and Remuneration Committee is not applicable to the Company.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of the Board comprises of:

Name of Directors	Category
Ms. Rashmi Bihani	Independent Director
Ms. Swati Singhania	Independent Director
Mr. Sriyans Lunia	Chairperson

During the year under review, there has been no instance where the recommendations of the Stakeholders Relationship Committee have not been accepted by the Board. The terms of reference of the Stakeholders Relationship Committee are in accordance with the provision of the Companies Act, 2013 and in line with SEBI Listing Regulations although the listing regulation pertaining to Stakeholders Relationship Committee is not applicable to the Company.

19. VIGIL MECHANISM

To meet the requirement under Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations the Company has adopted a vigil mechanism named Whistle Blower Policy for directors and employees to report genuine concerns, which shall provide adequate safeguards against victimization of persons who use such mechanism. Under this policy, we encourage our employees to report any reporting of fraudulent financial or other information to the stakeholders, any conduct that results in violation of the Company's Code of Business Conduct, to management (on an anonymous basis, if employees so desire).

Likewise, under this policy, we have prohibited discrimination, retaliation or harassment of any kind against any employee who, based on the employee's reasonable belief that such conduct or practice have occurred or are occurring, reports that

Director's Report (Contd.)

information or participates in the said investigation. The Whistle Blower Policy is displayed on the Company's website at www.skflindia.com.

No individual in the Company has been denied access to the Audit Committee or its Chairman during the FY2023-24.

20. APPOINTMENT OF DIRECTORS AND REMUNERATION POLICY

The Board has on the recommendation of the Nomination and Remuneration Committee framed a policy for the selection and appointment of Directors and Senior Management Personnel and their remuneration. The Company's policy relating to the Directors appointment, payment of remuneration and discharge of their duties is available on the website of the Company at www.skflindia.com.

21. CORPORATE SOCIAL RESPONSIBILITY

During the year under review, the provision of Section 135 of the Companies Act, 2013 and the rules made thereunder were not applicable to the Company. Further, the Company had undertaken IPO during the year under review and at that time CSR Committee were also constituted and CSR policy were adopted considering the expected profit for FY 2024. The provisions of CSR have become applicable to the Company w.e.f April 2024 as the net profit for FY 2024 exceeded the limit of Rs 5 Crores. The Audited Accounts for FY 2024 were approved by the Board of Directors on May 29, 2024.

The Company is liable to spend Rs 33.93 Lakhs towards CSR activities as per the Company's CSR policy. The CSR report for FY 2024 was not applicable as the Company was not covered by the provision of Section 135 of the Companies Act, 2013.

The Corporate Social responsibility Committee of the Board comprises of:

Name of Directors	Category
Ms. Swati Singhanian	Independent Director
Mr. Sriyans Lunia	Chairperson
Mr. Radhe Shyam Daga	Whole-time Director

The CSR policy of the Company can be viewed at www.skflindia.com/code-and-policies/

22. RISK MANAGEMENT POLICY

Your Company's Risk Management Framework is designed to enable risks to be identified, assessed and mitigated appropriately. The Risk Management framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

The Company has constituted an internal Risk Management Committee. The Board reviews the same from time to time to include new risk elements and its mitigation plan. Risk identification and its mitigation is a continuous process in our Company.

23. SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY

The Company has one associate and one subsidiary LLP. The Company does not have any Joint Venture as on March 31, 2024.

M/s Textron Fabtech LLP, is an associate of our Company and engaged in the business of manufacturing of technical textile.

M/s IGK Technical Textiles LLP, is a subsidiary of our company and is a limited liability partnership incorporated on December 4, 2020, and is engaged in the business of manufacturing and dealing in technical textile.

A statement containing the salient features of the financial statement of the subsidiary/joint venture Company in the prescribed format AOC-1 is annexed herewith as "Annexure 1".

Further, pursuant to the provisions of Section 136 of the Companies Act, 2013, the standalone financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of the subsidiary, are available on the website of the Company at www.umaexports.net.in under investors' section. These documents will also be available for inspection till the date of the AGM during business hours at the Registered Office of the Company.

24. NON-APPLICABILITY OF THE INDIAN ACCOUNTING STANDARDS

As per Provision to regulation Rule 4(1) of the companies (Indian Accounting Standards) Rules, 2015 notified vide Notification No. G.S.R 111 (E) on 16th February, 2015, Companies whose shares are listed on SME exchange as referred to in Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, are exempted from the compulsory requirements

Director's Report (Contd.)

of adoption of IND-AS w.e.f. 1st April, 2017. As your Company is also listed on SME Platform of NSE Limited, is covered under the exempted category and is not required to comply with IND-AS for preparation of financial statements.

25. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the year under review, no significant and material orders have been passed by the Regulators, Courts, or Tribunals impacting the going concern status of the Company and its operation in the future.

26. AUDITORS & AUDITORS' REPORT

The Company's Statutory Auditors M/s. Giriraj Bhutra & Co., (FRN 143965W), has resigned from the office of Statutory Auditors of the Company on October 15, 2023, resulting into a casual vacancy in the office of Auditors.

Thereafter, M/s. Baid Agarwal Singhi & Co, Chartered Accountants (Firm Registration No. 328671E) was appointed as the Statutory Auditors of the Company to fill such casual vacancy on October 15, 2023 at an Extra Ordinary General Meeting, who will hold the office till the conclusion of ensuing Annual General Meeting.

M/s. Baid Agarwal Singhi & Co., Chartered Accountants, are eligible to be re-appointed for a term of 5 (five) years, in terms of provisions of Sections 139 and 141 of the Act, read with the Rules made thereunder.

Accordingly, the Board of Directors of the Company at their meeting held on August 24, 2024 based on the recommendation of the Audit Committee and subject to the approval of the shareholders of the Company at the ensuing AGM, recommended appointment of M/s. Baid Agarwal Singhi & Co., Chartered Accountants, (Firm Registration No. 328671E), shall be appointed as the Statutory Auditors, for a period of 5 (five) years i.e. from the conclusion of the ensuing 1st Annual General Meeting till the conclusion of 6th Annual General Meeting.

27. CORPORATE GOVERNANCE

As the Company is coming with an issue in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, the requirement specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (LODR) Regulations, 2015 are not applicable to the Company. In additions to the applicable provisions of the Companies Act, 2013 will be applicable to the company immediately up on the listing of Equity Shares on the Stock Exchanges. However, the Company has complied with the corporate governance requirement, particularly in relation to appointment of independent directors including woman director in the Board, constitution of an Audit Committee and Nomination and Remuneration Committee. The Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

28. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made thereunder, the Company had appointed CS Md. Shah Nawaz (Membership No. 21427 CP No. 15076), Practising Company Secretary, to carry out the Secretarial Audit of the Company for the FY2023-24. The Secretarial Audit Report submitted by him, for FY2023-24 is annexed herewith marked as "Annexure 2" to this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark, and, therefore, does not call for any further comments.

29. SECRETARIAL STANDARDS

During the year under review, the Company has duly complied with the applicable provisions of the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI).

30. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board.

Internal Audit is conducted by an Independent Professional Firm of Chartered Accountants. The Internal Audit Reports are reviewed and discussed with the senior management team. The representative of Statutory Auditors and the Internal

Director's Report (Contd.)

Auditors are permanent invitees to the Audit Committee meetings. The measures as suggested by the Audit Committee are implemented as per the direction of the Audit Committee.

The controls comprise of:

- a) Officials of the Company have defined authority and responsibilities within which they perform their duty;
- b) All the Banking transactions are under joint authority and no individual authorization is given;
- c) Maker-checker system is in place.
- d) Any deviations from the previously approved matter require fresh prior approval.

M/s. R S Y & Co, Chartered Accountants, had carried out Internal Audit of the Company for the FY2023-24.

31. DETAILS OF FRAUD REPORTED BY THE AUDITORS

During the year under review, the Statutory Auditors and Internal Auditor have not reported any instances of fraud committed in the Company by its officers or employees to the Audit Committee under section 143(12) and Rule 13 of the Companies (Audit and Auditors) Rules, 2014 of the Companies Act, 2013.

32. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3) (a) of the Companies Act, 2013, the Annual Return for the year ending on March 31, 2024 is available on the Company's website at www.skflindia.com.

33. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The particulars of loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilized as per the provisions of Section 186 of the Companies Act, 2013 are disclosed in the notes to account to the financial statements for the financial year 2023-24.

34. DEPOSIT

The Company has neither accepted nor renewed any deposits during the year under review. Further, the Company does not have any outstanding amount qualified as a deposit as on 31st March 2024.

35. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has entered into related party transaction in ordinary course of business and at arm's length. As none of the transactions with any of the related party exceed the 10% of the turnover of the Company, there was no material related party transaction during the year under review. Thus, the disclosure of particulars of contracts or arrangements with related parties as prescribed in Form AOC-2 under section 188(1) of the Companies Act, 2013, during the financial year ended March 31, 2024, is not applicable.

The details of other related party transactions are disclosed in Form AOC – 2, enclosed herewith.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website: <https://skflindia.com/code-and-policies/>

36. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The details of conservation of energy and technology absorption are applicable to the Company as the Company is engaged in the manufacturing activities. Further, the foreign exchange earnings and outgo for the financial year ended March 31, 2024 in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules 2014 in the prescribed format are annexed hereto as "Annexure 3" and forms part of this report.

37. STATEMENT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate "Annexure-4" forming part of this report.

38. MAINTENANCE OF COST RECORDS AND COST AUDIT

The requirement of maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, and audit of cost records were not applicable to the Company during the year under review.

Director's Report (Contd.)

39. DISCLOSURE UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016)

During the year under review, neither any application was made nor any proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016

40. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION

There was no one time settlement by the Company with the Banks or Financial Institutions during the year under review, thus, the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof are not applicable.

41. DIRECTOR'S RESPONSIBILITY STATEMENT

The Director's Responsibility Statement referred to in clause (c) of Sub-section (3) of Section 134 of the Companies Act, 2013 shall state that

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) The directors has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit & loss of the company for that period.
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) The directors has prepared the annual accounts on a going concern basis;
- e) The directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively, and
- f) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

42. PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading, in accordance with the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations. The Code is displayed on the Company's website at www.skflindia.com.

43. DISCLOSURES AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESS) ACT, 2013

The Company has zero-tolerance for sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The Company has set up Internal Complaint Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 along with its relevant Rules.

The Committee met once during the FY2024 on March 30, 2024.

There was no complaint pending at the beginning and at the end of FY2023-24. No complaints have been received by the Committee during the FY2023-24.

44. MANAGEMENT DISCUSSION & ANALYSIS REPORT

In term of requirements of Regulation 34(2)(e) of SEBI (LODR) Regulation 2015, a "Management Discussion and Analysis Report" are set out as a separate section in this Annual Report which forms an integral part of this report.

46. TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company

Director's Report (Contd.)

to the IEPF, established by the Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years are also to be transferred to the Demat account of the IEPF Authority.

During the year, there was no unclaimed and unpaid dividend and corresponding equity shares on which dividend were unclaimed/unpaid for seven consecutive years which was required to be transferred as per the requirement of the IEPF Rules.

Further, pursuant to the provisions of Section 124(6) of the Act read with the relevant Rules made thereunder, as there was no equity shares on which dividend has not been paid or claimed for seven (7) consecutive years or more, no shares are due for transfer to the IEPF as notified by the Ministry of Corporate Affairs.

47. HUMAN RESOURCES

Our employees are our core resource and the Company has continuously evolved policies to strengthen its employee value proposition. Your Company was able to attract and retain best talent in the market and the same can be felt in the past growth of the Company. The Company is constantly working on providing the best working environment to its Human Resources with a view to inculcate leadership, autonomy and towards this objective; your company makes all efforts on training. Your Company shall always place all necessary emphasis on continuous development of its Human Resources. The belief "Great People create Great Organization" has been at the core of the Company's approach to its people.

48. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.

49. ACKNOWLEDGEMENTS

Your Directors take this opportunity to express their sincere thanks to the Central Government and Governments of various states, Financial Institutions, Bankers and Customers for their co-operation and assistance extended.

Your Directors also wish to express their deep appreciation for the integrity and hard work of all the employees of the Company at all levels to cope-up the challenging scenario and strive for the growth of our Company.

The Board also takes this opportunity to express their deep gratitude for the continued co-operation and support received from the shareholders.

For and on behalf of the Board of Directors

SHREE KARNI FABCOM LIMITED

Date: May 29, 2024

Place: Surat

RAJIV LAKHOTIA
(Managing Director)
DIN: 02939190

RADHE SHYAM DAGA
(Whole Time Director)
DIN: 07848061

ANNEXURE TO THE DIRECTOR'S REPORT

Annexure - 1

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies / joint ventures

Part "A": Subsidiaries

Sr. No.	Particulars		
1.	Name of the subsidiary /associates	M/s IGK Technical Textiles LLP	M/s Textron Fabtech LLP
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2023-24	2023-24
3.	Share capital	5,73,85,114	11,66,26,804
4.	Reserves & surplus	NIL	NIL
5.	Total assets	26,22,64,242	26,49,477
6.	Total Liabilities	29,59,53,674	19,55,23,326
7.	Investments	2,07,93,799	-
8.	Turnover	33,02,15,623	88,15,02,419
9.	Profit /Loss before taxation	2,33,83,833	9,32,11,652
10.	Other Comprehensive Income	49,48,071	1,71,543
11.	Provision for taxation	NIL	2,45,00,000
12.	Profit after taxation(incl. other comprehensive income)	2,33,83,833	6,87,11,652
13.	Proposed Dividend	NIL	NIL
14.	% of shareholding	66.67%	45%

For and on behalf of the Board of Directors

SHREE KARNI FABCOM LIMITED

Date: May 29, 2024
Place: Surat

RAJIV LAKHOTIA
(Managing Director)
DIN: 02939190

RADHE SHYAM DAGA
(Whole Time Director)
DIN: 07848061

ANNEXURE TO THE DIRECTOR'S REPORT

Annexure - 2

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014

To,
The Members,
SHREE KARNI FABCOM LIMITED
CIN: U47820GJ2023PLC140106
Plot 188, 189, 190
Block No. 314, Rajhans Texpa,
Village Baleshvar, Taluka Palsana,
Baleshwar, Surat, Gujarat, 394317

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SHREE KARNI FABCOM LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011-;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - **Not Applicable during the Audit Period;**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - **Not Applicable during the Audit Period;**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021- **Not Applicable during the Audit Period;**
 - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations 2018- **Not Applicable during the Audit Period;**

ANNEXURE TO THE DIRECTOR'S REPORT

- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015; and report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with all the laws applicable specifically to the Company.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by the Statutory Auditors, Tax Auditors and other designated professionals.

I further report that as per the explanations given to me and the representation made by the Management and relied upon by me, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were following specific events / actions having a major bearing on Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards, etc.:

1. The shareholders of the Company at their Extra Ordinary General Meeting held on July 8, 2023, have approved increase in the Authorized Share capital of the company from ₹ 1,00,00,000 to ₹ 8,00,00,000.
2. The company had allotted 40,00,000 equity shares on bonus issue basis at their Board Meeting held on July 15, 2023.
3. The company had allotted 2,00,000 equity shares on private placement basis at their Board Meeting held on October 3, 2023.
4. The shareholders of the Company at their Extra Ordinary General Meeting held on October 10, 2023, have approved:
 - conversion of the Company from a Private Limited Company to a Public Limited Company
 - Alteration of Name Clause contained in the Memorandum of Association
 - Adoption of new set of Articles of Association of the Company
 - Increase in the limits of Borrowing power not exceeding ₹100 crores
 - Increase in limits for creation of securities upto ₹100 crores
 - Appointment of Ms. Rashmi Bihani (DIN: 07062288) as an Independent Director of the Company
 - Appointment of Ms. Swati Singhania (DIN: 03610903) as an Independent Director of the Company
 - Appointment of Mr. Rajiv Lakhota (DIN: 02939190) as a Managing Director of the Company
 - Appointment of Mr. Radhe Shyam Daga (DIN: 07848061) as Whole-time Director of the Company
 - Appointment of Mr. Manoj Kumar Karnani (DIN: 08156230) as Whole-time Director of the Company
 - Appointment of Mr. Raj Kumar Agarwal (DIN: 09748957) as Whole-time Director of the Company
5. The shareholders of the Company at their Extra Ordinary General Meeting held on November 1, 2023, have approved appointment of M/s. Baid Agarwal Singhi & Co, Chartered Accountants (Firm Registration Number: 328671E) as Statutory

ANNEXURE TO THE DIRECTOR'S REPORT

Auditors to undertake Statutory Audit of the accounts for the year 2023-24 and they shall hold office until the conclusion of the ensuing annual general meeting

- The IPO of 18,72,000 Equity Shares of ₹10 each of the Company opened for subscription on March 6, 2024 and closed on March 11, 2024. The shares of the Company got listed on March 14, 2024 at Emerge Platform of the National Stock Exchange of India Limited ("NSE EMERGE").

M Shahnawaz & Associates

Company Secretaries
Firm Regn. No: S2015WB331500

CS Md. Shahnawaz

Proprietor
Membership No.: 21427
CP No.: 15076
UDIN: A021427F000485539

Place: Kolkata

Date: May 29, 2024

ANNEXURE TO THE DIRECTOR'S REPORT

Annexure - A

To,
The Members,
SHREE KARNI FABCOM LIMITED
CIN: U47820GJ2023PLC140106
Plot 188, 189, 190
Block No. 314, Rajhans Texpa,
Village Baleshvar, Taluka Palsana,
Baleshwar, Surat, Gujarat, 394317

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

M Shahnawaz & Associates

Company Secretaries
Firm Regn. No: S2015WB331500

CS Md. Shahnawaz

Proprietor
Membership No.: 21427
CP No.: 15076
UDIN: A021427F000485539

Place: Kolkata
Date: May 29, 2024

ANNEXURE TO THE DIRECTOR'S REPORT

Annexure - 3

DISCLOSURE OF THE PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

A) CONSERVATION OF ENERGY

S.No	Particular	Remark
1.	the steps taken or impact on conservation of energy;	The Company has taken various steps for minimization of energy consumption by putting continuous efforts towards optimization of operating and processing activities, upgradation and modernization of plant equipment etc.
2	the steps taken by the company for utilizing alternate sources of energy	The company had finalized installing of roof top solar in each building and also company had acquired one land for installation of solar panel through which company will supply the energy to its subsidiary company i.e. IGK Technical Textiles LLP
3	the capital investment on energy conservation equipments;	1,04,01,000/- (LOAN FROM SIDBI)

B) TECHNOLOGY ABSORPTION

From B: Disclosure of particulars with respect to Technology absorption		
Technology, absorption, adaptation and innovation		
Efforts made towards technology absorption		NIL
The benefits derived like product improvement, cost reduction, product development or import substitution		NIL
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-		NIL
(a) the details of technology imported;		
(b) the year of import;		
(c) whether the technology been fully absorbed;		
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and		
Research & Development (R & D) -		
the expenditure incurred on Research and Development		NIL

C) FOREIGN EXCHANGE EARNING AND OUTGO

Particulars	FY 2024	FY2023
Foreign Exchange earnings	2.48	5.74
Foreign Exchange outgo	0.31	7.35

For and on behalf of the Board of Directors

SHREE KARNI FABCOM LIMITED

RAJIV LAKHOTIA
(Managing Director)
DIN: 02939190

RADHE SHYAM DAGA
(Whole Time Director)
DIN: 07848061

Date: May 29, 2024
Place: Surat

ANNEXURE TO THE DIRECTOR'S REPORT

Annexure - 4

DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016

- i. **The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2023-24, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2024**

Name of the Director / CEO / CFO / Company Secretary / Manager	Designation	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2023-24	Percentage increase in Remuneration during 2023-24
Daga Radheshyam Magniram	Director	29.6 times	increase in remuneration during the FY 2023-24 1233%
Rajiv Lakhotia	Director	29.6	Increase in remuneration during the FY 2023-24 1233%
Manoj Kumar Karnani	Director	29.6	Increase in remuneration during the FY 2023-24 1233%
Raj Kumar Agarwal	Director	29.6	Increase in remuneration during the FY 2023-24 1233%
Arbind Kumar Lahoty	CFO	1.85	No increase in remuneration during the FY 2023-24
Jyoti Chitlangiya	Company Secretary	1.11	No increase in remuneration during the FY 2023-24

- ii. The median remuneration of employees of the Company during the financial year was Rs 324000/- (Rs 27000 per month)
- iii. During the financial year 35% was increased of median remuneration of employee.
- iv. There were 50 permanent employees on the rolls of the Company as on 31st March, 2024.
- v. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2023-24 was 47% whereas there is 811% increase in managerial remuneration for the same financial year.
- vi. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

ANNEXURE TO THE DIRECTOR'S REPORT

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 [READ WITH RULE 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014]

It is hereby affirmed that:

- (i) No employee was in receipt of remuneration for the year in aggregate of more than ₹ 1.02 Crores;
- (ii) No employee was in receipt of remuneration for any part of the year at a rate which in aggregate was more than ₹ 8.50 lacs per month;
- (iii) No employee was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.
- (iv) Top Ten Employees in terms of Remuneration drawn for F.Y. 2023-24

S. No	Name	Designation	Remuneration (p.m.)	Qualification	Experience	Date of joining
1	Daga Radheshyam Magniram	Director	8,00,000	10th pass	25 years	07-03-2018
2	Rajiv Lakhotia	Director	8,00,000	B.com	15 years	07-03-2018
3	Manoj Kumar Karnani	Director	8,00,000	12th Pass	18 years	01-04-2022
4	Raj Kumar Agarwal	Director	8,00,000	B. com	15 years	01-04-2022
5	Sudhir Panwar	Sales Manager	3,00,000	MCA	27 years	01-04-2024
6	Atul Prakash	Manager	1,25,000	Bachelor of Design	14 Years	01-04-2024
7	Bhawna Sharma	Merchandising Manager	1,25,000	Diploma in Textile Technology	17 Years	01-04-2024
8	Balram Karmakar	Dyeing Master	85,000	12th Pass	22 Years	01-09-2023
9	Chandran Nair	Gm - Hr & Admin	85,000	B.com	30 Years	02-04-2024
10	Shiv Shankar Motilal Daga	Marketing	65,000	B.com	8 Years	20-07-2018

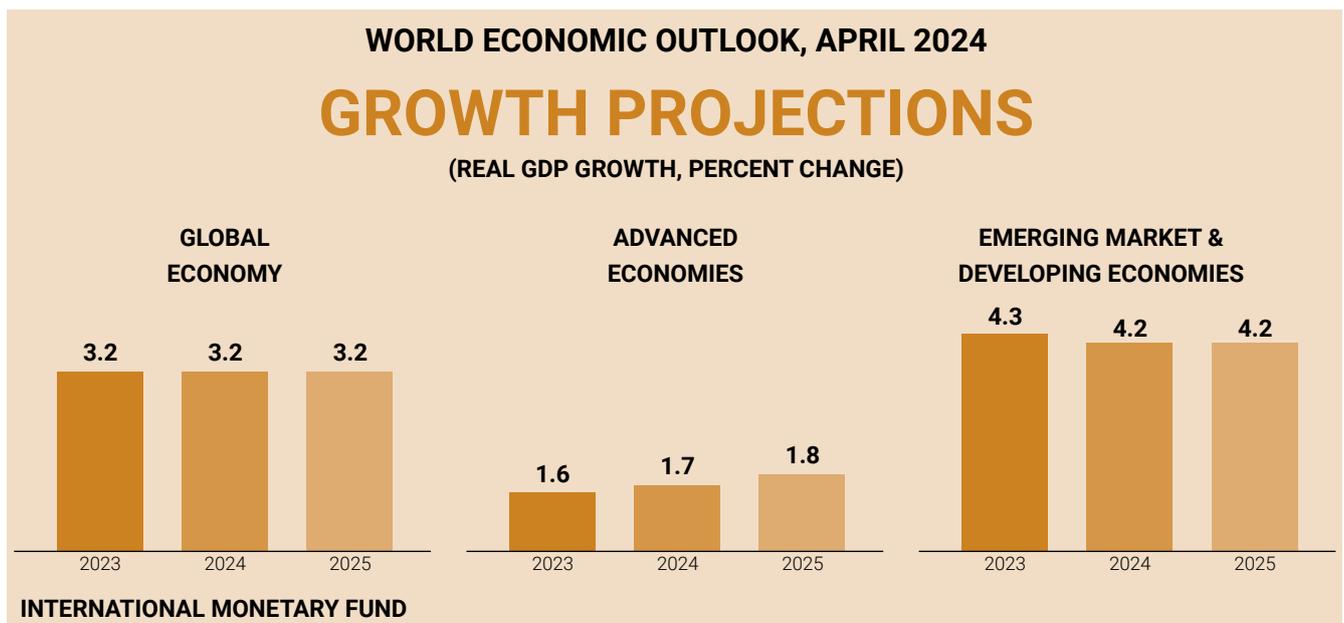
MANAGEMENT DISCUSSION & ANALYSIS REPORT

FY2024 represents the fiscal year 2023-24, from 1 April 2023 to 31 March 2024, and analogously for FY2023 and previously such labelled years.

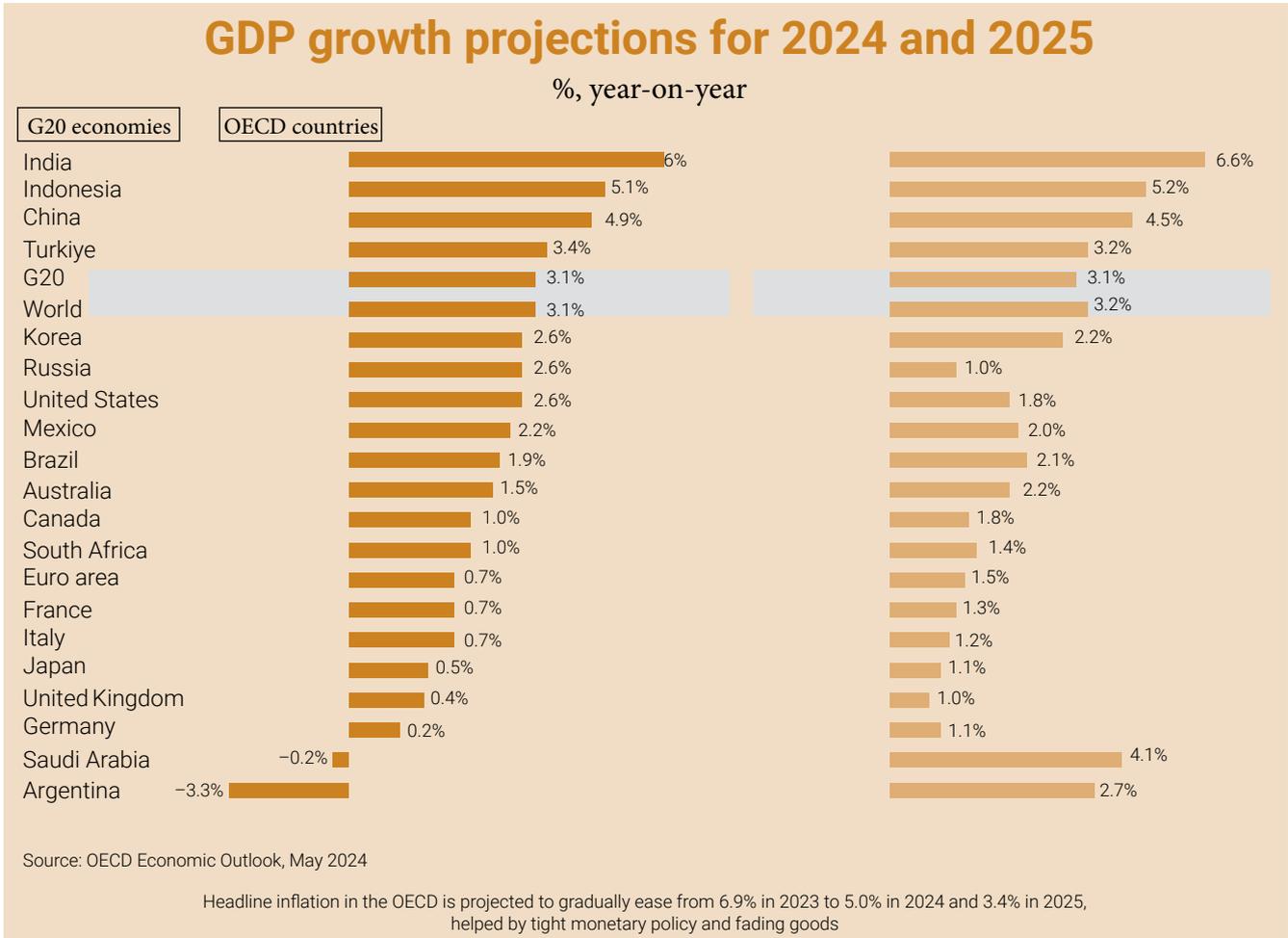
GLOBAL ECONOMY

More than three years after the global economy suffered the largest shock of the past 75 years, the wounds are still healing, amid widening growth divergences across regions. After a strong initial rebound from the depths of the COVID-19 pandemic, the pace of recovery has moderated. Several forces are holding back the recovery. Some reflect the long-term consequences of the pandemic, Russia’s war in Ukraine, and increasing geoeconomic fragmentation. Others are more cyclical, including the effects of monetary policy tightening necessary to reduce inflation, withdrawal of fiscal support amid high debt, and extreme weather events. Despite signs of economic resilience earlier this year and progress in reducing headline inflation, economic activity is still generally falling short of pre-pandemic (January 2020) projections, especially in emerging market and developing economies.

The strongest recovery among major economies has been in the United States, where GDP in 2023 is estimated to exceed its pre-pandemic path. The euro area has recovered, though less strongly—with output still 2.2 percent below pre-pandemic projections, reflecting greater exposure to the war in Ukraine and the associated adverse terms-of-trade shock, as well as a spike in imported energy prices. In China, the pandemic-related slowdown in 2022 and the property sector crisis contribute to the larger output losses of about 4.2 percent, compared with pre-pandemic predictions. Other emerging market and developing economies have seen even weaker recoveries, especially low-income countries, where output losses average more than 6.5 percent. Higher interest rates and depreciated currencies have exacerbated the difficulties of low-income countries, placing more than half either at high risk of distress or already in distress. Overall, global output for 2023 is estimated at 3.4 percent (or about \$3.6 trillion in 2023 prices) below pre-pandemic projections. Private consumption has also recovered faster in advanced economies than in emerging market and developing economies, owing to an earlier reopening in the former group facilitated by greater availability of effective vaccines, stronger safety nets, more ample policy stimulus, and greater feasibility of remote work. These factors supported livelihoods during the pandemic, and household consumption is now broadly back to pre-pandemic trends. Among advanced economies, private consumption has been stronger in the United States than in the euro area, with households receiving larger fiscal transfers early in the pandemic and spending the associated savings more quickly; being better insulated from the rise in energy prices resulting from the war in Ukraine; and feeling relatively confident amid historically tight US labor markets, which have supported real disposable incomes.



MANAGEMENT DISCUSSION & ANALYSIS REPORT



INDIAN ECONOMY

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP or GDP at Current Prices in the year 2023-24 is estimated at ₹ 293.90 lakh crores (US\$ 3.52 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of ₹ 269.50 lakh crores (US\$ 3.23 trillion). The growth in nominal GDP during 2023-24 is estimated at 9.1% as compared to 14.2% in 2022-23. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the first half of FY24. During the period January-March 2024, India's exports stood at US\$ 119.10 billion, with Engineering Goods (25.01%), Petroleum Products (17.88%) and Organic and Inorganic Chemicals (7.65%) being the top three exported commodity. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers. The contact-based services sector has demonstrated promise to boost growth by unleashing the pent-up demand. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

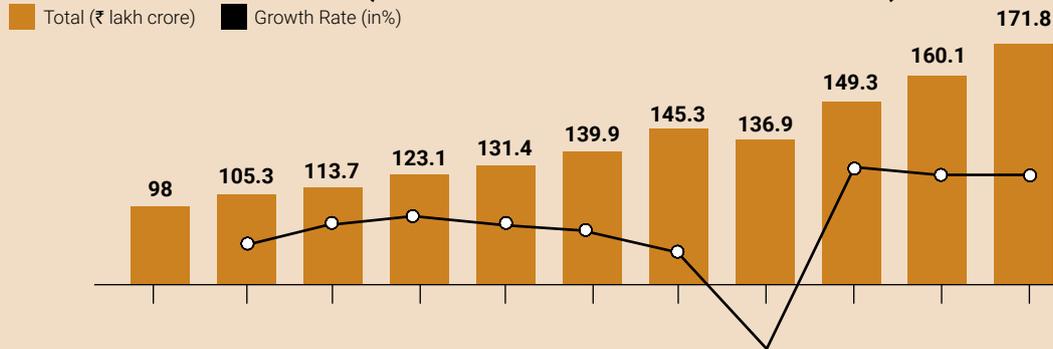
India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's appeal as a destination for investments has grown stronger and more sustainable because of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDIA'S REAL GROSS DOMESTIC PRODUCT

(Absolute level and Annual Growth Rate)



THE TEXTILE SECTOR

India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, with the capital-intensive sophisticated mills sector at the other end. The fundamental strength of the textile industry in India is its strong production base of a wide range of fibre/yarns from natural fibres like cotton, jute, silk, and wool, to synthetic/man-made fibres like polyester, viscose, nylon and acrylic.

The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India's textiles industry has a capacity to produce a wide variety of products suitable for different market segments, both within India and across the world.

In order to attract private equity and employ more people, the government introduced various schemes such as the Scheme for Integrated Textile Parks (SITP), Technology Upgradation Fund Scheme (TUFS) and Mega Integrated Textile Region and Apparel (MITRA) Park scheme.

ADVANTAGE INDIA

ROBUST DEMAND

- Cotton production in India is projected to reach 7.2 million tonnes (~43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers.
- India's textile and apparel exports (including handicrafts) stood at US\$ 44.4 billion in FY22, a 41% increase YoY. Exports of readymade garments including cotton accessories stood at US\$ 6.19 billion in FY22.



COMPETITIVE ADVANTAGE

- India enjoys a comparative advantage in terms of skilled manpower and in cost of production, relative to major textile producers.
- In March 2021, Minister of Textiles, Ms. Smriti Irani announced that India will be fully self-reliant in silk production in the next two years.



COMPETITIVE ADVANTAGE

- 100% FDI (automatic route) is allowed in textiles.
- Production-linked incentive (PLI) Scheme worth ₹ 10,683 crore (US\$ 1.44 billion) for manmade fibre and technical textiles over a five-year period.
- The India government has notified uniform goods and services tax rate at 12% on manmade fabrics (MMF), MMF yarns and apparel, which came into effect from January 1, 2022.



INCREASING INVESTMENTS

- Huge funds in schemes such as integrated Textile parks (SITP) (US\$ 184.98 million) and Technology Upgradation Fund Scheme (US\$ 961.11 million) released by the Government during 2015-16 to 2019-20 to encourage more private equity and provide employment



MANAGEMENT DISCUSSION & ANALYSIS REPORT

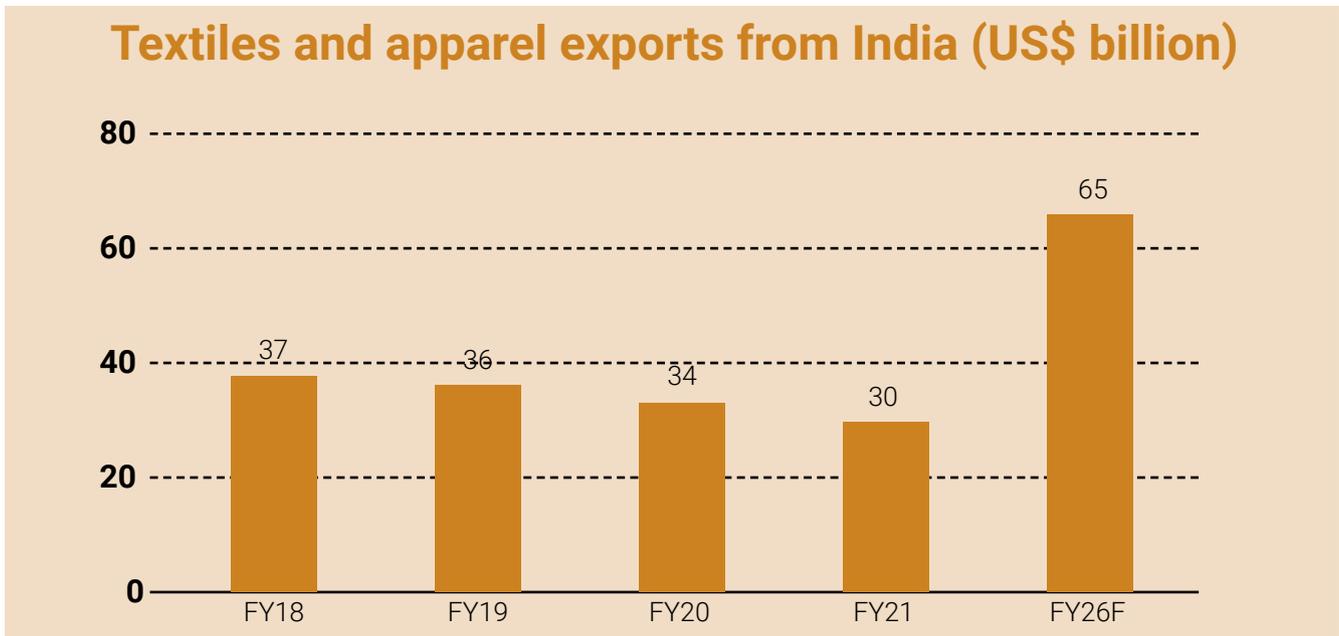
MARKET SIZE

The Indian textile and apparel industry is expected to grow at 10% CAGR from 2019-20 to reach US\$ 190 billion by 2025-26. India has a 4% share of the global trade in textiles and apparel.

India is the world's largest producer of cotton. Estimated production stood at 362.18 lakh bales during cotton season 2021-22. Domestic consumption for the 2021-22 cotton season is estimated to be at 338 lakh bales. Cotton production in India is projected to reach 7.2 million tonnes (~43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers. Production of fibre in India reached 2.40 MT in FY21 (till January 2021), while for yarn, the production stood at 4,762 million kgs during the same period.

India's textile and apparel exports (including handicrafts) stood at US\$ 44.4 billion in FY22, a 41% increase YoY. India's textile and apparel exports to the US, its single largest market, stood at 27% of the total export value in FY22. Exports of readymade garments including cotton accessories stood at US\$ 6.19 billion in FY22.

India's textiles industry has around 4.5 crore employed workers including 35.22 lakh handloom workers across the country



INDIAN TECHNICAL TEXTILES INDUSTRY

India's strengths have already been defined in traditional textiles and natural fibres globally. It is the second largest producer of polyester in the world and is now emerging as a key player in technical textiles industry contributing to a market size of \$ 19 Bn. Technical textiles are defined as high performance textile products, materials, and fibres that are used for their functional use rather than for aesthetic purposes. Technical textiles have varied applications in several vital industries including aerospace, packaging, hazard protection, shipping, sports, agriculture, defence, healthcare, construction, etc.

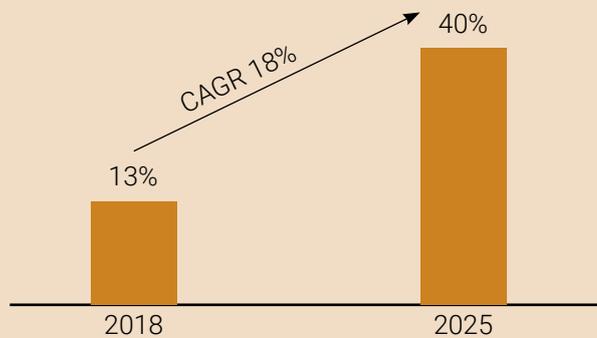
The usage of technical textiles has the benefit of large-scale improvements in performance, efficiency, conservation of resources, cost reduction, environmental protection and cost effectiveness. Other terms used for defining Technical textiles include industrial textiles, functional textiles, performance textiles, engineering textiles, invisible textiles and hitech textiles.

Technical textiles is a fast-growing sub-segment that finds its usage in an array of sectors. The end use application of technical textiles is widespread and seen in industries such as agriculture, construction, sports apparel, healthcare etc. India's leap towards modernisation and its manufacturing competitiveness are some of the key contributors to the growth of this segment.

Technical textile accounts for approximately 13% of India's total textile and apparel market and contributes to India's GDP at 0.7%. There is a huge potential to fulfil a large demand gap as the consumption of technical textiles in India is still only at 5-10% against 30-70% in some of the advanced countries. Hence, garnering direct attention from prime minister Narendra Modi and his Cabinet Committee on Economic Affairs (CCEA), a National Technical Textiles Mission has been set up that aims at an average growth rate of 15-20% to increase the domestic market size of technical textiles to \$ 40-50 Bn by the year 2024; through market development, market promotion, international technical collaborations, investment promotions and Make in India initiative.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Share of technical textiles in Indian textile sector



Technical textiles, a sunrise sector, has become even more relevant during the Covid-19 crisis when the global manufacturing have come to a grinding halt and the ban on export of critical medical equipment including N95 face masks and protective gears, have made imports to India nearly impossible. India was entirely import dependent for PPE kits. From manufacturing 0 PPE kits in March, it soon rose to manufacturing 2.5 lakh a day in 60 days becoming the second largest manufacturer after China. Today, India stands to produce around 4.5 lakh PPEs and more than 1.5 crore masks a day.

Despite the economic slowdown and downturn in the overall demand for textiles due to Covid-19, the industry continues to be the second largest employer in India. By transforming a Covid-19 crisis to an opportunity, India has proven its ability to innovate and rise to the challenge with limited resources and time. Therefore, it is even more essential for the government and industry to collaborate to boost technical textiles, a high value segment of this sector.

Application Areas of Technical Textiles

-  Agrotech Bird Protection nets, finishing nets, crop covers, mulch mats, shade nets
-  Buildtech Floor & wall coverings, scaffolding nets, awnings & canopies
-  Clothtech Interlinings, labels, elastic narrow fabrics, shoelaces
-  Geotech Geo-composites, geo-bags, geogrids, geonets
-  Hometech Blinds, mattress, pillow components, carpet backing cloth, mosquito nets
-  Inductech Industrial brushes, composites, ropes, cordages, conveyor belts
-  Mobeitech Nylon tire cord fabrics, seat cover fabric/uphoistery, seat belts, insulation felts
-  Mobiltech industrial brushes, composites, ropes, cordages, conveyor belts
-  Oekotech Waste management, environmental protection, recycling
-  Protech Ballistic protective clothing, fire retardant apparel, high visibility clothing
-  Packtech Wrapping fabric, jute sacks, tea bag filter paper, woven sacks
-  Sportech Sports nets, sleeping bags, hot air balloons, parachute fabrics, sports composites

MAJOR GOVERNMENT SCHEMES FOR TECHNICAL TEXTILES

NATIONAL TECHNICAL TEXTILES MISSION

With a view to position India as the Global Leader in Technical Textiles, Ministry of Textiles has launched the National Technical Textiles Mission (NTTM) with an overall outlay of INR 1480 Crores during 2020-21 to 2023-24.

PLI SCHEME FOR TEXTILES

In order to promote domestic production of Technical Textiles, Production Linked Incentive (PLI) scheme was launched, in addition to MMF Fabrics and MMF Apparel with an overall outlay of INR 10,683 Crores

MANAGEMENT DISCUSSION & ANALYSIS REPORT

PM MITRA SCHEME

To boost the overall textile industry and value chain, especially MMF and Technical Textiles, Ministry of Textiles launched PM Mega Integrated Textile Regions and Apparel Parks (MITRA) Scheme with an overall outlay of INR 4445 Crores over a period of 7 years upto 2027-28.

INVESTMENT AND KEY DEVELOPMENT

- The industry (including dyed and printed) attracted foreign direct investment (FDI) worth US\$ 3.99 billion from April 2000-March 2022. The textiles sector has witnessed a spurt in investment during the last five years.
- In 2022-23, the Sardar Vallabhbhai Patel International School of Textiles and Management (SVPISTM) is planning to offer B.Sc. and MBA courses in technical textiles.
- In November 2021, Federico Salas, the Mexican Ambassador to India, visited the Khadi India Pavilion at the India International Trade Fair 2021 and suggested that India and Mexico should come together to promote Khadi globally.
- Companies in home textile are using technology to optimise the value chain. For example, in October 2021, Welspun India introduced Wel-Trak 2.0—an upgraded, patented end-to-end traceability technology—to track textile raw materials throughout the supply chain.
- Home textile companies in India are also leveraging strategic partnerships to strengthen their business operations and foothold in the country.
- In October 2021, Welspun India collaborated with DuPont Biomaterials to introduce a home textile range and strengthen the company's sustainable textiles business.
- In May 2021, Indo Count Industries Ltd. (ICIL) announced an investment of ₹ 200 crore (US\$ 26.9 million) to expand its production capacity.
- In April 2021, RSWM Limited, Flagship Company of the US\$ 1.2 billion LNJ Bhilwara Group, was recognised for achieving the highest textile export turnover in 2020 by the Ministry of Industries & CSR, Government of Rajasthan.
- In April 2021, Bella Casa Fashion & Retail Ltd. (BCFRL) announced that it is expanding its two existing plants and adding one new facility to offer employment opportunities to 1,000 people. The expansion would involve a total investment of ₹ 65 crore (US\$ 8.63 million).

GOVERNMENT INITIATIVES

The Indian government has come up with several export promotion policies for the textiles sector. It has also allowed 100% FDI in the sector under the automatic route.

Other initiatives taken by the Government of India are:

- In June 2022, Amazon India signed a MoU with the Manipur Handloom & Handicrafts Development Corporation Limited (MHHDCL), a Government of Manipur entity, to encourage the development of weavers and artisans throughout the state.
- In June 2022, the Kerala government announced that it would provide free training to 1,975 candidates under the SAMARTH scheme of the textile industry.
- The Sustainable Textiles for Sustainable Development (SusTex) project by the United Nations Climate Change entity enhances the employment and working circumstances of textile artisans while promoting the sustainable production and use of environmentally friendly textiles.
- In May 2022, Minister of Micro, Small and Medium Enterprises, Narayan Rane, inaugurated the Center of Excellence for Khadi (CoEK) at NIFT, Delhi. In order to produce innovative fabrics and apparel that will meet the needs of both domestic and foreign consumers, the CoEK will seek to introduce the newest designs and adopt procedures that adhere to international standards.
- In April 2022, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Piyush Goyal, said that new Economic Cooperation and Trade Agreements with Australia and the UAE would open infinite opportunities for textiles and handloom. Indian textile exports to Australia and the UAE would now face zero duties, and he expressed confidence that soon Europe, Canada, the UK and GCC countries would also welcome Indian textile exports at zero duty.
- In March 2022, the Ministry of Textiles, in collaboration with the Confederation of Indian Industries (CII), organized a day-long International Conference on Technical Textiles with the theme: Creating the Winning Leap in Technical Textiles.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

- The Khadi and Village Industries Commission (KVIC) achieved turnover of ₹ 1.15 lakh crore (US\$ 14.68 billion) in FY22, a growth of 20.54% YoY, and more than any Indian FMCG company managed in FY22.
- The Government of India has earmarked a corpus of ₹ 1,000 crore (US\$ 127.72 million) dedicated for research and development of the technical textiles sector.
- In March 2022, the Bihar government submitted a proposal to the Ministry of Textiles to set up a mega hub under the PM Mitra Mega Textile Park.
- In March 2022, Tamil Nadu Chief Minister MK Stalin announced that the State Industries Promotion Corporation of Tamil Nadu Ltd (SIPCOT) will set up a mega textile park in the Virudhunagar district.
- Under the Union Budget 2022-23, the total allocation for the textile sector was ₹ 12,382 crore (US\$ 1.62 billion) Out of this, ₹133.83 crore (US\$ 17.5 million) is for the Textile Cluster Development Scheme, ₹ 100 crore (US\$ 13.07 million) for the National Technical Textiles Mission, and ₹ 15 crore (US\$ 1.96 million) each for PM Mega Integrated Textile Region and Apparel parks scheme and the PLI Scheme.
- For export of handloom products globally, the Handloom Export Promotion Council (HEPC) is participating in various international fairs/events with handloom exporters/weavers to sell their handloom products in the international markets under NHDP.
- The Ministry of Textiles has also been implementing the Handloom Marketing Assistance (HMA), a component of National Handloom Development Programme (NHDP) all across India. HMA provides a marketing platform to the handloom weavers/agencies to sell their products directly to the consumers and develop and promote the marketing channel through organizing expos/events in domestic as well as export markets.
- In November 2021, Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Piyush Goyal, stated the desire to target a 3-5x time increase in the export of technical textiles worth US\$ 10 billion over the next three years.
- The Indian government has notified uniform goods and services tax rate at 12% on man-made fabrics (MMF), MMF yarns, MMF fabrics and apparel, which came into effect from January 1, 2022.
- Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Piyush Goyal, announced a mega handloom cluster in Manipur and a handloom and handicraft village at Moirang in Bishnupur. The mega cluster will be set up at an estimated cost of ₹ 30 crore (US\$ 4.03 million) under the National Handloom Development Programme (NHDP).
- In October 2021, Minister for Commerce and Industry, Textiles, Consumer Affairs, Food & Public Distribution, Piyush Goyal, announced the creation of 100 textile machinery champions in the country, and to promote them in the global market. Through this, the government aims to make India a global player in textiles machinery.
- In October 2021, the Ministry of Textiles approved the continuation of the comprehensive handicrafts cluster development scheme with a total outlay of ₹ 160 crore (US\$ 21.39 million). Through this scheme, the government aims to support domestic SMEs and local artisans.

ROAD AHEAD

The future of the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. India is working on various major initiatives to boost its technical textile industry. Owing to the pandemic, the demand for technical textiles in the form of PPE suits and equipment is on the rise. The government is supporting the sector through funding and machinery sponsoring.

Top players in the sector are achieving sustainability in their products by manufacturing textiles that use natural recyclable materials.

With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. The growth in textiles will be driven by growing household income, increasing population and increasing demand by sectors like housing, hospitality, healthcare, etc.

The technical textiles market for automotive textiles is projected to increase to US\$ 3.7 billion by 2027, from US\$ 2.4 billion in 2020. Similarly, the industrial textiles market is likely to increase at an 8% CAGR from US\$ 2 billion in 2020 to US\$ 3.3 billion in 2027. The overall Indian textiles market is expected to be worth more than US\$ 209 billion by 2029.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

OPERATIONS

Our Company, a trailblazer in technical textiles, leads India's textile evolution, specializing in top-tier fabrics for the luggage industry. With an expansive manufacturing facility in Surat and a dynamic management team, we prioritize quality and competitive pricing to exceed industry standards globally. Our remarkable growth is fueled by deep domain expertise, innovation, and an unwavering commitment to excellence in quality and customer service. We continue to innovate, investing in cutting-edge technology and our dedicated team to produce high-quality specialty fabrics at competitive prices with timely deliveries.

IMPORT AND EXPORT DETAILS

The company import goods for amount of ₹ 145.12 Lakhs for March 31,2024 and of ₹ 748.76 Lakhs for March 31, 2023.

The details of revenue from Export and other than export for March 31,2024 and previous four years on Standalone basis are as under:

(₹ in Lakhs)

Category	2024		2023	
	Amount	%	Amount	%
Export	242.05	1.85	Nil	Nil
Domestic	12837.79	97.86	12694.65	99.93
Other Income	38.77	0.29	9.40	0.07

The highlights of the financial results for the year ended March 31, 2024 and the corresponding figure for the previous year are as under:

(₹ in Lakhs)

(₹ in Lakhs except EPS)

Category	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Revenue from Operations	13,079.84	12,694.65	13,707.77	12,694.65
Other Income	38.77	9.40	70.93	9.40
Total Income	13,118.61	12,704.05	13,778.70	12,704.05
Total Expenditure	11,422.26	11,992.05	11,875.12	11,992.05
Profit before tax	1,696.35	712	1,903.58	712
Current Tax	402.02	250.23	402.02	250.23
Income tax Adjustment	9.49	-	9.49	-
Deferred Tax Adjustment	(16.31)	-	(16.31)	-
Profit after Tax	1,301.15	461.77	1,471.27	461.77
Basic Earnings per share (in ₹)	18.40	6.53	20.80	6.53

QUALITY ASSURANCE

Our Company strives to maintain quality of the products it provides to the end consumer. we supply quality products which meet the applicable standards, we have set up a Research and Development facility ("R&D facility"), which consists of our quality assurance and quality control teams who check and conduct various tests in our 'in-house laboratory' on the fabrics at various stages starting from grey cloth to the finished fabrics manufactured by us.

MARKETING APPROACH

The overall marketing of our products is supervised by our Managing Director. The efficiency of the marketing network is critical for success of our Company. Our success lies in the strength of our relationship with the customers who have been associated with our Company. Our team through their vast experience and good rapport with clients owing to timely and quality delivery of service plays an instrumental role in creating and expanding a work platform for our Company. Our relationship with the clients is strong and established. To retain our customers, our team regularly interacts with them and focuses on gaining an insight into the additional needs of customers. We intend to expand our existing customer base by expanding to other geographies.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Opportunities:

- The textile industry is expected to grow by 4% annually.
- Automation and digitalization will make production more efficient and cost-effective.
- E-commerce and online shopping will change consumer behavior, focusing on convenience and personalized products.
- The fashion industry will drive textile innovation through collaborations between manufacturers and designers.
- Growing connectivity will increase demand for smart textiles with features like biometric monitoring.

Threats:

- Growing competition due no entry barrier in informal sector
- Changes in Government Policy
- Rapidly changing climate

Future Outlook:

- India is working on various major initiatives to boost its technical textile industry
- The government is supporting the sector through funding and machinery sponsoring.
- Owing to the pandemic, the demand for technical textiles in the form of PPE suits and equipment is on the rise

RISKS AND CONCERN

Risk and its Management: Risk accompanies prospects. As a responsible corporate, it is the endeavor of the management to minimize the risks inherent in the business with the view to maximize returns from business situations.

The architecture: At the heart of the Company's risk mitigation strategy is a comprehensive and integrated risk management framework that comprises prudential norms, structured reporting and control. This approach ensures that the risk management discipline is centrally initiated by the senior management but prudently decentralized across the organization, percolating to managers at various organizational levels helping them mitigate risks at the transactional level.

The discipline: The Company has clearly identified and segregated its risks into separate components, namely operational, financial, strategic and growth execution. All the identified risks are inter-linked with the Annual Business Plans of the Company, so as to facilitate Company-wide reviews.

The review: A Risk Management Committee of the Board of Directors, comprising Board Members, has been constituted to review periodically updates on identified risks, implementation of mitigation plans and adequacy thereof, identification of new risk areas etc.

The Board of Directors also reviews the Risk identification process and mitigation plans regularly. A senior executive has been entrusted at all the levels of business operation in the Company whose role is not only to identify the Risk but also to educate about the identified risk and to develop Risk Management culture within the business.

Key counter measures: The Company has institutionalized certain risk mitigation procedures outline as under:

- Roles and responsibilities of the various entities in relation to risk management have been clearly laid down. A range of responsibilities, from the strategic to the operational, is specified therein. These role definitions, inter alia, are aimed at ensuring formulation of appropriate risk management policies and procedures, their effective implementation, independent monitoring and reporting by internal audit.
- Appropriate structures are in place to proactively monitor and manage the inherent risks in businesses with proper risk profiling.
- Wherever possible and necessary, appropriate insurance cover is taken for financial risk mitigation. Confirmation of compliance with applicable statutory requirements are obtained from the respective unit/divisions and subjected to an elaborate verification process.
- Quarterly reports on statutory compliances, duly certified, are submitted to the Audit Committee as well as the Board of Directors for review.
- Status of Demand/Notices on the Company, under various Acts and Rules, as well as status of litigations are reported to the Board of Directors every quarter.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

INTERNAL CONTROL SYSTEMS

The Company has both external and internal audit systems in place. Auditors have access to all records and information of the Company. The Board recognizes the work of the auditors as an independent check on the information received from the management on the operations and performance of the Company. The Board and the management periodically review the findings and recommendations of the statutory and internal auditors and takes corrective actions whenever necessary.

The Company maintains a system of internal controls designed to provide reasonable assurance regarding:

- Effectiveness and efficiency of operations.
- Adequacy of safeguards for assets.
- Reliability of financial controls.
- Compliance with applicable laws and regulations.

CORPORATE SOCIAL RESPONSIBILITY

During the year under review, the provision of Section 135 of the Companies Act, 2013 and the rules made thereunder were not applicable to the Company. Further, the Company had undertaken IPO during the year under review and at that time CSR Committee were also constituted and CSR policy were adopted considering the expected profit for FY 2024. The provisions of CSR have become applicable to the Company w.e.f April 2024 as the net profit for FY 2024 exceeded the limit of Rs 5 Crores. The Audited Accounts for FY 2024 were approved by the Board of Directors on May 29, 2024.

The Company is liable to spend Rs 33.93 Lakhs towards CSR activities as per the Company's CSR policy. The CSR report for FY 2024 was not applicable as the Company was not covered by the provision of Section 135 of the Companies Act, 2013.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Our employees are our core resource and the Company has continuously evolved policies to strengthen its employee value proposition. Your Company was able to attract and retain best talent in the market and the same can be felt in the past growth of the Company. The Company is constantly working on providing the best working environment to its Human Resources with a view to inculcate leadership, autonomy and towards this objective; your company spends large efforts on training. Your Company shall always place all necessary emphasis on continuous development of its Human Resources. The belief "great people create great organization" has been at the core of the Company's approach to its people.

KEY RATIOS

Particulars	FY 2024	FY2023
Revenue (₹ in Lacs)	13,079.84	12,694.65
Net Profit After Tax (₹ in Lacs)	1,301.15	461.77
Earnings per share (in ₹)	18.40	6.53
Operating Profit Margin (%)	14.75	9.59
Net Profit Margin (%)	9.95	3.64
Return on Net worth	14.51	20.11
Current Ratio (times)	1.75	1.43
Debtors Turnover(times)	3.91	4.29
Debt-equity (times)	0.75	1.59
Interest Coverage Ratio(times)	7.11	2.38

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis report detailing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, raw material prices, finished goods prices, cyclical demand and pricing in the Company's products and their principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries with which the Company conducts business and other factors such as litigation and / or labor negotiations.

Additional Shareholders' Information

FY2024 represents fiscal year 2023-24, from 1 April 2023 to 31 March 2024, and analogously for FY2023 and previously such labelled years.

1. GENERAL BODY MEETINGS

The Company got incorporated on 11/04/2023 hence, this is the 1st AGM of the Company

Resolution(s) passed through Postal Ballot

During the year, the Company did not pass any special resolution through postal ballot.

Annual General Meeting (AGM):

As per the Circulars issued by the Ministry of Corporate Affairs and the SEBI, from time to time, the 1st Annual General Meeting of the Company is scheduled to be held on Saturday, September 28, 2024, at 1.00 PM through Video Conference /Other Audio-Visual Means ("VC/OAVM") facility. The venue of the AGM shall be deemed to be the registered office of the Company at Plot 188, 189, 190 Block No. 314, Rajhans Texpa, Village Baleshvar, Taluka Palsana, Baleshwar, Gujarat, 394317. The detailed instruction for participation and voting at the meeting is available in the notice of the 1st AGM.

Proposal to Conduct Postal Ballot for any Matter in the Ensuing Annual General Meeting

There is no proposal to conduct a postal ballot for any matter in the ensuing Annual General Meeting.

2. BOOK CLOSURE DATE:-

From September 22, 2024 to September 28, 2024 (both days inclusive)

3. DIVIDEND

To strengthen the financial position of the Company and to augment working capital, your directors do not recommend any dividend for the FY 2024.

4. FINANCIAL CALENDAR

The financial year of the Company starts on 1st April every year and ends on 31st March subsequent year.

Indicative calendar of events for the financial year 2024-25 are as under

For the first half-year ending 30 September 2024

First / Second week of November 2024

For the quarter and nine months ending 31 December 2024

First / Second week of February 2025

AGM for the year ending 31 March 2025

First week of September 2025

5. LISTING OF STOCK EXCHANGE AND STOCK CODES

National Stock Exchange of India Limited

Exchange Plaza, C-1, Block G,
Bandra-Kurla Complex, Bandra (East)
Mumbai – 400 051

Trading Symbol- SHREEKARNI

Annual Listing fees to the National Stock Exchange of India have been paid for the FY 2024-25. The Custodian fee for NSDL & CDSL has also been paid for the FY 2024-25.

6. THE INTERNATIONAL SECURITY IDENTIFICATION NUMBER (ISIN)

ISIN is a unique identification number of traded scrip. This number has to be quoted in each transaction relating to the dematerialized securities of the Company. The ISIN of the Company's equity shares is INE0S4Y01010

7. MARKET PRICE DATA

Monthly High and Low Prices of the Equity Shares of the Company for the year ended 31st March, 2024: (Source: www.bseindia.com)

Month	NSE	
	High	Low
Mar-24	395.00	260.00

* Your Company got listed on March 14, 2024 hence the Market Price Data is available from March 14, 2024 till March 31, 2024.

8. PERFORMANCE IN COMPARISON TO BOARD BASED INDICES

Your Company got listed on March 14, 2024, hence the trading data of the Company's Equity Shares and its performance comparison to board based indices for FY 2023-24 is not comparable.

9. REGISTRAR AND SHARE TRANSFER AGENTS

M/s. MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi -110020, is the Registrar and Share Transfer Agent of the Company, both for Physical & Demat Shareholders. Accordingly, all communications on matters relating to Share Transfers, Dividend etc. may be sent directly to them. Complaints, if any, on these matters may also be sent to the Compliance Officer of the Company.

10. SHARE TRANSFER SYSTEM

As on date, the 100% of the issued and subscribed capital are held in dematerialised form, the process for physical share transfer is not relevant.

11. DESCRIPTION OF VOTING RIGHTS

All shares issued by the Company carry equal voting rights, and one share confirms one vote.

12. NOMINATION FACILITY

Shareholders may contact their respective Depository Participant (DP) to avail nomination facility.

13. SHAREHOLDING PATTERN AS ON 31ST MARCH 2024:

Distribution of shareholdings on the basis of ownership					
	As on 11 April 2023		As on 31 March 2024		% change
	No. of shares	% of total	No. of shares	% of total	
Promoter's Holding					
Individuals	10,00,000	100.00	50,00,000	70.70	29.30
Companies	-	-	-	-	-
Sub-Total	10,00,000	100.00	50,00,000	70.70	29.30
Indian Financial Institutions	-	-	2,40,000	3.39	(3.39)
Banks	-	-	-	-	-
Mutual Funds	-	-	-	-	-
Foreign holdings					
Foreign Institutional Investors	-	-	3,57,000	5.05	(5.05)
Non-Resident Indians	-	-	30,600	0.43	(.43)
ADRs / Foreign Nationals	-	-	-	-	-
Sub total	-	-	6,27,600	8.87	(8.87)
Indian Public and Corporate	-	-	14,44,400	20.43	(20.43)
Total	10,00,000	100.00	70,72,000	100.00	-

14. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2024

Range	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total Shares
1 - 5000	0	0	0	0
5001 - 10000	0	0	0	0
10001 - 20000	3,677	93.11	44,14,000	28.50
20001 - 30000	176	4.46	4,22,400	2.73
30001 - 40000	39	0.99	1,40,400	0.90
40001 - 50000	16	0.40	76,800	0.50
50001 - 100000	23	0.58	1,65,600	1.07
100001 & Above	18	0.46	1,02,70,800	66.30
Total	3,949	100	1,54,90,000	100

15. OUTSTANDING ADR'S & GDR'S, WARRANTS OR ANY OTHER CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY SHARES

During the year under review, the Company has not issued any ADR's & GDR's, Warrants or any other convertible instruments. The Company has at present no outstanding ADR's/GDR's/Warrants to be converted that has an impact on the equity shares of the Company.

16. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK

The Company is exposed to the risk of price fluctuation of raw materials as well as finished goods and exchange rate fluctuation. The Company proactively manages these risks through forward booking Inventory management and proactive vendor development practices and hedging of foreign currency payables and receivables. The Company's reputation for quality, products differentiation and service, coupled with existence of powerful brand image with robust marketing network mitigates the impact of price risk on finished goods.

17. CREDIT RATING

The Company has not availed any Credit Rating.

18. DEMATERIALIZATION OF SHARES

The Company's scrip forms part of the compulsory dematerialization segment for all investors. To facilitate easy access of the dematerialized system to the investors, the Company has signed up with both the depositories namely National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") – and has established connectivity with the depositories through its Registrar and Transfer Agents, MAS Services Limited.

The breakup of dematerialized shares and shares in certificate form as on March 31, 2024 as under:

Physical	NSDL	CDSL
-	23,76,000	46,96,000

19. OTHER DISCLOSURES

Disclosures on materially significant related party transaction

The statements containing the transactions with related parties were submitted periodically to the Audit Committee. The details of Related Party Transaction are discussed in detail in Note No. 36 of Notes to the Financial Statements.

All the contracts/ arrangements/transactions entered by the Company during the financial year with related parties were in its ordinary course of business on an Arm's Length Basis.

None of the transactions with any of related parties were in conflict with the Company's interest.

Details of non-compliance(s) by the company

There were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any Statutory Authority for Non-Compliance of any matter related to the Capital Markets

Whistle Blower Policy/Vigil Mechanism

The Board of Directors of the company has adopted Whistle Blower Policy. The management of the Company, through the policy envisages encouraging the employees of the Company to report the higher authorities any unethical, improper, illegal, or questionable acts, deeds & things which the management or any superior may indulge in. This policy has been circulated to the employees of the Company. However, no employee has been denied access to the Audit Committee.

Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company is exempted from compliance with the mandatory requirements of Corporate Governance under listing Regulations However, the Company has complied with the corporate governance requirement, particularly in relation to appointment of independent directors including woman director on the Board, constitution of an Audit Committee and Nomination and Remuneration Committee.

Disclosure of Accounting Treatments

The financial statements of the Company have been prepared in accordance with Accounting Standard (AS) to comply in all material aspects under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/ Companies Act, 1956 ("the Act 1956"), as applicable. These financial statements have been prepared on an accrual basis and under the historical cost conventions.

20. NAME, DESIGNATION & ADDRESS OF COMPLIANCE OFFICER AND RTA FOR COMPLAINTS & CORRESPONDENCE

Shree Karni Fabcom Limited

Plot 188, 189, 190 Block No. 314,
Rajhans Texpa, Village Baleshvar,
Taluka Palsana, Surat,
Gujarat- 394317
Tel: 0262-2350300, 9727716925, 9831444111
Email Id: shreekarnipvtltd2022@gmail.com
CIN: U47820GJ2023PLC140106

Registered / Corporate Office Address for Correspondence

Shree Karni Fabcom Limited

Plot 188, 189, 190 Block No. 314,
Rajhans Texpa, Village Baleshvar,
Taluka Palsana, Surat,
Gujarat- 394317
Tel: 0262-2350300, 9727716925, 9831444111
Email Id: shreekarnipvtltd2022@gmail.com
CIN: U47820GJ2023PLC140106

Registrar & Share Transfer Agents

M/s. MAS Services Limited
T-34, 2nd Floor, Okhla Industrial Area,
Phase - II, New Delhi -110020
Tel: 033 2280-6616/6617/6618, Fax: 033 2280-6619
Email: info@masserv.com
URL: <https://www.masserv.com/>

21. DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT

S. No	Particulars	Applicability
1	Aggregate number of Shareholder and the outstanding shares in the suspense account lying in the beginning of the year	Nil
2	Number of Shareholder who approached the Company for transfer of shares from suspense account during the year	Nil
3	Number of Shareholders to whom shares were transferred from suspense account during the year	Nil
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	Nil
5	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	Nil

22. TRANSFER OF UNPAID / UNCLAIMED AMOUNTS AND SHARES TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not declared any dividend hence the above provisions is not applicable.

23. REMINDER TO INVESTORS:

As there is no unpaid / unclaimed dividends, no reminders for such unclaimed shares and unpaid dividends to be sent to shareholders. The Company shall ensure compliance as and when applicable.

For and on behalf of the Board of Directors

SHREE KARNI FABCOM LIMITED

Date: May 29, 2024
Place: Surat

RAJIV LAKHOTIA
(Managing Director)
DIN: 02939190

RADHE SHYAM DAGA
(Whole Time Director)
DIN: 07848061

FINANCIAL SECTIONS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF **SHREE KARNI FABCOM LIMITED**
(Formerly known as Shree Karni Fabcom LLP)

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of **SHREE KARNI FABCOM LIMITED** ("the Company") which comprises the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (The Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and Profit, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

RESPONSIBILITY OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a

INDEPENDENT AUDITOR'S REPORT

basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of the written representations received from the directors as on 31stMarch 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31stMarch 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls with reference to financial statement of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'.
 - g. As the company is a Public company, Subject to the provision of section 197 read with schedule V of the Companies Act, 2013 ,a Company having profits in a financial year may pay remuneration to a managerial person or persons [or other director or directors] not exceeding the limits specified in this section.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended `in our opinion and to the best of our information and according to the explanations given to us:
 - l. The Company does not have any pending litigations which would impact its financial position.

INDEPENDENT AUDITOR'S REPORT

- II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.
- IV. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate Beneficiaries; and
- c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (IV) (a) and (IV) (b) contain any material mis-statement.
- V. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which doesn't have a feature of recording audit trail (edit log) facility. However, in our opinion, proper books of accounts stating true & fair states of affairs of the Company, as required under Sec 128(1) of the Companies Act, 2013 has been maintained by the company for the financial year 2023-24.
- VI. There was no dividend declared or paid during the year by the company.

For **BAID AGARWAL SINGHI & CO.**
Chartered Accountants
Firm Registration No. 328671E

CA DHRUV NARAYAN AGARWAL
(Partner)
Membership No: 306940
UDIN: 24306940BKCOAG8394

Place: Kolkata
Dated: 29th May 2024

ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to statutory audit of **SHREE KARNI FABCOM LIMITED** for the year ended 31 March 2024, we report that:

- i. (a) 1. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment;
2. The Company has maintained proper records showing full particulars of Intangible Assets.
- (b) According to the information and explanations given to us, the company has a regular programme of physical verification of its Property, Plant & Equipment by which Property, Plant & Equipment have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the programme, a portion of the fixed asset has been physically verified by the management during the year and no materials discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company the title Deed of all the Immovable properties disclosed in the Financial Statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not revalued any of its property, plant and equipment or intangible assets during the year. Accordingly, the reporting under Clause 3(i)(d) of the Order is not applicable to the Company.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. a. According to the information and explanations given to us and the records examined by us, the inventory has been physically verified at reasonable intervals by the management during the year. In our opinion the coverage and procedures of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks on the basis of security of Current assets and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the company during the year.
- iii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made Investments in 2 (two) Limited Liability Partnerships. Company has also provided Corporate guarantee given during the year to ICICI Bank on behalf of its subsidiary i.e. IGK Technical Textiles LLP and Security of the Property of the company to ICICI Bank on behalf of loan taken for its subsidiary i.e. IGK Technical Textiles LLP. The company has not granted any loans or advances in the nature of loan to Companies, firms, Limited Liability Partnerships or any other parties during the year.
- (b) According to the information and explanations provided by the Company, the company has not granted any loans or advances in the nature of loans during the year and hence the requirement related to reporting on the terms and conditions of such loans, their repayment schedules, and their impact on the company's financial position are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of investments made and guarantees or securities granted by the Company. There are no loans or advances in nature of loan granted in respect of which provisions of section 185 of the Companies Act, 2013 are applicable and hence not commented upon.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under (to the extent applicable) and the directives issued by the Reserve Bank of India.
- vi. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act in respect of the company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the book of accounts,

ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT

and records, the company has been generally regular in depositing undisputed statutory dues including Goods & Service Tax, Provident Fund, Employees State insurance, Income tax, Sales tax, Duty of customs, Duty of Excise, Value added Tax, cess and any other material statutory dues with the appropriate authorities.

According to the information and explanations given to us, there are no undisputed amounts payable in respect of the above were in arrears as at 31st March 2024 for a period of more than six months from the date they become payable.

- (b) According to the information and explanations given to us, there are no statutory dues as referred to in sub-clause (a) as at March 31, 2024 which have not been deposited on account of a dispute.
- viii. As per the information, explanations and records provided, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- ix. a. As per the information and records provided, in our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- b. As per the information and explanations provided to us, during the year the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c. To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- d. On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used, during the year for long-term purposes by the Company.
- e. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f. According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies
- x. a. The company has raised monies by way of initial public offer amounting to ₹ 4,249.44 lakhs during the year and the object and utilization is as follows:

Original Object	Modified Object , If any	Original Allocation (₹ In lakhs)	Fund Utilized (₹ In lakhs)	Amount of Deviation/Variation For the quarter According to applicable object
Funding the capital expenditure setting up a dyeing unit in Navsari District, Surat, Gujarat		3070.48	176.51	Remaining balance of ₹ 2893.97/- lakhs will be utilized in Future years.
Funding the purchase of new machinery proposed to be installed at our new unit proposed to be set up for manufacturing bags in Palsana, Surat, Gujarat, with an intent to expand our product portfolio		186.82	72.08	Remaining balance of ₹ 114.74/- lakhs will be utilized in Future years.
Funding working capital requirements of our Company		500	500	
General Corporate Purposes		492.14	492.14	
TOTAL		4,249.44	1,240.73	

- b. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made preferential allotment shares during the year, and the requirements of section 42 and section 62 of the Act and rules framed thereunder have been complied with.
- xi. a. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- b. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules,

ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT

2014 was not required to be filed with the Central Government. Accordingly, the reporting under Clause 3(xi) (b) of the Order is not applicable to the Company.

- c. As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and up to the date of this report.
- xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Hence reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with the provisions of Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company is having an internal audit system commensurate with the size and nature of its business in terms of the provision of section 138 of Companies Act, 2013.
(b) We have considered the internal audit reports of the company issued till date.
- xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions during the year with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.
(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.
(d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs. Accordingly, the reporting under Clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been resignation of the statutory auditors during the year and there has been no issues, objections or concerns raised by the outgoing auditors.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (also refer Note 39 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. Based on information and explanations provided to us and our audit procedures, the company does not have any obligation under 135 of the Act and hence, the requirements of Clause 3(xx) of the Order are not applicable to the company.
- xxi. The reporting under Clause 3 (xxi) of the Order is not applicable in respect of audit of financial statements. Accordingly, no comment in respect of the said clause has been included in this report

For **BAID AGARWAL SINGHI & CO.**
Chartered Accountants
Firm Registration No. 328671E

CA DHRUV NARAYAN AGARWAL
(Partner)

Membership No: 306940
UDIN: 24306940BKCOAG8394

Place: Kolkata
Dated: 29th May 2024

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to the internal financial control under clause (i) of sub-section 3 of section 143 of the Act of SHREE KARNI FABCOM LIMITED for the year ended 31st March 2024, we report that:

We have audited the internal financial controls over financial reporting of **SHREE KARNI FABCOM LIMITED ("the Company")** as of 31st March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statement based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statement was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statement system and their operating effectiveness. Our audit of internal financial controls with reference to financial statement included obtaining an understanding of internal financial controls with reference to financial statement, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statement.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control with reference to financial statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statement includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls with reference to financial statement, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statement to future periods are subject to the risk that the internal financial control with reference to financial statement may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statement and such internal financial controls with reference to financial statement were operating effectively as at 31st March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For **BAID AGARWAL SINGHI & CO.**
Chartered Accountants
Firm Registration No. 328671E

CA DHRUV NARAYAN AGARWAL
(Partner)
Membership No: 306940
UDIN: 24306940BKCOAG8394

Place: Kolkata
Dated: 29th May 2024

NOTE 1 & 2: SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

1. COMPANY INFORMATION

The Company was originally formed as a limited liability partnership under the name 'Shree Karni Fabcom LLP', bearing LLP identification number AAM-1759 pursuant to a certificate of incorporation dated March 7, 2018 issued by the Registrar of Companies, Gujarat at Ahmedabad. Subsequently, pursuant to a resolution passed in the meeting of the partners held on November 26, 2022, Shree Karni Fabcom LLP was converted into a private limited company under the name 'Shree Karni Fabcom Private Limited' and a certificate of incorporation dated April 11, 2023 was issued by the Registrar of Companies, Central Registration Centre. Subsequently, pursuant to a resolution passed by our Board of Directors in their meeting held on October 3, 2023 and by the Shareholders at an extra-ordinary general meeting held on October 10, 2023 the Company was converted into a public limited company and consequently the name of the Company was changed to 'Shree Karni Fabcom Limited' and a fresh certificate of incorporation dated October 20, 2023 was issued by the Registrar of Companies, Gujarat at Ahmedabad. The company is mainly engaged in trading and Manufacturing of technical textiles, knitted and coated fabrics.

2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a. BASIS OF PREPARATION OF STANDALONE FINANCIAL STATEMENTS

The financial statements has been prepared and presented under historical cost convention on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India ("GAAP") and comply with the mandatory Accounting Standards ("AS") specified under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act 2013 ("the 2013 Act").

The Financial statements are presented in Indian Rupee (Rs.) & all the amounts included in the financial statements have been rounded off to the nearest Lakhs upto two decimals, as required by General instructions for preparation of Financial Statements in Division I of Schedule III of the Companies Act, 2013, except number of shares, face value of shares, earning per shares, or wherever otherwise stated. Wherever the amount represented Rs '0.00' construes value less than Rupees Five Hundred.

b. USE OF ESTIMATES

The preparation of financial statements is in conformity with GAAP which requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and reported amount of revenues and expenses for the year. Actual results could differ from this estimate. Difference between the actual result and estimates are recognized in the period in which result are known / materialized.

c. CLASSIFICATION OF ASSETS AND LIBAILITIES

The Revised Schedule III to the Companies Act, 2013 requires assets and liabilities to be classified as either Current or Non-current.

- (a) An asset shall be classified as current when it satisfies any of the following criteria:
- It is expected to be realized in, or is intended for sale or consumption in, normal operating cycle of the company;
 - It is held primarily for the purpose of being traded;
 - It is expected to be realized within twelve months after the reporting date; or
 - It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
- (b) All assets other than current assets shall be classified as non-current.
- (c) A liability shall be classified as current when it satisfies any of the following criteria:
- It is expected to be settled in the normal operating cycle of the company;
 - It is held primarily for the purpose of being traded;
 - It is due to be settled within twelve months after the reporting date; or
 - The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.
- (d) All liabilities other than current liabilities shall be classified as non-current.

d. PROPERTY, PLANT & EQUIPMENT

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises: (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; (b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; (c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other cost directly attributable to bringing the item to working condition for its intended use.

The cost of improvements to leasehold premises, if recognition criteria are met, are capitalized and disclosed separately under leasehold improvement.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal and retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset is recognized in Statement of profit and loss.

Subsequent cost

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with expenditure will flow to the Company and the cost of the item can be measured reliably. All other subsequent cost are charged to Statement of profit and loss at the time of incurrence.

Depreciation

Depreciation on PPE is provided on the Straight Line method computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013 ('Schedule II') on a pro-rata basis from the date the asset is ready to put to use.

The residual values, useful lives and methods of depreciation of property plant and equipment are reviewed by management at each reporting date and adjusted prospectively, as appropriate.

Amortization of Intangible Assets

The intangible assets having a definite life are amortized over the life of the asset.

e. INVENTORIES

Inventories of finished goods are valued at cost or net realizable value ('NRV'), whichever is lower. Costs of inventories has been determined using weighted average cost method and comprise all costs of purchase after deducting non-refundable rebates and discounts and all other costs incurred in bringing the inventories to their present location and condition. Provision is made for items which are not likely to be consumed and other anticipated losses wherever considered necessary. The comparison of cost and NRV for traded goods is made on at item Company level basis at each reporting date. However, there is no inventory of any products.

f. LEASES

Lease payments in respect of assets taken on operating lease are charged to the Statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increases, if any. However, there is no lease payments during the period under consideration.

g. BORROWING COSTS

Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred. Capitalization of borrowing costs is suspended during the extended period in which active development is interrupted. Capitalization of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Other borrowing costs are charged to statement of profit and loss as and when incurred.

h. IMPAIRMENT OF ASSETS

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication of impairment exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units ('CGU').

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

Impairment losses are recognized in the Statement of profit and loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

For other assets, an impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized

h. PROVISIONS AND CONTINGENT LIABILITIES AND ASSETS

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

i. EMPLOYEE BENEFITS

Employee benefit liabilities such as salaries, wages and bonus, etc. that are expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service are recognized in respect of employee's services up to the end of the reporting period and are measured at an undiscounted amount expected to be paid when the liabilities are settled. Gratuity has been calculated based on date of joining as 11th April 2023 which is the date of incorporation of the company for all the employees.

Post Retirement Employee Benefits

Gratuity

(a) Defined contribution plans:

Defined contribution plans are employee state insurance scheme and Government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees. The Company's contribution to defined contribution plans is recognized in the Standalone Statement of Profit and Loss in the financial year to which they relate.

(b) Defined benefit plans

Defined Benefit plans are the plans for which the benefits has been defined for the eligible employees which are meant to be paid to then at the time of retirement.

j. INCOME TAXES

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any relating to income taxes. It is measured using tax rates enacted for the relevant reporting period. It is determined as the amount of tax payable under the provisions of Income Tax Act, 1961, in respect of taxable income for the year.

Deferred Tax

Deferred income taxes reflect the impact of current year timing difference between taxable income and accounting income for the year and reversal of timing difference of earlier year. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Current Tax for the year

Current Tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

k. FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

On initial recognition, all foreign currency transactions are converted and recorded at exchange rates prevailing on the date of the transaction. As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognised in the Statement of Profit and Loss. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction .

l. REVENUE RECOGNITION

Sales of services comprises of income arising from IT consulting contracts which includes software development, domain hosting services, other hosting services and reimbursement of expenses incurred on projects. Income is recognized on accrual basis based on the regular invoices raised on the clients as per the terms of Agreements or other arrangements as the case may be.

Revenue is measured at fair value of consideration received/receivable taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Other Income

Other Income is accounted for on accrual basis except where the receipt income is uncertain.

m. INVESTMENTS

Long-term Investments are carried at cost. However, provision for diminution in value is made to recognize a decline, other than temporary, in the value of the investments.

Current Investments are carried at lower of cost or market value. The cost of securities sold is determined on the first-in-first-out (FIFO) method.

n. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity share holder, by weighted average number of equity share outstanding during the period.

Diluted earnings per share is computed by dividing the net profit or loss attributable to equity share holder by weighted average number of equity and equivalent diluted equity share outstanding during the year except where the result would be antidilutive.

o. CASH AND CASH EQUIVALENTS

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly. Cash and cash equivalents in the cash flow comprise cash at bank, cash/cheques in hand and short-term investments with an original maturity of three months or less.

p. CHANGES IN ACCOUNTING POLICIES IN THE PERIODS/YEARS COVERED IN FINANCIALS

As in the reporting period of financials, the company was a Limited Liability Partnership and accordingly, was not following the provisions of Companies Act, 1956 or Companies Act, 2013, as the case may be, in respect of rates of depreciation charged on fixed assets. However, in the financials, the company has adopted the method and rates of depreciation in terms of Schedule XIV of Companies act, 1956 or Schedule II of Companies Act, 2013, as applicable in respective financial year. The company has recalculated the depreciation since financial year 2018-19 and accordingly retrospective impact has been given in the financials.

STANDALONE BALANCE SHEET as at 31st March 2024

(₹ in Lakhs)

Particulars		As at 31st March, 2024	As at 11th April, 2023	As at 31st March, 2023
1) Shareholder's Fund				
a) Share Capital	3	707.20	100.00	100.00
b) Reserves and Surplus	4	5,912.24	2,247.92	2,196.31
Total Shareholder's Fund		6,619.44	2,347.92	2,296.31
Liabilities				
2) Non-current liabilities				
(a) Long Term Borrowings	5	754.37	2,309.92	2,313.26
(b) Deferred Tax liabilities	6	55.35	-	-
(c) Other Non Current Liabilities	7	10.43	-	-
Total Non-Current Liabilities		820.15	2,309.92	2,313.26
3) Current liabilities				
(a) Short Term Borrowings	8	4,211.15	2,258.83	1,345.46
(b) Trade Payables	9			
i) Total outstanding dues of micro enterprises and small enterprises		637.06	2,103.84	3,070.98
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		307.02	206.69	318.01
(c) Other Current Liabilities	10	232.89	914.31	234.16
(d) Short term provisions	11	0.42	-	-
Total Current Liabilities		5,388.55	5,483.66	4,968.62
Total Equity and Liabilities		12,828.12	10,141.48	9,578.19
ASSETS				
Non-Current Assets				
a) Property, Plant & Equipment & Intangible Assets	12			
i) Tangible Asset		2,428.69	2,113.65	2,022.05
ii) Intangible Asset		22.48	29.99	30.24
iii) Capital Work in Progress		331.23	-	96.55
b) Investments	13	373.56	186.99	186.99
c) Other Non Current Assets	14	217.45	133.79	133.69
Total non-current assets		3,373.41	2,464.42	2,469.52
Current assets				
(i) Inventories	15	3,183.81	3,288.06	3,557.75
(ii) Trade receivables	16	3,192.27	4,213.94	3,490.85
(iii) Cash and cash equivalents	17	2,634.18	38.27	35.95
(iv) Other Current Assets	18	444.44	136.79	24.12
		9,454.70	7,677.06	7,108.67
Assets classified as held for sale		-	-	-
Total assets		12,828.12	10,141.48	9,578.19

Significant accounting policies

The accompanying notes form an integral part of the standalone financial statements

As per our annexed report of even date

For Baid, Agarwal Singhi & Co.

Chartered Accountants

Firm's Registration No. with ICAI:0328671E

Dhruv Narayan Agarwal

Partner

Membership No.: 306940

Place : Kolkata

For and on behalf of the Board

SHREE KARNI FABCOM LIMITED

(Formerly known as Shree Karni Fabcom LLP)

CIN : U47820GJ2023PLC140106

Rajiv Lakhota

Managing Director

DIN: 02939190

Arbind Kumar Lahoty

CFO

Radheshyam daga

Whole Time Director

DIN: 07848061

Jyoti Chitlangiya

Company Secretary

STANDALONE STATEMENT OF PROFIT & LOSS

for the period ended 31st March 2024

(₹ in Lakhs)

Particulars	NOTE NO.	For the Period Ended 31st March 2024	For the Period Ended 11th April, 2023	For the Year Ended 31st March 2023
Revenue				
Revenue from operations	19	12,088.94	990.90	12,694.65
Other Income	20	36.75	2.02	9.40
Total revenue		12,125.69	992.92	12,704.05
Expenses				
Cost of materials consumed	21	9,164.22	570.56	12,359.22
Changes in inventories of finished goods	22	104.25	269.68	(2,003.50)
Employee benefits	23	439.60	10.09	195.61
Finance costs	24	251.24	26.33	515.75
Depreciation and amortisation	25	145.20	7.54	291.93
Other expenses	26	420.80	12.74	633.03
Total expenses		10,525.30	896.95	11,992.05
Profit / Loss before exceptional item and tax		1,600.39	95.97	712.00
Exceptional Item		-	-	-
Profit / (Loss) before Tax		1,600.39	95.97	712.00
Income tax expense				
- Current tax		372.02	30.00	250.23
- Deferred tax		(16.31)	-	-
- Income tax for earlier years		9.49	-	-
Profit/ (loss) for the year from continuing operations		1,235.18	65.97	461.77
Earnings Per Equity Share (Basic and Diluted)		23.75	6.60	46.18
Earnings Per Equity Share (Basic and Diluted)(Based on the shares outstanding at the current year end)		17.47	0.93	6.53

Significant accounting policies

The accompanying notes form an integral part of the standalone financial statements

As per our annexed report of even date

For Baid, Agarwal Singhi & Co.

Chartered Accountants

Firm's Registration No. with ICAI:0328671E

Dhruv Narayan Agarwal

Partner

Membership No.: 306940

Place : Kolkata

For and on behalf of the Board

SHREE KARNI FABCOM LIMITED

(Formerly known as Shree Karni Fabcom LLP)

CIN : U47820GJ2023PLC140106

Rajiv Lakhotia

Managing Director

DIN: 02939190

Arbind Kumar Lahoty

CFO

Radheshyam daga

Whole Time Director

DIN: 07848061

Jyoti Chitlangiya

Company Secretary

Standalone Cash Flow Statement for the year ended 31st March 2024

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2024	For the Period Ended 11th April, 2023	For the Year Ended 31st March 2023
A. CASH FLOW FROM OPERATION ACTIVITIES			
Net Profit/(Loss) before Tax and Extraordinary Items	1,696.36	95.97	712.00
Adjustments for:			
Depreciation	152.74	7.54	291.93
Finance Cost	277.57	26.33	515.75
Profit on Sale of Capital Assets	(12.84)	-	-
Interest Income	(12.06)	-	-
Provision for Doubtful Debts	4.19	-	0.47
Income on Investment	(2.24)	-	-
Provision for Gratuity	10.86	-	-
Operating Profit/(Loss) before Working Capital Changes	2,114.58	129.85	1,520.16
Adjustments for:			
Decrease/(Increase) in Inventories	373.94	269.68	(2,003.50)
Decrease/(Increase) in Other Current Assets	(420.33)	(112.67)	53.66
Decrease/(Increase) in Trade and Other Receivables	294.39	(723.09)	(993.89)
Decrease/(Increase) in Other Non Current Assets	(83.76)	(0.10)	(133.69)
Increase/(Decrease) in Trade and Other Payables	(2,444.92)	(1,078.47)	1,578.94
Increase/(Decrease) in Other Current/Non-Current Liabilities	(40.91)	650.54	107.48
Cash Generated from Operations	(207.01)	(864.25)	129.17
Adjustment for:			
Income taxes paid (net)	(371.90)	(0.41)	(152.59)
NET CASH GENERATED/(USED IN) OPERATING ACTIVITIES (A)	(578.91)	(864.66)	(23.42)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant & Equipment	(507.06)	(2.35)	(1,022.35)
Sale of Property, Plant & Equipment	9.24	-	6.90
Purchase of Investments	(186.57)	-	(84.74)
Sale of Investments	11.34	-	-
Interest Income	12.06	-	-
NET CASH GENERATED / (USED IN) INVESTING ACTIVITIES (B)	(660.99)	(2.35)	(1,100.19)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Changes in Partner's Capital	(1,734.54)	(14.36)	727.41
Issue of Share Capital	207.20	-	-
Securities Premium on issue of Share Capital	4,336.24	-	-
Finance Cost	(277.57)	(26.33)	(515.75)
Increase/ (Decrease) in Long Term/Short Term Borrowings	1,306.80	910.03	940.63
Increase/ (Decrease) in Short Term Borrowings	-	-	-
NET CASH GENERATED / (USED IN) FINANCING ACTIVITIES (C)	3,838.14	869.33	1,152.29
NET INCREASE/(DECREASE) IN CASH DURING THE YEAR (A+B+C)	2,598.23	2.32	28.68
Cash & Cash Equivalents at the beginning of the year	35.95	35.95	7.27
Cash & Cash Equivalents at the end of the year	2,634.18	38.27	35.95

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard- 3 on 'Cash Flow Statement' notified by the Companies (Accounting Standards) Rules, 2006.
- Cash and cash equivalents consist of cash and bank balances as indicated in Note - 17 to the Financial Statements.
- Figures in brackets indicate cash outflows.

For and on behalf of the Board

SHREE KARNI FABCOM LIMITED

(Formerly known as Shree Karni Fabcom LLP)
CIN : U47820GJ2023PLC140106

In terms of our report of even date

For Baid, Agarwal Singhi & Co.

Chartered Accountants

Firm's Registration No. with ICAI:0328671E

Dhruv Narayan Agarwal

Partner

Membership No.: 306940

Place : Kolkata

Rajiv Lakhotia

Managing Director

DIN: 02939190

Arbind Kumar Lahoty

CFO

Radheshyam daga

Whole Time Director

DIN: 07848061

Jyoti Chitlangiya

Company Secretary

Notes forming part of the Standalone Financial Statements as at 31st March 2024

3 SHARE CAPITAL

(₹ in Lakhs)

	As at 31st March, 2024	As at 11th April, 2023	As at 31st March, 2023
a. Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period :			
Capital	-	100.00	100.00
Authorised Share Capital :			
(80,00,000 Equity Shares of ₹10/- each)	800.00	-	-
Issued, Subscribed & Fully Paid-up Share Capital :			
Opening Share Capital	-	100.00	100.00
Additions During the year	307.20	-	-
Add: Bonus Issue of equity shares (40,00,000 Equity Shares of ₹10/- each)	400.00	-	-
Total	707.20	100.00	100.00

b. Terms/rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The company was a limited liability firm as on 31.03.2023, and later as on 11.04.2023 got converted into private limited company thereafter into public limited company as on 20.10.2023 and hence the company had no equity share capital in the previous years, it had partners' fixed capital which has been now reclassified under shareholder's equity .

The Board of Directors, at its meeting held on June 12, 2023, approved the Bonus issue of shares in the ratio of 4:1 to the existing shareholders of the company as on of the company and accordingly the Board of Directors, at it's meeting held on July 15, 2023 approved the allotment of equity bonus shares of 40,00,000 (Forty Lakhs Shares) Equity Shares of ₹ 10/- each which resulted in increase in paid-up, issued and subscribed equity shares capital of the Company from 10,00,000 equity shares to 50,00,000 equity shares face value of ₹ 10/- per share.

As in the reporting period of restated financials, the company was a partnership firm and accordingly, was not following the provisions of companies' act, 1956 or companies act, 2013, as the case may be, in respect of rates of depreciation charged on fixed assets. However, in the current period financials, the company has adopted the method and rates of depreciation in terms of Schedule XIV of companies' act, 1956 or Schedule II of companies' act, 2013, as applicable in respective financial year. The company has recalculated the depreciation since financial year 2018-19 and accordingly, retrospective impact has been given in the financials, hence adjustments due to the change in accounting policy has been made.

The Fixed and Current Capital Balances has been partly paid and partly been converted to unsecured loan, the aforesaid loans are interest free in nature.

4 SECURITIES PREMIUM ACCOUNT

(₹ in Lakhs)

	As at 31st March, 2024	As at 11th April, 2023	As at 31st March, 2023
As per last Financial Statement	-	-	-
Add: Securities Premium	4,336.24	-	-
Less: Utilisation of Reserves for issue of Bonus Shares	-	-	-
	4,336.24	-	-
Retained earnings			
As per last Financial Statement	2,247.92	2,196.31	1,150.83
Add: Transfer from Statement of Profit and Loss	1,235.18	65.97	461.77
Add: Adjustment for change in Accounting Policy	213.07	-	-
Less: Transfer / Repayment of Capital to Partners	(1,720.18)	(14.36)	583.71
Less: Utilisation For Issue of Bonus Shares	(400.00)	-	-
	1,576.00	2,247.92	2,196.31
Total Reserves and Surplus	5,912.24	2,247.92	2,196.31

Notes forming part of the Standalone Financial Statements as at 31st March 2024

5 LONG TERM BORROWINGS

(₹ in Lakhs)

	As at 31st March, 2024	As at 11th April, 2023	As at 31st March, 2023
Secured Loan, considered good			
Term Loan from Bank	1,100.59	1,290.67	1,296.50
Less: Current Maturity	(346.23)	(344.73)	(342.79)
	754.37	945.94	953.71
Unsecured Loan, considered good*			
a. Loan payable on demand			
- Related Parties	-	1,042.25	1,038.87
- Others	-	321.73	320.68
Total Long Term Borrowings	754.37	2,309.92	2,313.26

Name of the Lender	Rate of Interest	Nature of Loan	Amount as on 31st March, 2024	Repayment Term	Loan Financed (₹ In Lakhs)	Description
Standard Chartered Bank CC Account	10.50%	Cash Credit	433.11	On demand	750.00	Hypothecation of Stock 25% margin Hypothecation of Receivables not more than 90 Days with 50% margin Charge on various residential and commercial properties, as well as Industrial Property. Ad Hoc Limit of 1.25 cr was availed during the current Financial Year
HDFC Bank LTD	7.50%	Vehicle Loan	10.75	37 Months	23.33	Light Commercial Vehicle Loan
HDFC Bank LTD Car Loan	8.30%	Vehicle Loan	7.84	39 Months	15.06	Auto Loan
Kotak Mahindra Bank	9.23%	Vehicle Loan	25.00			
SCB ECL TL - 005318764	9.50%	Term Loan	78.00		78.00	Exclusive Second hypothecation charge on the firm's entire current assets, Plant & Machinery both present and future. Charge on various residential and commercial properties, as well as Industrial Property.
SCB ECL TL - IF005207146	9.25%	Term Loan	8.29	28 Months	80.12	
SCB TL - IF005207137	10.06%	Term Loan	67.44	46 Months	147.16	
SCB TL - IF005207121	10.06%	Term Loan	14.71	28 Months	110.30	
SCB TL - IF005368653	10.43%	Term Loan	559.14	64 Months	300.00	Exclusive First hypothecation charge on the firm's entire current assets, Plant & Machinery both present and future. Charge on various residential and commercial properties, as well as Industrial Property.
SIDBI LOAN	8.85%	Term Loan	199.82	72 Months	436.00	All the movable properties of the Borrower pertaining to the project of the Borrower as described in this agreement and situated at Block no.314, Plot No. 193, 194 & 195, Rajhans Texpa, NH-8, Village- Baleshvar, Palsana, Surat, Gujarat-394317, India', including, but not limiting to, its movable, plant, machinery, machinery spares, tools and accessories, office equipment, computers, furniture and fixtures, and all other movable, both present and future (save and except book debts)
SIDBI LOAN	8.54%	Term Loan	129.60	35 months	11.09	

Notes forming part of the Standalone Financial Statements as at 31st March 2024

Name of the Lender	Rate of Interest	Nature of Loan	Amount as on 31st March, 2024	Repayment Term	Loan Financed (₹ In Lakhs)	Description
ADHOC AXIS BANK	9.00%		272.27			
Axis Bank CC	9.00%	Cash Credit	779.49	On demand	1,375.00	Charge on various residential and commercial properties, as well as Industrial Property and personal guarantee of various individuals as per the sanction letter. Other facilities granted.
Total Loan			2,585.45			

Name of the Lender	Rate of Interest	Nature of Loan	Amount as on 31st March, 2023	Repayment Term	Loan Financed (₹ In Lakhs)	Description
Standard Chartered Bank CC Account	10.50%	Cash Credit	1,003.05	On demand	1,000.00	Hypothecation of Stock 25% margin Hypothecation of Receivables not more than 90 Days with 50% margin Charge on various residential and commercial properties, as well as Industrial Property.
HDFC Bank LTD	7.50%	Vehicle Loan	18.14	37 Months	23.33	Light Commercial Vehicle Loan
HDFC Bank LTD Car Loan	8.30%	Vehicle Loan	12.29	39 Months	15.06	Auto Loan
SCB ECL TL - 005318764	9.50%	Term Loan	78.00	47 Months	78.00	Exclusive Second hypothecation charge on the firm's entire current assets, Plant & Machinery both present and future. Charge on various residential and commercial properties, as well as Industrial Property.
SCB ECL TL - IF005207146	9.25%	Term Loan	41.44	28 Months	80.12	
SCB TL - IF005207137	10.06%	Term Loan	104.23	46 Months	147.16	
SCB TL - IF005207121	10.06%	Term Loan	58.83	28 Months	110.30	
SCB TL - IF005271918	10.43%	Term Loan	17.17	66 Months	19.08	Exclusive First hypothecation charge on the firm's entire current assets, Plant & Machinery both present and future. Charge on various residential and commercial properties, as well as Industrial Property.
SCB TL - IF005270317	10.43%	Term Loan	97.02	66 Months	107.80	
SCB TL - IF005261146	10.43%	Term Loan	155.23	66 Months	172.48	
SCB TL - IF005334527	10.43%	Term Loan	179.48	65 Months	199.42	
SCB TL - IF005368653	10.43%	Term Loan	270.00	64 Months	300.00	
SIDBI LOAN	8.85%	Term Loan	249.14	72 Months	296.00	All the movable properties of the Borrower pertaining to the project of the Borrower as described in this agreement and situated at Block no.314, Plot No. 193, 194 & 195, Rajhans Texpa, NH-8, Village- Baleshvar, Palsana, Surat, Gujarat-394317, India', including, but not limiting to, its movable, plant, machinery, machinery spares, tools and accessories, office equipment, computers, furniture and fixtures, and all other movable, both present and future (save and except book debts)
Tata Motors Finance Ltd	8.54%	Vehicle Loan	5.45	35 months	11.09	Vehicle Loan (Model SFC 407 PICKUP)
Tata Motors Finance Ltd	7.98%	Vehicle Loan	10.09	35 months	16.07	Vehicle Loan (Model ULTRA T7)

Notes forming part of the Standalone Financial Statements as at 31st March 2024

Name of the Lender	Rate of Interest	Nature of Loan	Amount as on 31st March, 2023	Repayment Term	Loan Financed (₹ In Lakhs)	Description
Axis Bank CC	9.00%	Cash Credit	(0.38)	On demand	1,375.00	Charge on various residential and commercial properties, as well as Industrial Property and personal guarantee of various individuals as per the sanction letter.
Total Loan			2,299.17			

6 DEFERRED TAX LIABILITIES (NET) (₹ in Lakhs)

	As at 31st March, 2024	As at 11th April, 2023	As at 31st March, 2023
Deferred tax liabilities			
Depreciation and Amortization Expenses	55.35	-	-
Deferred Tax Liabilities (Net)	55.35	-	-

7 OTHER NON CURRENT LIABILITIES (₹ in Lakhs)

	As at 31st March, 2024	As at 11th April, 2023	As at 31st March, 2023
Provision For Gratuity*	10.43	-	-
Total Other Non Current Liabilities	10.43	-	-

* Gratuity has been calculated based on date of joining as 11th April 2023 which is the date of incorporation of the company for all the employees.

8 SHORT TERM BORROWINGS (₹ in Lakhs)

	As at 31st March, 2024	As at 11th April, 2023	As at 31st March, 2023
Secured Loan, considered good			
a. Cash Credit Accounts	1,486.17	1,914.10	1,002.67
b. Current Maturity of Term loan from banks	346.23	344.73	342.79
Unsecured Loan, considered good*			
a. Loan payable on demand			
- Related Parties	2,378.76	-	-
- Others	-	-	-
Total Short Term Borrowings	4,211.15	2,258.83	1,345.46

* Unsecured loans includes the balance of partner's current capital account which is carried forward from the Limited Liability Partnership.

9 TRADE PAYABLES (₹ in Lakhs)

	As at 31st March, 2024	As at 11th April, 2023	As at 31st March, 2023
Trade payables			
a. Total outstanding dues of micro enterprises and small enterprises	637.06	2,103.84	3,070.98
b. Total outstanding dues of creditors other than micro enterprises and small enterprises	307.02	206.69	318.01
Total Trade Payables	944.08	2,310.53	3,389.00

Notes forming part of the Standalone Financial Statements as at 31st March 2024

Particulars	Ageing For Trade Payables Outstanding As At 31st March,2024				
	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
MSME	611.11	25.95	-	-	637.06
Others	307.02	-	-	-	307.02
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-

Particulars	Ageing For Trade Payables Outstanding As At 11th April,2023				
	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
MSME	2,101.42	2.42	-	-	2,103.84
Others	206.49	0.21	-	-	206.69
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-

Particulars	Ageing For Trade Payables Outstanding As At 31th March,2023				
	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
MSME	3,070.98	-	-	-	3,070.98
Others	318.01	-	-	-	318.01
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-

10 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

	As at 31st March, 2024	As at 11th April, 2023	As at 31st March, 2023
Liability For Expenses	13.21	49.28	44.81
Advance from customers	2.36	725.44	84.25
Other Current Liabilities	1.95	-	1.00
Professional Tax Payable	0.09	-	-
Provident Fund Payable	0.43	-	-
Goods and Service Tax Payable	36.45	3.45	-
TDS Payable	43.93	15.66	12.94
TCS Payable	1.08	-	0.27
Income Tax Liabilities (Net of Advance tax)	130.53	120.48	90.89
Doubtful Debt	2.86	-	-
Total Other Current Liabilities	232.89	914.31	234.16

11 SHORT TERM PROVISIONS

(₹ in Lakhs)

	As at 31st March, 2024	As at 11th April, 2023	As at 31st March, 2023
Provision For Gratuity*	0.42	-	-
Total Current Tax Liabilities	0.42	-	-

* Gratuity has been calculated based on date of joining as 11th April 2023 which is the date of incorporation of the company for all the employees.

Notes forming part of the Standalone Financial Statements as at 31st March 2024

12 PROPERTY, PLANT AND EQUIPMENTS

(₹ in Lakhs)

DESCRIPTION	Determination of figures for Changes in Accounting Policy				Gross Block Determination			Depreciation			Net Block		
	WDV As on 01.04.2023	Depreciation (As per Income Tax) till 11.04.2023	Additions till 11.04.2023	WDV As on 11.04.2023 Accounting Policy	Gross Block as per companies Act as on 11.04.2023	Additions During the year	Adjustment/ Deduction during the year	As at 31st March, 2024	Accumulated Depreciation	Depreciation from 11.04.2023 To 31.03.2024	Adjustment/ Deduction during the Year	As At 31st March, 2024	As At 31st March, 2024
Plant & machinery	1436.59	6.56	-	1,430.03	1,733.69	173.17	-	1,906.86	203.26	95.88	-	299.14	1,607.72
Computer & Peripherals	12.54	0.10	-	12.43	19.01	2.90	-	21.91	8.04	5.13	-	13.17	8.74
Motor Vehicles	62.27	0.28	-	61.98	82.37	47.40	12.26	117.51	14.49	9.40	4.43	19.45	98.06
Furniture & Fittings	22.93	0.07	-	22.86	27.97	10.00	-	37.97	4.58	3.34	-	7.91	30.06
Office equipment	64.69	0.29	-	64.40	82.50	31.71	-	114.21	21.17	17.91	-	39.08	75.13
Plot(non depreciable)	329.75	-	2.35	332.10	332.10	50.27	-	382.36	-	-	-	-	382.36
Building on Plot	93.30	-	96.55	189.85	185.99	45.35	-	231.34	-	4.72	-	4.72	226.61
Total	2022.05	7.30	-	2,113.65	2,463.63	360.80	12.26	2,812.17	251.53	136.38	4.43	383.48	2,428.69
Intangible Asset													
Water Treatment Right	27.13	0.20	-	26.92	31.00	-	-	31.00	4.06	8.54	-	12.60	18.40
Software	3.11	0.04	-	3.07	4.52	-	-	4.52	0.15	0.28	-	0.43	4.09
Total	30.24	0.24	-	29.99	35.52	-	-	35.52	4.21	8.82	-	13.03	22.48
Non Depreciable Asset													
Building on Plot	-	-	0.00	-	-	331.23	-	331.23	-	-	-	-	331.23
Assembly Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	0.00	-	0.00	-	-	331.23	-	331.23	-	-	-	-	331.23
Grand Total	2052.29	7.54	0.00	2,143.65	2,499.15	692.03	12.26	3,178.92	255.74	145.20	4.43	396.51	2,782.40

Note :

1) Assembly equipment refers to the individual pieces of assembly machinery that make up an assembly line. The overall function of the equipment in the assembly line is to work together, each machine doing one part of the production before the part being produced passes to the next machine. The machinery is not yet ready to put to use, as installation of certain parts is pending .

The title deeds of the Right of Use Assets are held in the name of the Company, except for as shown in table below:

Description Relevant line item in the Balance Sheet Gross carrying value	Title deeds held in the name of Whether title deed holder is a promoter, director or relative# of promoter*/ director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Plot 280 admeasuring 162.13 sq.vaar namely 135.56 sq.mt located in Surat District, Palsana Sub District, Village Balweshwar	No	8/4/2022	

Note : Depreciation till 11.04.2023 has been charged as per Income tax Act, thereafter the effect for change in accounting policy has been given as the company got converted to private limited company as on 11.04.2023

Notes forming part of the Standalone Financial Statements as at 31st March 2024

PROPERTY, PLANT AND EQUIPMENTS AS ON 31.03.2023

Block Of Assets	Rate %	Opening W.D.V.	Before.	After Sep.	Sale	(Loss)/Profit On Sale	Subsidy	Depreciation	Closing W.D.V.
Depreciable Assets									
Plant & Machinery	15.00	1,150.43	580.46	6.40	-	-	43.70	257.00	1,436.59
Computer	40.00	4.45	11.20	1.74	-	-	-	4.85	12.54
Motor Vehicals	15.00	47.00	33.71	-	6.90	(0.47)	-	11.07	62.27
Furniture & Fittings	10.00	13.52	11.95	-	-	-	-	2.55	22.93
Office Equipments	15.00	36.60	36.16	3.11	-	-	-	11.18	64.69
Plot (Non Depreciable)	-	67.54	229.22	32.98	-	-	-	-	329.75
Building on Plot	-	149.95	29.27	10.63	-	-	-	-	189.85
Software	0.40	-	2.52	2.00	-	-	-	1.41	3.11
Waste Treatment Rights	0.25	-	-	31.00	-	-	-	3.88	27.13
Total		1,469.49	934.48	87.87	6.90	(0.47)	43.70	291.93	2,148.84

* THE ABOVE SCHEDULE IS AS PER I.T.ACT AS THE COMPANY WAS AN LLP AS ON 31.03.2023.

13. INVESTMENT

(₹ in Lakhs)

Particular	As at 31st March 2024	As at 11th April 2023	As at 31st March 2023
Unquoted, Trade Investments, Considered Good			
Venture Capital and Angel Funds			
Artha Venture	100.82	102.89	102.89
Artha Select Fund	20.00	20.10	20.10
Artha Venture Fund I	48.92	51.00	51.00
LV Angel Fund Flox F1	5.00	5.00	5.00
LV Angel Fund kaching li	4.00	4.00	4.00
LV Angel Fund Glamputa P I	4.00	4.00	4.00
INVESTT Seeders Bima Plan- I	10.24	-	-
Total	192.98	186.99	186.99
Investment in Subsidiary LLP			
IGK Technical Textiles LLP	133.34	-	-
Investment in Associate LLP			
Textron Fabtech LLP	47.24	-	-
Total	373.56	186.99	186.99
Aggregate amount of quoted investments and market value thereof	-	-	-
Aggregate amount of unquoted investments	192.98	186.99	186.99
Aggregate provision for diminution in value of investments	-	-	-

Notes forming part of the Standalone Financial Statements as at 31st March 2024

14 OTHER NON CURRENT ASSETS

(₹ in Lakhs)

	As at 31st March, 2024	As at 11th April, 2023	As at 31st March, 2023
Security Deposits	58.28	4.53	4.53
Fixed Deposits with Banks	159.18	129.26	129.16
Total Other Non Current Assets	217.45	133.79	133.69

15 INVENTORIES

(₹ in Lakhs)

	As at 31st March, 2024	As at 11th April, 2023	As at 31st March, 2023
(At lower of cost and net realisable value)			
Closing Stock*	3,183.81	3,288.06	3,557.75
Total Inventories	3,183.81	3,288.06	3,557.75

* Closing stock includes Raw Materials and Finished Goods

16 TRADE RECEIVABLES

(₹ in Lakhs)

	As at 31st March, 2024	As at 11th April, 2023	As at 31st March, 2023
Trade receivables - unsecured, considered good (exceeding six months)	58.28	4.53	4.53
- Related parties			-
- Others	211.92	124.01	149.06
Trade receivables - unsecured, considered doubtful (exceeding six months)			
- Related parties			
- Others	11.43	-	-
	223.35	124.01	149.06
Trade receivables - unsecured, considered good (less than six months)			
- Related parties	-	122.86	42.24
- Others	2,968.91	3,967.07	3,299.56
Trade receivables - unsecured, considered doubtful (less than six months)	-	-	-
Total Trade Receivables	2,968.91	4,089.93	3,341.79
	3,192.27	4,213.94	3,490.85

Particulars	Ageing For Trade Payables Outstanding As At 31st March,2024					Total
	Less Than 6 Months	6 Months- 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Undisputed trade receivables- considered good	2,968.91	177.66	30.24	4.02	-	3,180.84
Undisputed trade receivables- considered doubtful	-	-	8.57	-	-	8.57
Disputed trade receivables- considered good	-	-	-	-	-	0.00
Disputed trade receivables- considered doubtful	-	-	2.86	-	-	2.86

Notes forming part of the Standalone Financial Statements as at 31st March 2024

Particulars	Ageing For Trade Receivables Outstanding As At 11th April, 2023					Total
	Less Than 6 Months	6 Months- 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Undisputed trade receivables-considered good	4089.93	45.77	78.25			4,213.94
Undisputed trade receivables-considered doubtful	-	-	-	-	-	-
Disputed trade receivables-considered good	-	-	-	-	-	-
Disputed trade receivables-considered doubtful	-	-	-	-	-	-

Particulars	Ageing For Trade Receivables Outstanding As At 31st March, 2023					Total
	Less Than 6 Months	6 Months- 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Undisputed trade receivables-considered good	3,341.79	149.06	-	-	-	3,490.85
Undisputed trade receivables-considered doubtful	-	-	-	-	-	-
Disputed trade receivables-considered good	-	-	-	-	-	-
Disputed trade receivables-considered doubtful	-	-	-	-	-	-

17 CASH & CASH EQUIVALENTS

(₹ in Lakhs)

	As at 31st March, 2024	As at 11th April, 2023	As at 31st March, 2023
Balance with banks in current accounts	2,630.81	7.05	4.11
Cash and stamps on hand	3.37	31.22	31.84
Total Cash & Cash Equivalents	2,634.18	38.27	35.95

18 CURRENT ASSETS - OTHERS

(₹ in Lakhs)

	As at 31st March, 2024	As at 11th April, 2023	As at 31st March, 2023
(Unsecured, considered good)			
Capital Advance	209.98	84.80	-
Others - Advances Recoverable from	4.20	-	-
(Unsecured, considered good)			
- Suppliers	-	43.77	-
- Other advances	5.13	7.00	7.00
Other Receivables	225.13	1.21	1.21
Balances with statutory/government authorities	-	-	15.90
Total Other Current Assets	444.44	136.79	24.12

19 REVENUE FROM OPERATIONS

(₹ in Lakhs)

	Year ended 31st March, 2024	Period ended 11th April, 2023	Year ended 31st March, 2023
Other operating revenues			
Services including material	12,019.62	910.28	12,669.33
Job Work	69.32	-	25.32
High Sea Sales	-	80.63	-
Total Revenue from operations	12,088.94	990.90	12,694.65

Notes forming part of the Standalone Financial Statements as at 31st March 2024

20 OTHER INCOME

(₹ in Lakhs)

	Year ended 31st March, 2024	Period ended 11th April, 2023	Year ended 31st March, 2023
Income From Investment	2.24	-	0.86
Discount Received	-	-	0.14
Interest from Security Deposit	-	-	0.13
Profit on sale of Capital Asset	12.84	-	0.00
Foreign Exchange Rate	0.25	1.92	(1.61)
Dividend	-	-	0.00
Interest - Fd	12.06	0.10	3.87
Rental Income	6.00	-	6.00
Duty Drawback	3.36	-	-
Total other income	36.75	2.02	9.40

21 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

	Year ended 31st March, 2024	Period ended 11th April, 2023	Year ended 31st March, 2023
Cost of materials Consumed	9,164.22	570.56	12,359.22
Total Cost of Materials Consumed	9,164.22	570.56	12,359.22

22 CHANGES IN INVENTORIES OF FINISHED GOODS

(₹ in Lakhs)

	Year ended 31st March, 2024	Period ended 11th April, 2023	Year ended 31st March, 2023
Opening stock	3,288.06	3,557.75	1,554.25
Less: Closing stock	3,183.81	3,288.06	3,557.75
Total (Increase)/Decrease in Inventories	104.25	269.68	(2,003.50)

23 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

	Year ended 31st March, 2024	Period ended 11th April, 2023	Year ended 31st March, 2023
Salary, wages, bonus and other benefits	111.19	9.69	88.69
Staff Welfare Expenses (Including PF and ESI)	3.44	-	-
Director Remuneration	240.00	-	28.80
Gratuity Expenses	10.86	-	-
Wages	68.99	0.40	78.12
Bonus	5.12	-	-
Total Employee benefit expenses	439.60	10.09	195.61

24 FINANCE COSTS

(₹ in Lakhs)

	Year ended 31st March, 2024	Period ended 11th April, 2023	Year ended 31st March, 2023
Interest On Cash Credit Facility	173.69	5.72	61.63
Interest on Loans*	62.88	14.04	263.83
Stamp Duty	10.78	-	10.26
Processing Charges	3.88	-	4.17
Interest On Partner's Capital	-	6.57	175.86
Total Finance cost	251.24	26.33	515.75

*Interest subsidy income amounting to Rs 125.22 lakhs has been netted of with interest on loans on accrual basis.

25 DEPRECIATION ON PROPERTY PLANT & EQUIPMENTS

(₹ in Lakhs)

	Year ended 31st March, 2024	Period ended 11th April, 2023	Year ended 31st March, 2023
Tangible Assets	136.38	7.30	288.06
Intangible Assets	8.82	0.24	3.88
Total Depreciation	145.20	7.54	291.93

Notes forming part of the Standalone Financial Statements as at 31st March 2024

26 OTHER EXPENSES

(₹ in Lakhs)

	Year ended 31st March, 2024	Period ended 11th April, 2023	Year ended 31st March, 2023
Bank Charges	1.44	0.58	4.21
Transport Charges	48.53	0.20	86.07
Audit Fees (Refer Note. 26.1)	6.10	0.10	0.30
Brokerage Expense	14.94	-	32.90
Custom Duty Paid	10.85	2.64	92.29
Conveyance Expenses	10.61	0.03	13.85
Courier Expense	3.28	-	4.33
Computer Expenses	-	-	0.12
Discount & Commission Expenses	4.94	-	7.19
Donation	8.00	2.00	59.89
Electricity Expenses	32.47	2.82	46.91
Insurance Expenses	3.08	1.25	10.98
Legal and Consultancy Expenses	29.14	-	17.90
Loss on sale of Capital Asset	-	-	0.47
Office Expenses	35.79	0.55	45.24
Postage & Telephones Expenses	0.09	-	-
Rent Expenses	0.65	-	3.00
Repair And Maintenance	16.72	0.04	13.23
Stationary & Printing Expenses	1.70	-	2.69
Travelling Expenses	23.12	0.03	10.38
Vehicle Expenses	6.71	0.37	13.02
Freight Charges	0.01	-	0.39
Packing charges	64.60	1.11	120.21
Rates and Taxes	13.45	-	2.11
Advertisement Expenses	12.31	-	4.91
Interest / Penalty	11.07	0.04	0.52
Labour Charges	17.31	-	30.73
Security Expenses	7.07	0.24	3.97
Software Expenses	5.29	-	1.69
Internet Expenses	2.71	0.74	2.53
Water Treatment Expenses	8.42	-	-
Factory Expenses	1.71	-	0.96
General Expenses	3.78	-	0.03
Bad Debt	2.86	-	-
Demat Escrow A/c AMC	0.12	-	-
IPO Expense	10.55	-	-
Investment Written Off	1.34	-	-
Total Other expenses	420.80	12.74	633.03

26.1 AUDIT FEES

(₹ in Lakhs)

	Year ended 31st March, 2024	Period ended 11th April, 2023	Year ended 31st March, 2023
Statutory Audit Fees	6.10	0.10	0.30
Other Miscellaneous Payments	-	-	-
	6.10	0.10	0.30

Notes forming part of the Standalone Financial Statements as at 31st March 2024

27 INCOME TAXES

(₹ in Lakhs)

Income tax related to items charged or credited directly to profit or loss during the year :

	Year ended 31st March, 2024	Period ended 11th April, 2023	Year ended 31st March, 2023
a) Statement of profit and loss			
(i) Current Income Tax	372.02	30.00	250.23
(ii) Deferred Tax expense / (benefit)	(16.31)	-	-
(iii) Income tax adjustment for earlier years	9.49	-	-
Total (a+b)	365.20	30.00	250.23

The reconciliation of estimated income tax (arrived at by multiplying accounting profit with India's domestic tax rate) to income tax expense is as follows.

	Year ended 31st March, 2024	Period ended 11th April, 2023	Year ended 31st March, 2023
Profit / (Loss) before taxes	1,600.39	95.97	712.00
Enacted Income Tax rate in India	25.17%	34.94	34.94
Income tax expense at tax rates applicable	402.78	33.53	248.80
Adjustments ;			
Tax effect of items that are deductible for tax purpose	72.19	-	-
Tax effect of items that are not deductible for tax purpose	40.50	-	-
Tax effect Income charged under special rates	1.18	-	-
Reversal of deferred tax liability	(16.31)	-	-
Income tax adjustment for earlier years	9.49	-	-
Other Adjustments			
Others	0.26	(3.53)	1.43
Income tax expense reported	365.20	30.00	250.23
Effective Income tax rate (%)	22.82	31.26	35.14

* As the status of the company during the previous years 2021-22 and 2020-21 was a Limited Liability Partnership, the company has not made provision for income tax separately during FY 2020-21 and 2021-22 and the same were adjusted with the Partner's share at the time of payment of taxes.

28 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

(₹ in Lakhs)

	31 March 2024	11th April, 2023	31 March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)*	116.36	116.36	103.18
Other commitments relating to settlement of litigation disputes	-	-	-

*The company has given capital commitment in form of investment to aartha ventures of ₹ 116.36 Lakhs.

29 CERTAIN TRADE RECEIVABLES ,LOANS & ADVANCES AND CREDITORS ARE SUBJECT TO CONFIRMATION. IN THE OPINION OF THE MANAGEMENT, THE VALUE OF TRADE RECEIVABLES AND LOANS & ADVANCES ON REALISATION IN THE ORDINARY COURSE OF BUSINESS, WILL NOT BE LESS THAN THE VALUE AT WHICH THESE ARE STATED IN THE BALANCE SHEET.

30 EARNINGS PER SHARE (EPS) AS PER AS 20

(₹ in Lakhs)

	31 March 2024	11th April, 2023	31 March 2023
Calculation of weighted average number of equity shares of Rs 10 each fully paid up:			
Number of equity shares at the beginning of the year	1,000,000	1,000,000	1,000,000
Total number of equity shares outstanding at the end of the year-A	7,072,000	1,000,000	1,000,000
Weighted average number of equity shares outstanding during the year –B	5,201,600	1,000,000	1,000,000
Net profit attributable to equity shareholders for calculation of basis EPS – C(₹ In Lakhs)	1,235.18	65.97	461.77

Notes forming part of the Standalone Financial Statements as at 31st March 2024

	31 March 2024	11th April, 2023	31 March 2023
Basic and Diluted EPS (₹) (C/B)(Based on weighted average number of shares)	23.75	6.60	46.18
Basic and Diluted EPS (₹) (C/A)(Based on shares at the end of year)	17.47	6.60	46.18

31 DISCLOSURE ON CORPORATE SOCIAL RESPONSIBILITY EXPENSES

Provisions of Section 135 of the Companies Act, 2013 and rules made thereunder are not applicable to the company.

32 CONTINGENCIES AND EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There were no events which occurred after the Balance Sheet date up to the date of approval of financial statements which required any adjustments/disclosure in the financial statements as per AS-4

33 FOREIGN CURRENCY TRANSACTIONS

The company has made foreign currency transaction during the period under consideration.

Particulars		As on 31st March, 2024		As on 11th April, 2023	
S. No.	Nature of Transactions	Amount (USD)	Amount (₹ In Lakhs)	Amount (USD)	Amount (₹ In Lakhs)
1	Purchase of Goods	240,230.95	199.83	94,452	78.34
2	Purchase of Machinery	-	-	-	-
	Grand Total	240,230.95	199.83	94,452	78.34

Particulars		As on 31st March, 2023	
S. No.	Nature of Transactions	Amount (USD)	Amount (₹ In Lakhs)
1	Purchase of Goods	801,026	655.88
2	Purchase of Machinery	640,000	491.52
	Grand Total	1,441,026	1,147.40

Note : The foreign Currency figures have not been converted into Lakhs.

34 SEGMENT INFORMATION

The company operates in a single reportable primary segment (Business segment) i.e. Trading and Manufacturing of technical textiles, knitted and coated fabrics.

No other operating segments have been aggregated to form the above reportable operating segments as per the criteria specified in the AS-17.

Business Segment wise / Geographical Segment wise revenue/results/assets/liabilities

Since there is Single Reportable Operating Segment hence disclosure of Operating Segment wise Assets, Liabilities, Revenue and Results are not applicable.

35 RELATED PARTY TRANSACTIONS

a) Key management personnel ('KMP')

1. Manoj Kumar Karnani
2. Radhe Shyam Daga
3. Raj Kumar Agarwal
4. Rajiv Lakhota
5. Arbind Kumar Lahoty

b) Entities in which KMP can exercise significant influence

Name of the KMP	Entities in which KMP exercise significant influence
1. Manoj Kumar Karnani	a. IGK Technical Textiles LLP b. International Trade Link c. Lizo India Automobile LLP d. Nakoda Hair Accessories Private Limited e. DP Global Impex Private Limited f. Manoj Kumar Karnani HUF

Notes forming part of the Standalone Financial Statements as at 31st March 2024

Name of the KMP	Entities in which KMP exercise significant influence
2. Radhe Shyam Daga	a. Textron Fabtech LLP b. Radhe Shyam Daga HUF
3. Raj Kumar Agarwal	a. IGK technical Textiles LLP b. Raj Kumar Agarwal HUF
4. Rajiv Lakhotia	a. IGK technical Textiles LLP b. Textron Fabtech LLP c. Shree Karni Artha LLP d. Rajiv Lakhotia HUF

Note: Mr. Arbind Kumar Lahoty was appointed as CFO of the company as on 9th November, 2023 hence transactions for the month of November has been considered as Related Party Transactions.

Since the company made investments in subsidiary and associate as on 31.10.2023, hence the figures post investment has been considered for Related Party Transactions.

c) Transactions with related parties during the year have been set out below (₹ in Lakhs)

	31 March 2024	11th April, 2023	31 March 2023
Remuneration			
Key management personnel ('KMP')	240.00	-	28.80
Interest expense			
Key management personnel ('KMP')	6.57	6.57	175.86
Interest expense			
Entities in which KMP can exercise significant influence	62.12	3.76	34.49
Purchases			
Entities in which KMP can exercise significant influence	1,070.57	211.65	966.75
Sales			
Entities in which KMP can exercise significant influence	644.34	-	44.02
Rental Income			
Entities in which KMP can exercise significant influence	6.00	-	6.00
Loan Taken			
Entities in which KMP can exercise significant influence	4,535.68	-	1,487.65
Loan Repaid			
Entities in which KMP can exercise significant influence	3,195.79	-	458.86
Loan Taken			
Key management personnel ('KMP')	-	-	-
Loan Repaid			
Key management personnel ('KMP')	-	-	-

d) Balances at the year end

	31 March 2024	11th April, 2023	31 March 2023
Loan Taken			
Entities in which KMP can exercise significant influence	2,378.76	1042.25	1,038.87
Loan Taken			
Key managerial Personnel	-	-	-
Rent Payable			

Notes forming part of the Standalone Financial Statements as at 31st March 2024

	31 March 2024	11th April, 2023	31 March 2023
Entities in which KMP can exercise significant influence	-	-	-

There are no investments by the company other than those stated under Note No. 13 in the financial statements.

e) Guarantee given

	31 March 2024	11th April, 2023	31 March 2023
To secure obligation of other related parties	There is Corporate Guarantee given to ICICI bank on behalf of IGK Technical Textiles LLP.	There is Corporate Guarantee given to ICICI bank on behalf of IGK Technical Textiles LLP.	There is Corporate Guarantee given during the year 2022-23 to ICICI bank on behalf of IGK Technical Textiles LLP.

f) Security given

The Property of Shree Karni Fabcom Limited mortgage to ICICI bank on behalf of Loan taken for IGK Technical Textiles LLP.

In the opinion of the Board of Directors and to the best of their knowledge and belief, the valuation on realisation of financial assets and other assets in the ordinary course of business would not be less than the amount at which they are stated in the financial statements.

- 36** The Company was formed upon conversion of Limited Liability Partnership into Company vide certificate of incorporation dated April 11, 2023. The Company has been converted with paid up equity share capital of ₹ 1,00,00,000 divided into 10,00,000 equity shares of ₹ 10 each. The status of the Company prior to April 11, 2023 was of a Limited Liability Partnership. Hence, EPS and NAV per share for all the years has been calculated by considering the number of shares outstanding post conversion of Limited Liability Partnership into Company, except for the EPS for the year ended 31.03.23. in which the number of shares has been restated because of Bonus Issue in the Current Year.
- 37** The certificate of Incorporation of the company is dated 11/04/2023 but, since, the previous audited figures were till 11.04.2023 there will be an overlapping of figures hence while auditing the figures we have made the financial statements from 12.04.2023 till 30.11.2023. Also, no bills were issued or documents were raised on the name of the company from 01.04.23 to 11.04.2023.

38 GRATUITY

Valuation Results	Amount
Discontinuance Liability	10.50
Defined Benefit Obligation	10.86
Funding Status	Unfunded
Fund Balance	-
Current Liability	0.42
Non-Current Liability	10.43
VALUATION ASSUMPTIONS	
1. Demographic Assumptions	
Mortality & Disability:	In order to consider the case where termination of the employment of any employee is due to death or permanent disablement, we have used mortality rates as given under Indian Assured Lives Mortality 2012-14 (Urban). The rates are assumed to include permanent disablement.
Extract of Mortality Rates (Indian Assured Lives Mortality 2012-14 (Urban)): Age Rate	Extract of Mortality Rates(Indian Assured Lives Mortality 2012-14 (Urban)): Age Rate
18	0.000675
25	0.000941
35	0.001253
45	0.002688
55	0.006576
65	0.013526

Notes forming part of the Standalone Financial Statements as at 31st March 2024

Retirement Age:	Retirement Age is the age at which persons who hold certain jobs or offices are required by Entity's rule or by law to leave their employment. We have considered the retirement age for all employees as 58 years, as advised by the Entity. Anyone having age more than the retirement age is assumed to be retiring immediately.
Attrition Rate:	Attrition rate represents employee turnover other than on account of retirement, death or permanent disablement. Attrition rate is dependent on the nature of business carried out by the Entity and the retention policy of the Entity. Attrition rates are applied at the beginning of each future year. We have considered the Service related attrition rate as tabulated below, as advised by the Entity.
Service related band For All Bands	Attrition Rate 6.00 % p.a.
2. Financial Assumptions	
Discount Rate:	<p>The rate used to discount post-employment benefit obligations reflects the estimated timing of benefit payments and the currency in which the benefits are to be paid. We have used the Discount Rate as 7.23% p.a. which relates to the par-yield rate available on Government Securities (G. Sec.) for the tenure of 12.00 years i.e. the expected term of the obligation. The rate is taken as per the deal rate as on 28-03-2024 as suggested under Indian Accounting Standard 19 (Ind AS 19). (Ref: G Sec. rates available through www.fbil.org.in). The expected term of the obligation is represented by the average expected future service.</p> <p>Since the Gratuity payments are to be made on the salary at the time of separation, liability to pay such Gratuity is based on the salary which the employee will be drawing at the time of exit; so, it is necessary to arrive at figures which would reflect the salaries of members in the future years. Estimates of future salary increases have been done on the basis of current salary suitably projected for future, beginning one year after the valuation date, the period is validated based on the available information as to the salary revision date other than the date one year after the valuation date, taking into consideration the general trend in inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. We have considered the salary escalation rate as tabulated below, as advised by the Entity.</p>
Future Years Salary Escalation Rate	For All Future Years 8.00 % p.a.
3. Reasonableness of Assumptions	The escalation assumptions and attrition rate assumption are the expectations of the Entity based on the escalation that the Entity expects to experience in future and the expected attrition rate in the future. A detailed analysis of experience with regards to these assumptions has not been conducted. However, the importance, implication and broad guidelines of these assumptions were shared with the entity and the entity opined on the assumptions to be used, considering the suggestions, the outlook of the Entity and other economic scenarios. Thereby, the assumptions given by Entity have been relied upon and deemed reasonable as per explanation given by the Entity. However, we recommend an experience analysis be carried out periodically for the purpose of validating the assumptions. The assumption with regards to the discount rate has been considered as per the requirements of the Accounting Standard. No separate analysis of the mortality rate for the Entity was deemed necessary to be undertaken, hence we have considered an appropriate standard mortality table available. Suitable adjustments and improvements have been applied where necessary. The results may be particularly sensitive to some assumptions, such as the discount rate and escalation. Quantum of these sensitivities have been provided under the Valuation Results section where appropriate.
Materiality	Information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements. We have assumed that while providing the assumption, materiality of the assumptions has been considered by the Entity. The results of the valuation were shared with the Entity, and this Report is prepared in accordance with the constructive confirmation on the actuarial valuation summary specifying the data, assumptions and benefit scheme for the same.

Notes forming part of the Standalone Financial Statements as at 31st March 2024

Gratuity is payable to all the eligible employees at the rate of 15 days salary for each year of service, subject to a payment ceiling of INR 2,000,000.

Vesting period : 5 years

Gratuity shall be payable to an employee on termination of employment due to superannuation, retirement, resignation, death or permanent disablement after successful completion of the vesting period, if applicable. However, the completion of vesting period is not applicable in the case where termination of employment is due to death or permanent disablement.

Method of Valuation

To calculate the Defined Benefit Obligation (DBO) we have used the Projected Unit Credit Method which is suggested under Indian Accounting Standard 19 (Ind AS 19). Under this method, accrued benefit amount is projected to calculate future expected cashflows by applying various valuation assumptions as described above and guidance given in the Accounting Standard, which is in turn discounted back at applicable discount rate assumption to arrive at present value of benefit obligation. (Refer FAQs for more detail) For the purpose of calculation, the past service is rounded up to 4 decimal places. Suitable application of the INR 2,000,000 ceiling has been considered when conducting the valuation.

39 RATIO ANALYSIS

Ratio	Numerator	Denominator	Current Period as on 31.03.2024	Previous Period 2022-23	Variance %	Remarks
Current ratio (in times)	Total current assets	Total current liabilities	1.75	1.43	22.64	
Debt-equity ratio (in times)	Debt consists of borrowings and lease liabilities	Total Equity	0.75	1.59	-52.92	Due to substantial increase in equity as equity was issued on premium
Debt service coverage ratio (in times)	Earning for Debt Service= Net Profit before taxes+ Non cash operating expenses+ Interest+Other non cash adjustments	Debt service = Interest payments+Principal repayments	2.57	0.68	277.06	Due to substantial increase in earnings
Return on equity ratio	Profit for the year less Preference dividend (if any)	Average total equity	0.29	0.27	8.94	
Inventory turnover ratio (in times)	Revenue from operations	Average Inventory	3.88	4.97	-21.87	
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	3.91	4.29	-8.70	
Trade payables turnover ratio (in times)	Cost of Purchases	Average trade payables	4.49	4.75	-5.48	
Net Capital turnover ratio (in times)	Revenue from operations	Average working capital(i.e. Total current assets less total current liabilities)	4.22	5.92	-28.82	Increase in working capital due to increase in better cash flows

Notes forming part of the Standalone Financial Statements as at 31st March 2024

Ratio	Numerator	Denominator	Current Period as on 31.03.2024	Previous Period 2022-23	Variance %	Remarks
Net profit ratio (in %)	Profit for the year	Revenue from operations	9.95	3.64	173.48	Substantial increase in profits during the year due to reduced direct and indirect expenses
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities+ Deferred tax liabilities	29.57	20.62	43.44	Due to increase in profits

40 OTHER STATUTORY INFORMATION

- i) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017
 - ii) The company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami Property.
 - iii) The company do not have any transactions with struck off companies under Section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
 - iv) The company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
 - v) The company has not traded or invested in Crypto currency or Virtual currency during the financial year.
 - vi) The Company has not advanced or loaned or invested any fund to any person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
 - b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries,
 - vii) The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries); or
 - b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
 - viii) The Company do not have any such transactions which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
 - ix) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India during the year.
- 41** Previous year's figures have been regrouped and/or re-arranged wherever necessary, to conform the current year classification.

As per our annexed report of even date

For Baid, Agarwal Singhi & Co.

Chartered Accountants

Firm's Registration No. with ICAI:0328671E

Dhruv Narayan Agarwal

Partner

Membership No.: 306940

Place : Kolkata

For and on behalf of the Board

SHREE KARNI FABCOM LIMITED

(Formerly known as Shree Karni Fabcom LLP)

CIN : U47820GJ2023PLC140106

Rajiv Lakhotia

Managing Director

DIN: 02939190

Arbind Kumar Lahoty

CFO

Radheshyam daga

Whole Time Director

DIN: 07848061

Jyoti Chitlangiya

Company Secretary

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF **SHREE KARNI FABCOM LIMITED**

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of SHREE KARNI FABCOM LIMITED ("the company"), and its subsidiary and its associate (together referred to as "the Group"), which comprises the consolidated Balance Sheet as at 31st March, 2024, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March 2024, its profits, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Responsibilities of Management for the Consolidated Financial Statements

The Parent company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

INDEPENDENT AUDITOR'S REPORT

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

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

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

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the companies (Audit's Reports) order, 2020 (the "Order"/ "Caro") issued by the Central Government in terms of Sec 143(11) of the act, to be included in the Auditor's report, according to the information and explanation given to us, and based on the CARO reports issued by us for the Company & its subsidiary and associate included in the consolidated financial statement of the Company, we report that there are no qualification or adverse remarks in the CARO report.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Group so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014
 - e) On the basis of the written representations received from the directors of the Parent Company as on 31st March, 2024 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of the subsidiary and associate company incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to the consolidated financial statements of the Group and the operating effectiveness of such controls refer to our separate Report in "Annexure A".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies

INDEPENDENT AUDITOR'S REPORT

(Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which will impact its financial position other than those as stated in clause (vii) of Annexure- A to the independent auditor's report on the audit of standalone financial statements.
- ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
- iv. (a) The respective managements of the Company and its subsidiaries or associates which are company incorporated in India whose financial statements have been audited under the Act, have represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or its subsidiary or associate to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or its subsidiary or associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective managements of the Company and its subsidiary and associate which are company incorporated in India whose financial statements have been audited under the Act, have represented that, to the best of its knowledge and belief, no funds have been received by the Company or its subsidiary or associate from any person(s) or entity (ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or its subsidiary or associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. There was no dividend declared or paid during the year by the Group.
- vi. Based on our examination which included test checks, performed by us on the Company, its subsidiary and its associate incorporated in India, except for the instances mentioned below, the company has used an accounting software for maintaining its books of account which doesn't have a feature of recording audit trail (edit log) facility. However, in our opinion, proper books of accounts stating true & fair states of affairs of the Company, as required under Sec 128(1) of the Companies Act, 2013 has been maintained by the company for the financial year 2023-24.

Since the all the subsidiary and associate of the company are governed by the Limited Liability Partnership Act, 2008, maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is not applicable and hence the accounting software of such subsidiary and associate for maintaining its books of account which doesn't have a feature of recording audit trail (edit log) facility.

For **BAID AGARWAL SINGHI & CO.**
Chartered Accountants
Firm Registration No. 328671E

CA DHRUV NARAYAN AGARWAL
(Partner)

Place: Kolkata
Dated: 29th May 2024

Membership No: 306940
UDIN: 24306940BKCOAF8923

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 (f) under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to the internal financial control under clause (i) of sub-section 3 of section 143 of the Act of M/s SHREE KARNI FABCOM LIMITED for the year ended 31 March 2024, we report that:

We have audited the internal financial controls with reference to the consolidated financial statements of **SHREE KARNI FABCOM LIMITED ("the Company")** and its subsidiary and associate (herein after to be referred as "the Group") as of 31st March 2024 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Group management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to group policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Group internal financial controls with reference to the financial statement based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the financial statement was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the financial statement and their operating effectiveness. Our audit of internal financial controls with reference to the financial statement included obtaining an understanding of internal financial controls with reference to the financial statement, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group internal financial controls system with reference to the financial statement.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENT

A company's internal financial control with reference to the financial statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the financial statement includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENT

Because of the inherent limitations of internal financial controls with reference to the financial statement, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

detected. Also, projections of any evaluation of the internal financial controls with reference to the financial statement to future periods are subject to the risk that the internal financial control with reference to the financial statement may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Group has, in all material respects, an adequate internal financial controls system with reference to the financial statement and such internal financial controls over financial reporting were operating effectively as at 31st March 2024, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **BAID AGARWAL SINGHI & CO.**

Chartered Accountants

Firm Registration No. 328671E

CA DHRUV NARAYAN AGARWAL

(Partner)

Membership No: 306940

UDIN: 24306940BKCOAF8923

Place: Kolkata

Dated: 29th May 2024

NOTE 1 & 2: SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1. COMPANY INFORMATION

The Company was originally formed as a limited liability partnership under the name 'Shree Karni Fabcom LLP', bearing LLP identification number AAM-1759 pursuant to a certificate of incorporation dated March 7, 2018 issued by the Registrar of Companies, Gujarat at Ahmedabad. Subsequently, pursuant to a resolution passed in the meeting of the partners held on November 26, 2022, Shree Karni Fabcom LLP was converted into a private limited company under the name 'Shree Karni Fabcom Private Limited' and a certificate of incorporation dated April 11, 2023 was issued by the Registrar of Companies, Central Registration Centre. Subsequently, pursuant to a resolution passed by our Board of Directors in their meeting held on October 3, 2023 and by the Shareholders at an extra-ordinary general meeting held on October 10, 2023 the Company was converted into a public limited company and consequently the name of the Company was changed to 'Shree Karni Fabcom Limited' and a fresh certificate of incorporation dated October 20, 2023 was issued by the Registrar of Companies, Gujarat at Ahmedabad. The Parent company is mainly engaged in trading and Manufacturing of technical textiles, knitted and coated fabrics.

The list of subsidiaries & associates, which are included in the consolidation and the company's holding therein is as under:

Sr. No.	Name of LLP	Country of Incorporation	Proportion of ownership
1	Textron Fabtech LLP	India	45%
2	IGK Technical Textiles LLP	India	66.67%

2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a. BASIS OF PREPARATION OF STANDALONE FINANCIAL STATEMENTS

The financial statements has been prepared and presented under historical cost convention on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India ("GAAP") and comply with the mandatory Accounting Standards ("AS") specified under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act 2013 ("the 2013 Act").

The Financial statements are presented in Indian Rupee (₹) & all the amounts included in the financial statements have been rounded off to the nearest Lakhs upto two decimals, as required by General instructions for preparation of Financial Statements in Division I of Schedule III of the Companies Act, 2013, except number of shares, face value of shares, earning per shares, or wherever otherwise stated. Wherever the amount represented ₹ '0.00' construes value less than Rupees Five Hundred.

b. USE OF ESTIMATES

The preparation of financial statements is in conformity with GAAP which requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and reported amount of revenues and expenses for the year. Actual results could differ from this estimate. Difference between the actual result and estimates are recognized in the period in which result are known / materialized.

c. CLASSIFICATION OF ASSETS AND LIBAILITIES

The Revised Schedule III to the Companies Act, 2013 requires assets and liabilities to be classified as either Current or Non-current.

(a) An asset shall be classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, normal operating cycle of the company;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within twelve months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

(b) All assets other than current assets shall be classified as non-current.

(c) A liability shall be classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the normal operating cycle of the company;
- It is held primarily for the purpose of being traded;

- It is due to be settled within twelve months after the reporting date; or
- The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

(c) All liabilities other than current liabilities shall be classified as non-current.

d. PROPERTY, PLANT & EQUIPMENT

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises: (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; (b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; (c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other cost directly attributable to bringing the item to working condition for its intended use.

The cost of improvements to leasehold premises, if recognition criteria are met, are capitalized and disclosed separately under leasehold improvement.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal and retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset is recognized in Statement of profit and loss.

Subsequent cost

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with expenditure will flow to the Company and the cost of the item can be measured reliably. All other subsequent cost are charged to Statement of profit and loss at the time of incurrence.

Depreciation

Depreciation on PPE is provided on the Straight Line method computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013 ('Schedule II') on a pro-rata basis from the date the asset is ready to put to use.

The residual values, useful lives and methods of depreciation of property plant and equipment are reviewed by management at each reporting date and adjusted prospectively, as appropriate.

Amortization of Intangible Assets

The intangible assets having a definite life are amortized over the life of the asset.

e. INVENTORIES

Inventories of finished goods are valued at cost or net realizable value ('NRV'), whichever is lower. Costs of inventories has been determined using weighted average cost method and comprise all costs of purchase after deducting non-refundable rebates and discounts and all other costs incurred in bringing the inventories to their present location and condition. Provision is made for items which are not likely to be consumed and other anticipated losses wherever considered necessary. The comparison of cost and NRV for traded goods is made on at item Company level basis at each reporting date. However, there is no inventory of any products.

f. LEASES

Lease payments in respect of assets taken on operating lease are charged to the Statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increases, if any. However, there is no lease payments during the period under consideration.

g. BORROWING COSTS

Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred. Capitalization of borrowing costs is suspended during the extended period in which active development is interrupted. Capitalization of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Other borrowing costs are charged to statement of profit and loss as and when incurred.

g. IMPAIRMENT OF ASSETS

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication of impairment exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units ('CGU').

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

Impairment losses are recognized in the Statement of profit and loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

For other assets, an impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

h. PROVISIONS AND CONTINGENT LIABILITIES AND ASSETS

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

i. EMPLOYEE BENEFITS

Employee benefit liabilities such as salaries, wages and bonus, etc. that are expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service are recognized in respect of employee's services up to the end of the reporting period and are measured at an undiscounted amount expected to be paid when the liabilities are settled. Gratuity has been calculated based on date of joining as 11th April 2023 which is the date of incorporation of the company for all the employees.

Post Retirement Employee Benefits

Gratuity

(a) Defined contribution plans:

Defined contribution plans are employee state insurance scheme and Government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees. The Company's contribution to defined contribution plans is recognized in the Consolidated Statement of Profit and Loss in the financial year to which they relate.

(b) Defined benefit plans

Defined Benefit plans are the plans for which the benefits has been defined for the eligible employees which are meant to be paid to them at the time of retirement.

j. INCOME TAXES

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best

estimate of the tax amount expected to be paid or received after considering the uncertainty, if any relating to income taxes. It is measured using tax rates enacted for the relevant reporting period. It is determined as the amount of tax payable under the provisions of Income Tax Act, 1961, in respect of taxable income for the year.

Deferred Tax

Deferred income taxes reflect the impact of current year timing difference between taxable income and accounting income for the year and reversal of timing difference of earlier year. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Current Tax for the year

Current Tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

k. FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

On initial recognition, all foreign currency transactions are converted and recorded at exchange rates prevailing on the date of the transaction. As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognised in the Statement of Profit and Loss. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction .

l. REVENUE RECOGNITION

Sales of services comprises of income arising from IT consulting contracts which includes software development, domain hosting services, other hosting services and reimbursement of expenses incurred on projects. Income is recognized on accrual basis based on the regular invoices raised on the clients as per the terms of Agreements or other arrangements as the case may be.

Revenue is measured at fair value of consideration received/receivable taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Other Income

Other Income is accounted for on accrual basis except where the receipt income is uncertain.

m. INVESTMENTS

Long-term Investments are carried at cost. However, provision for diminution in value is made to recognize a decline, other than temporary, in the value of the investments.

Current Investments are carried at lower of cost or market value. The cost of securities sold is determined on the first-in-first-out (FIFO) method.

n. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity share holder, by weighted average number of equity share outstanding during the period.

Diluted earnings per share is computed by dividing the net profit or loss attributable to equity share holder by weighted average number of equity and equivalent diluted equity share outstanding during the year except where the result would be antidilutive.

o. CASH AND CASH EQUIVALENTS

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly. Cash and cash equivalents in the cash flow comprise cash at bank, cash/cheques in hand and short-term investments with an original maturity of three months or less.

p. CHANGES IN ACCOUNTING POLICIES IN THE PERIODS/YEARS COVERED IN FINANCIALS

As in the reporting period of financials, the company was a Limited Liability Partnership and accordingly, was not following the provisions of Companies Act, 1956 or Companies Act, 2013, as the case may be, in respect of rates of depreciation charged on fixed assets. However, in the financials, the company has adopted the method and rates of depreciation in terms of Schedule XIV of Companies act, 1956 or Schedule II of Companies Act, 2013, as applicable in respective financial year. The company has recalculated the depreciation since financial year 2018-19 and accordingly retrospective impact has been given in the financials.

CONSOLIDATED BALANCE SHEET as at 31st March 2024

(₹ in Lakhs)

Particulars		As at 31st March, 2024	As at 11th April, 2023	As at 31st March, 2023
1) Shareholder's Fund				
a) Share Capital	3	707.20	100.00	100.00
b) Reserves and Surplus	4	6,089.71	2,247.92	2,196.31
Total Shareholder's Fund		6,796.91	2,347.92	2,296.31
Minority Interest		134.97		
Liabilities				
2) Non-current liabilities				
(a) Long Term Borrowings	5	2,158.72	2,309.92	2,313.26
(b) Deferred Tax liabilities	6	55.35	-	-
(c) Other Non Current Liabilities	7	10.43	-	-
Total Non-Current Liabilities		2,224.51	2,309.92	2,313.26
3) Current liabilities				
(a) Short Term Borrowings	8	5,779.08	2,258.83	1,345.46
(b) Trade Payables	9			
i) Total outstanding dues of micro enterprises and small enterprises		693.29	2,103.84	3,070.98
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		412.27	206.69	318.01
(c) Other Current Liabilities	10	355.47	914.31	234.17
(d) Short term provisions	11	0.42	-	-
Total Current Liabilities		7,240.53	5,483.66	4,968.63
Total Equity and Liabilities		16,396.92	10,141.48	9,578.19
ASSETS				
Non-Current Assets				
a) Property, Plant & Equipment & Intangible Assets	12			
i) Tangible Asset		5,051.34	2,113.65	2,022.05
ii) Intangible Asset		22.48	29.99	30.24
iii) Capital Work in Progress		331.23	-	96.55
b) Investments	13	271.42	186.99	186.99
c) Other Non Current Assets	14	425.39	133.79	133.69
Total non-current assets		6,101.86	2,464.42	2,469.52
Current assets				
(i) Inventories	15	3,780.43	3,288.06	3,557.75
(ii) Trade receivables	16	3,258.02	4,213.94	3,490.85
(iii) Cash and cash equivalents	17	2,640.33	38.27	35.95
(iv) Other Current Assets	18	616.29	136.79	24.12
		10,295.06	7,677.06	7,108.67
Assets classified as held for sale		-	-	-
Total assets		16,396.92	10,141.48	9,578.19

Significant accounting policies

The accompanying notes form an integral part of the standalone financial statements

As per our annexed report of even date

For Baid, Agarwal Singhi & Co.

Chartered Accountants

Firm's Registration No. with ICAI:0328671E

Dhruv Narayan Agarwal

Partner

Membership No.: 306940

Place : Kolkata

For and on behalf of the Board

SHREE KARNI FABCOM LIMITED

(Formerly known as Shree Karni Fabcom LLP)

CIN : U47820GJ2023PLC140106

Rajiv Lakhotia

Managing Director

DIN: 02939190

Arbind Kumar Lahoty

CFO

Radheshyam daga

Whole Time Director

DIN: 07848061

Jyoti Chitlangiya

Company Secretary

CONSOLIDATED STATEMENT OF PROFIT & LOSS

for the period ended 31st March 2024

(₹ in Lakhs)

Particulars	NOTE NO.	For the Period Ended 31st March 2024	For the Period Ended 11th April, 2023	For the Year Ended 31st March 2023
Revenue				
Revenue from operations	19	12,716.87	990.90	12,694.65
Other Income	20	68.91	2.02	9.40
Total revenue		12,785.78	992.92	12,704.05
Expenses				
Cost of materials consumed	21	9,338.97	570.56	12,359.22
Changes in inventories of finished goods	22	(140.91)	269.68	(2,003.50)
Employee benefits	23	603.36	10.09	195.61
Finance costs	24	378.86	26.33	515.75
Depreciation and amortisation	25	302.70	7.54	291.93
Other expenses	26	495.20	12.74	633.03
Total expenses		10,978.17	896.95	11,992.05
Profit / Loss before exceptional item and tax		1,807.61	95.97	712.00
Exceptional Item		-	-	-
Profit / (Loss) before Tax		1,807.61	95.97	712.00
Income tax expense				
- Current tax		372.02	30.00	250.23
- Deferred tax		(16.31)	-	-
- Income tax for earlier years		9.49	-	-
Add : Profit from Associate		31.20	-	-
Less : Minority Interest		(68.32)	-	-
Profit/ (loss) for the year from continuing operations		1,405.30	65.97	461.77
Earnings Per Equity Share (Basic and Diluted)				
		27.02	6.60	46.18
Earnings Per Equity Share (Basic and Diluted)(Based on the shares outstanding at the current year end)		19.87	0.93	6.53

Significant accounting policies

The accompanying notes form an integral part of the standalone financial statements

As per our annexed report of even date

For Baid, Agarwal Singhi & Co.

Chartered Accountants

Firm's Registration No. with ICAI:0328671E

Dhruv Narayan Agarwal

Partner

Membership No.: 306940

Place : Kolkata

For and on behalf of the Board

SHREE KARNI FABCOM LIMITED

(Formerly known as Shree Karni Fabcom LLP)

CIN : U47820GJ2023PLC140106

Rajiv Lakhotia

Managing Director

DIN: 02939190

Arbind Kumar Lahoty

CFO

Radheshyam daga

Whole Time Director

DIN: 07848061

Jyoti Chitlangiya

Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March 2024

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2024	For the Period Ended 11th April, 2023	For the Year Ended 31st March 2023
A. CASH FLOW FROM OPERATION ACTIVITIES			
Net Profit/(Loss) before Tax and Extraordinary Items	1,903.58	95.97	712.00
Adjustments for:			
Depreciation	310.24	7.54	291.93
Finance Cost	405.20	26.33	515.75
Profit on Sale of Capital Assets	(12.84)	-	-
Interest Income	(18.04)	-	-
Provision for Doubtful Debts	4.19	-	0.47
Income on Investment	(2.24)	-	-
Provision for Gratuity	10.86	-	-
Operating Profit/(Loss) before Working Capital Changes	2,600.95	129.85	1,520.16
Adjustments for:			
Decrease/(Increase) in Inventories	597.87	269.68	(2,003.50)
Decrease/(Increase) in Other Current Assets	(359.66)	(112.67)	53.66
Decrease/(Increase) in Trade and Other Receivables	1,126.38	(723.09)	(993.89)
Decrease/(Increase) in Other Non Current Assets	(127.00)	(0.10)	(133.69)
Increase/(Decrease) in Trade and Other Payables	(4,065.73)	(1,078.47)	1,578.94
Increase/(Decrease) in Other Current/Non-Current Liabilities	(117.73)	650.54	107.48
Cash Generated from Operations	(344.91)	(864.25)	129.17
Adjustment for:			
Income taxes paid (net)	(401.54)	(0.41)	(152.59)
NET CASH GENERATED/(USED IN) OPERATING ACTIVITIES (A)	(746.45)	(864.66)	(23.42)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant & Equipment	(890.70)	(2.35)	(1,022.35)
Sale of Property, Plant & Equipment	9.24	-	6.90
Purchase of Investments	(57.48)	-	(84.74)
Sale of Investments	11.34	-	-
Interest Income	18.04		
NET CASH GENERATED /(USED IN) INVESTING ACTIVITIES (B)	(909.56)	(2.35)	(1,100.19)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Changes in Partner's Capital	(1,734.54)	(14.36)	727.41
Issue of Share Capital	207.20	-	-
Securities Premium on issue of Share Capital	4,336.24	-	-
Finance Cost	(405.20)	(26.33)	(515.75)
Increase/ (Decrease) in Long Term/Short Term Borrowings	1,725.22	910.03	940.63
Increase/ (Decrease) in Short Term Borrowings			-
Increase/(Decrease) in Minority Interest	68.32		
NET CASH GENERATED /(USED IN) FINANCING ACTIVITIES (C)	4,197.24	869.33	1,152.29
NET INCREASE/(DECREASE) IN CASH DURING THE YEAR (A+B+C)	2,541.24	2.32	28.68

Consolidated Cash Flow Statement for the year ended 31st March 2024

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2024	For the Period Ended 11th April, 2023	For the Year Ended 31st March 2023
Cash & Cash Equivalents at the beginning of the year	35.95	35.95	7.27
Cash received on acquisition of Subsidiary	63.14	-	-
Cash & Cash Equivalents at the end of the year	2,640.33	38.27	35.95

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard- 3 on 'Cash Flow Statement' notified by the Companies (Accounting Standards) Rules, 2006.
- Cash and cash equivalents consist of cash and bank balances as indicated in Note - 17 to the Financial Statements.
- Figures in brackets indicate cash outflows.

Significant accounting policies

The accompanying notes form an integral part of the standalone financial statements

As per our annexed report of even date

For Baid, Agarwal Singhi & Co.

Chartered Accountants

Firm's Registration No. with ICAI:0328671E

Dhruv Narayan Agarwal

Partner

Membership No.: 306940

Place : Kolkata

For and on behalf of the Board

SHREE KARNI FABCOM LIMITED

(Formerly known as Shree Karni Fabcom LLP)

CIN : U47820GJ2023PLC140106

Rajiv Lakhotia

Managing Director

DIN: 02939190

Arbind Kumar Lahoty

CFO

Radheshyam daga

Whole Time Director

DIN: 07848061

Jyoti Chitlangiya

Company Secretary

Notes forming part of the Consolidated Financial Statements as at 31st March 2024

3 SHARE CAPITAL

(₹ in Lakhs)

	As at 31st March, 2024	As at 11th April, 2023	As at 31st March, 2023
a. Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period :			
Capital	-	100.00	100.00
Authorised Share Capital :			
(80,00,000 Equity Shares of ₹ 10/- each)	800.00	-	-
Issued, Subscribed & Fully Paid-up Share Capital :			
Opening Share Capital		100.00	100.00
Additions During the year	307.20	-	-
Add: Bonus Issue of equity shares (40,00,000 Equity Shares of ₹ 10/- each)	400.00	-	-
Total	707.20	100.00	100.00

b. Terms/rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The company was a limited liability firm as on 31.03.2023, and later as on 11.04.2023 got converted into private limited company thereafter into public limited company as on 20.10.2023 and hence the company had no equity share capital in the previous years, it had partners' fixed capital which has been now reclassified under shareholder's equity

The Board of Directors, at its meeting held on June 12, 2023, approved the Bonus issue of shares in the ratio of 4:1 to the existing shareholders of the company as on of the company and accordingly the Board of Directors, at it's meeting held on July 15, 2023 approved the allotment of equity bonus shares of 40,00,000 (Forty Lakhs Shares) Equity Shares of ₹ 10/- each which resulted in increase in paid-up, issued and subscribed equity shares capital of the Company from 10,00,000 equity shares to 50,00,000 equity shares face value of ₹ 10/- per share.

As in the reporting period of restated financials, the company was a partnership firm and accordingly, was not following the provisions of companies' act, 1956 or companies act, 2013, as the case may be, in respect of rates of depreciation charged on fixed assets. However, in the current period financials, the company has adopted the method and rates of depreciation in terms of Schedule XIV of companies' act, 1956 or Schedule II of companies' act, 2013, as applicable in respective financial year. The company has recalculated the depreciation since financial year 2018-19 and accordingly, retrospective impact has been given in the financials, hence adjustments due to the change in accounting policy has been made.

The Fixed and Current Capital Balances has been partly paid and partly been converted to unsecured loan, the aforesaid loans are interest free in nature.

4 SECURITIES PREMIUM ACCOUNT

(₹ in Lakhs)

	As at 31st March, 2024	As at 11th April, 2023	As at 31st March, 2023
As per last Financial Statement	-	-	-
Add: Securities Premium	4,336.24	-	-
Less: Utilisation of Reserves for issue of Bonus Shares	-	-	-
	4,336.24	-	-
Retained earnings			
As per last Financial Statement	2,247.92	2,196.31	1,150.83
Add: Transfer from Statement of Profit and Loss	1,405.30	65.97	461.77
Add: Adjustment for change in Accounting Policy	213.07	-	-
Less: Transfer / Repayment of Capital to Partners	(1,720.18)	(14.36)	583.71
Less: Utilisation For Issue of Bonus Shares	(400.00)	-	-
Opening Reserves for subsidiary	7.36	-	-
	1,753.47	2,247.92	2,196.31
Total Reserves and Surplus	6,089.71	2,247.92	2,196.31

Notes forming part of the Consolidated Financial Statements as at 31st March 2024

5 LONG TERM BORROWINGS

(₹ in Lakhs)

	As at 31st March, 2024	As at 11th April, 2023	As at 31st March, 2023
Secured Loan, considered good			
Term Loan from Bank	2,870	1,290.67	1,296.50
Less: Current Maturity	(711.67)	(344.73)	(342.79)
	2,158.72	945.94	953.71
Unsecured Loan, considered good*			
a. Loan payable on demand			
- Related Parties	-	1,042.25	1,038.87
- Others	-	321.73	320.68
Total Long Term Borrowings	2,158.72	2,309.92	2,313.26

* Unsecured loans includes the balance of partner's current capital account which is carried forward from the Limited Liability Partnership.

6 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

	As at 31st March, 2024	As at 11th April, 2023	As at 31st March, 2023
Deferred tax liabilities			
Depreciation and Amortization Expenses	55.35	-	-
Deferred Tax Liabilities (Net)	55.35	-	-

7 OTHER NON CURRENT LIABILITIES

(₹ in Lakhs)

	As at 31st March, 2024	As at 11th April, 2023	As at 31st March, 2023
Provision For Gratuity**	10.43	-	-
Total Other Non Current Liabilities	10.43	-	-

** Gratuity has been calculated based on date of joining as 11th April 2023 which is the date of incorporation of the company for all the employees.

8 SHORT TERM BORROWINGS

(₹ in Lakhs)

	As at 31st March, 2024	As at 11th April, 2023	As at 31st March, 2023
Secured Loan, considered good			
a. Cash Credit Accounts	1,676.73	1,914.10	1,002.67
b. Current Maturity of Term loan from banks	711.67	344.73	342.79
Unsecured Loan, considered good*			
a. Loan payable on demand			
- Related Parties	3,390.69	-	-
- Others	-	-	-
Partner's Capital			
Total Short Term Borrowings	5,779.08	2,258.83	1,345.46

* Unsecured loans includes the balance of partner's current capital account which is carried forward from the Limited Liability Partnership.

9 TRADE PAYABLES

(₹ in Lakhs)

	As at 31st March, 2024	As at 11th April, 2023	As at 31st March, 2023
Trade payables			
a. Total outstanding dues of micro enterprises and small enterprises	693.29	2,103.84	3,070.98

Notes forming part of the Consolidated Financial Statements as at 31st March 2024

	As at 31st March, 2024	As at 11th April, 2023	As at 31st March, 2023
b Total outstanding dues of creditors other than micro enterprises and small enterprises	412.27	206.69	318.01
Total Trade Payables	1,105.56	2,310.53	3,389.00

Ageing For Trade Payables Outstanding As At 31st March,2024					
Particulars	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
MSME	667.34	25.95	-	-	693.29
Others	411.93	0.34	-	-	412.27
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-
Total	1,079.27	26.29	-	-	1,105.56

Ageing For Trade Payables Outstanding As At 11th April,2023					
Particulars	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
MSME	2,101.42	2.42	-	-	2,103.84
Others	206.49	0.21	-	-	206.69
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-
Total	2,307.91	2.62	-	-	2,310.53

Ageing For Trade Payables Outstanding As At 31st March,2023					
Particulars	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
MSME	3,070.98	-	-	-	3,070.98
Others	318.01	-	-	-	318.01
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-
Total	3,389.00	-	-	-	3,389.00

10 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

	As at 31st March, 2024	As at 11th April, 2023	As at 31st March, 2023
Partner's capital	159.26	-	-
Liability For Expenses	36.14	49.28	44.81
Advance from customers	2.35	725.44	84.25
Other Current Liabilities	1.95	-	1.00
Professional Tax Payable*	0.28	-	-
Provident Fund Payable	0.56	-	-
Goods and Service Tax Payable	-	3.45	-
Income Tax Liabilities (Net of Advance tax)	100.48	120.48	90.89
TDS Payable	50.52	15.66	12.95
TCS Payable	1.08	-	0.27
Doubtful Debt	2.86	-	-
Total Other Current Liabilities	355.47	914.31	234.17

*As there is a dispute in Gram Panchayat regarding the registration number for Professional Tax, the company has deducted professional tax for all employees but it is unable to deposit the same.

11 SHORT TERM PROVISIONS

(₹ in Lakhs)

	As at 31st March, 2024	As at 11th April, 2023	As at 31st March, 2023
Provision For Gratuity*	0.42	-	-
Total Current Tax Liabilities	0.42	-	-

* Gratuity has been calculated based on date of joining as 11th April 2023 which is the date of incorporation of the company for all the employees.

Notes forming part of the Consolidated Financial Statements as at 31st March 2024

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12 PROPERTY, PLANT AND EQUIPMENTS

(₹ in Lakhs)

DESCRIPTION	Determination of figures for Changes in Accounting Policy			Gross Block Determination			Depreciation			Net Block		
	WDV As on 01.04.2023	Depreciation (As per Income Tax) till 11.04.2023	Changes in Accounting Policy	Gross Block as per companies Act as on 11.04.2023	Additions During the year	Adjustments/ deductions during the year	As at 31st March, 2024	Accumulated Depreciation	Depreciation from 11.04.2023 To 31.03.2024	Adjustment/ Deduction during the Year	As At 31st March, 2024	As At 31st March, 2024
Plant & machinery	1436.59	6.56	285.37	1,733.69	173.17	-	1,906.86	203.26	95.88	-	299.14	1,607.72
Computer & Peripherals	12.54	0.10	(1.46)	19.01	2.90	-	21.91	8.04	5.13	-	13.17	8.74
Motor Vehicles	62.27	0.28	5.90	82.37	47.40	12.26	117.51	14.49	9.40	4.43	19.45	98.06
Furniture & Fittings	22.93	0.07	0.54	27.97	10.00	-	37.97	4.58	3.34	-	7.91	30.06
Office equipment	64.69	0.29	(3.06)	82.50	31.71	-	114.21	21.17	17.91	-	39.08	75.13
Plot(non depreciable)	329.75	-	-	332.10	50.27	-	382.36	-	-	-	-	382.36
Building on Plot	93.30	-	(3.86)	185.99	45.35	-	231.34	-	4.72	-	4.72	226.62
Total	2022.05	7.30	283.42	2,463.63	360.80	12.26	2,812.17	251.53	136.38	4.43	383.48	2,428.69
Intangible Asset												
Water Treatment Right	27.13	0.20	0.02	31.00	-	-	31.00	4.06	8.54	-	12.60	18.40
Software	3.11	0.04	1.29	4.52	-	-	4.52	0.15	0.28	-	0.43	4.09
Total	30.24	0.24	1.31	35.52	-	-	35.52	4.21	8.82	-	13.03	22.48

Note :

1) Assembly equipment refers to the individual pieces of assembly machinery that make up an assembly line. The overall function of the equipment in the assembly line is to work together, each machine doing one part of the production before the part being produced passes to the next machine. The machinery is not yet ready to put to use, as installation of certain parts is pending.

The title deeds of the Right of Use Assets are held in the name of the Company, except for as shown in table below:

Description Relevant line item in the Balance Sheet Gross carrying value	Title deeds held in the name of promoter, director or relative# of promoter*/ director	Whether title deed holder is a promoter, director or employee of the company	Property held since which date	Reason for not being held in the name of the company
Plot 280 admeasuring 162.13 sq.vaar namely 135.56 sq.mt located in Surat District, Palsana Sub District, Village Baiweshwar	No		8/4/2022	

Note : Depreciation till 11.04.2023 has been charged as per Income tax Act, thereafter the effect for change in accounting policy has been given as the company got converted to private limited company as on 11.04.2023

Notes forming part of the Consolidated Financial Statements as at 31st March 2024

PROPERTY, PLANT AND EQUIPMENTS AS ON 31.03.2023

(₹ in Lakhs)

Block Of Assets	Rate %	Opening W.D.V.	Before.	After Sep.	Sale	(Loss) /Profit On Sale	Subsidy	Depreciation	Closing W.D.V.
Depreciable Assets									
Plant & Machinery	15.00	1,150.43	580.46	6.40	-	-	43.70	257.00	1,436.59
Computer	40.00	4.45	11.20	1.74	-	-	-	4.85	12.54
Motor Vehicals	15.00	47.00	33.71	-	6.90	(0.47)	-	11.07	62.27
Furniture & Fittings	10.00	13.52	11.95	-	-	-	-	2.55	22.93
Office Equipments	15.00	36.60	36.16	3.11	-	-	-	11.18	64.69
Plot(Non Depreciable)	-	67.54	229.22	32.98	-	-	-	-	329.75
Building on Plot	-	149.95	29.27	10.63	-	-	-	-	189.85
Software	0.40	-	2.52	2.00	-	-	-	1.41	3.11
Waste Treatment Rights	0.25	-	-	31.00	-	-	-	3.88	27.13
Total		1,469.49	934.48	87.87	6.90	(0.47)	43.70	291.93	2,148.84

* THE ABOVE SCHEDULE IS AS PER I.T ACT AS THE COMPANY WAS AN LLP AS ON 31.03.2023.

Notes forming part of the Consolidated Financial Statements as at 31st March 2024

14 OTHER NON CURRENT ASSETS

(₹ in Lakhs)

	As at 31st March, 2024	As at 11th April, 2023	As at 31st March, 2023
Security Deposits	62.97	4.53	4.53
Fixed Deposits with Banks	213.64	129.26	129.16
Other Deposits	148.78	-	-
Total Other Non Current Assets	425.39	133.79	133.69

15 INVENTORIES

(₹ in Lakhs)

	As at 31st March, 2024	As at 11th April, 2023	As at 31st March, 2023
(At lower of cost and net realisable value)			
Closing Stock*	3,780.43	3,288.06	3,557.75
Total Inventories	3,780.43	3,288.06	3,557.75

* Closing stock includes Raw Materials and Finished Goods

16 TRADE RECEIVABLES

(₹ in Lakhs)

	As at 31st March, 2024	As at 11th April, 2023	As at 31st March, 2023
Trade receivables - unsecured, considered good (exceeding six months)			
- Related parties			-
- Others	286.79	124.01	149.06
Trade receivables - unsecured, considered doubtful (exceeding six months)	11.43	-	-
	298.22	124.01	149.06
Trade receivables - unsecured, considered doubtful (exceeding six months)			
- Related parties	-	122.86	42.24
- Others	2,959.80	3,967.07	3,299.56
Trade receivables - unsecured, considered doubtful (less than six months)	-	-	-
	2,959.80	4,089.93	3,341.79
Total Trade Receivables	3,258.02	4,213.94	3,490.85

Particulars	Ageing For Trade Payables Outstanding As At 31st March, 2024					Total
	Less Than 6 Months	6 Months- 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Undisputed trade receivables- considered good	2,959.80	227.06	55.72	4.02	-	3,246.59
Undisputed trade receivables- considered doubtful	-	-	8.57	-	-	8.57
Disputed trade receivables- considered good	-	-	-	-	-	0.00
Disputed trade receivables- considered doubtful	-	-	2.86	-	-	2.86
Total	2,959.80	227.06	67.15	4.02	-	3,258.02

Notes forming part of the Consolidated Financial Statements as at 31st March 2024

Particulars	Ageing For Trade Receivables Outstanding As At 11th April, 2023					Total
	Less Than 6 Months	6 Months- 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Undisputed trade receivables-considered good	4,089.93	45.77	78.25	-	-	4,213.94
Undisputed trade receivables-considered doubtful	-	-	-	-	-	-
Disputed trade receivables-considered good	-	-	-	-	-	-
Disputed trade receivables-considered doubtful	-	-	-	-	-	-
Total	4,089.93	45.77	78.25	-	-	4,213.94

Particulars	Ageing For Trade Receivables Outstanding As At 31st March, 2023					Total
	Less Than 6 Months	6 Months- 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Undisputed trade receivables-considered good	3,341.79	149.06	-	-	-	3,490.85
Undisputed trade receivables-considered doubtful	-	-	-	-	-	-
Disputed trade receivables-considered good	-	-	-	-	-	-
Disputed trade receivables-considered doubtful	-	-	-	-	-	-
Total	3,341.79	149.06	-	-	-	3,490.85

17 CASH & CASH EQUIVALENTS

(₹ in Lakhs)

	As at 31st March, 2024	As at 11th April, 2023	As at 31st March, 2023
Balance with banks in current accounts	2,631.94	7.05	4.11
Cash and stamps on hand	8.39	31.22	31.84
Total Cash & Cash Equivalents	2,640.33	38.27	35.95

18 CURRENT ASSETS - OTHERS

(₹ in Lakhs)

	As at 31st March, 2024	As at 11th April, 2023	As at 31st March, 2023
(Unsecured, considered good)			
Capital Advance	209.98	84.80	-
Others - Advances Recoverable from (Unsecured, considered good)			
- Employees	4.20	-	-
- Suppliers	6.81	43.77	-
- Other advances	43.64	7.00	7.00
Other Receivables	251.16	1.21	1.21
Balances with statutory/government authorities	100.49	-	15.90
Total Other Current Assets	616.29	136.79	24.12

19 REVENUE FROM OPERATIONS

(₹ in Lakhs)

	Year ended 31st March, 2024	Period ended 11th April, 2023	Year ended 31st March, 2023
Other operating revenues			
Services including material	12,553.57	910.28	12,669.33
Job Work	163.30	-	25.32
High Sea Sales	-	80.63	-
Total Revenue from operations	12,716.87	990.90	12,694.65

Notes forming part of the Consolidated Financial Statements as at 31st March 2024

20 OTHER INCOME

(₹ in Lakhs)

	Year ended 31st March, 2024	Period ended 11th April, 2023	Year ended 31st March, 2023
Income From Investment	2.24	-	0.86
Discount Received	0.07	-	0.14
Interest from Security Deposit	-	-	0.13
Profit on sale of Capital Asset	12.84	-	0.00
Foreign Exchange Rate	0.71	1.92	(1.61)
Dividend	-	-	0.00
Interest on deposits	17.94	0.10	3.87
Rental Income	6.00	-	6.00
Subsidy	22.56	-	-
Duty Drawback	3.36	-	-
Interest Income	4.28	-	-
Interest on Income Tax Refund	0.68	-	-
Insurance Claim	-1.77	-	-
Total other income	68.91	2.02	9.40

21 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

	Year ended 31st March, 2024	Period ended 11th April, 2023	Year ended 31st March, 2023
Cost of materials Consumed	9,338.97	570.56	12,359.22
Total Cost of Materials Consumed	9,338.97	570.56	12,359.22

22 CHANGES IN INVENTORIES OF FINISHED GOODS

(₹ in Lakhs)

	Year ended 31st March, 2024	Period ended 11th April, 2023	Year ended 31st March, 2023
Opening stock	3,639.51	3,557.75	1,554.25
Less: Closing stock	3,780.43	3,288.06	3,557.75
Total (Increase)/Decrease in Inventories	(140.91)	269.68	(2,003.50)

23 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

	Year ended 31st March, 2024	Period ended 11th April, 2023	Year ended 31st March, 2023
Salary, wages, bonus and other benefits	268.01	9.69	88.69
Staff Welfare Expenses (Including PF and ESI)	9.21	-	-
Director Remuneration	240.00	-	28.80
Gratuity Expenses	10.86	-	-
Wages	70.16	0.40	78.12
Bonus	5.12	-	-
Partner's Remuneration	-	-	-
Total Employee benefit expenses	603.36	10.09	195.61

24 FINANCE COSTS

(₹ in Lakhs)

	Year ended 31st March, 2024	Period ended 11th April, 2023	Year ended 31st March, 2023
Interest On Cash Credit Facility	182.69	5.72	61.63
Interest on Loans	181.51	14.04	263.83
Stamp Duty	10.78	-	10.26
Processing Charges	3.88	-	4.17
Interest On Partner's Capital	-	6.57	175.86
Total Finance cost	378.86	26.33	515.75

* Unsanctioned Interest subsidy amounting to ₹ 92.15 lakhs has been recognised as income for the interest paid on term loans as the company is an MSME to follow the matching principle of accountancy which was not considered till date.

Notes forming part of the Consolidated Financial Statements as at 31st March 2024

25 DEPRECIATION ON PROPERTY PLANT & EQUIPMENTS

(₹ in Lakhs)

	Year ended 31st March, 2024	Period ended 11th April, 2023	Year ended 31st March, 2023
Tangible Assets	293.87	7.30	288.06
Intangible Assets	8.82	0.24	3.88
Total Depreciation	302.70	7.54	291.93

26 OTHER EXPENSES

(₹ in Lakhs)

	Year ended 31st March, 2024	Period ended 11th April, 2023	Year ended 31st March, 2023
Bank Charges	2.03	0.58	4.21
Transport Charges	48.91	0.20	86.07
Audit Fees	6.35	0.10	0.30
Brokerage Expense	14.94	-	32.90
Custom Duty Paid	10.85	2.64	92.29
Conveyance Expenses	10.69	0.03	13.85
Courier Expense	3.28	-	4.33
Computer Expenses	-	-	0.12
Discount & Commission Expenses	5.62	-	7.19
Donation	8.00	2.00	59.89
Electricity Expenses	32.47	2.82	46.91
Insurance Expenses	4.68	1.25	10.98
Legal and Consultancy Expenses	33.79	-	17.90
Loss on sale of Capital Asset	-	-	0.47
Office Expenses	37.13	0.55	45.24
Postage & Telephones Expenses	0.09	-	-
Rent Expenses	0.65	-	3.00
Repair And Maintenance	38.97	0.04	13.23
Stationary & Printing Expenses	2.66	-	2.69
Travelling Expenses	23.12	0.03	10.38
Vehicle Expenses	6.71	0.37	13.02
Freight Charges	0.01	-	0.39
Machinery expenses	7.93	-	-
Packing charges	73.69	1.11	120.21
Rates and Taxes	17.52	-	2.11
Advertisement Expenses	12.31	-	4.91
Interest / Penalty	35.83	0.04	0.52
Labour Charges	17.31	-	30.73
Security Expenses	11.30	0.24	3.97
Software Expenses	5.29	-	1.69
Internet Expenses	2.71	0.74	2.53
Water Treatment Expenses	-	-	-
Factory Expenses	1.71	-	0.96
General Expenses	3.78	-	0.03
Bad Debt	2.86	-	-
Demat Escrow A/c AMC	0.12	-	-
IPO Expense	10.55	-	-
Investment Return Off	1.34	-	-
Income Tax	-	-	-
Total Other expenses	495.20	12.74	633.03
Audit Fees			
Statutory Audit Fees	6.35	0.10	0.30
Other Miscellaneous Payments			
	6.35	0.10	0.30

Notes forming part of the Consolidated Financial Statements as at 31st March 2024

27 INCOME TAXES

(₹ in Lakhs)

Income tax related to items charged or credited directly to profit or loss during the year :

	Year ended 31st March, 2024	Period ended 11th April, 2023	Year ended 31st March, 2023
a) Statement of profit and loss			
(i) Current Income Tax	372.02	30.00	250.23
(ii) Deferred Tax expense / (benefit)	(16.31)	-	-
(iii) Income tax adjustment for earlier years	9.49	-	-
Total (a+b)	365.20	30.00	250.23

The reconciliation of estimated income tax (arrived at by multiplying accounting profit with India's domestic tax rate) to income tax expense is as follows.

	Year ended 31st March, 2024	Period ended 11th April, 2023	Year ended 31st March, 2023
Profit / (Loss) before taxes	1,807.61	95.97	712.00
Enacted Income Tax rate in India	25.17%	34.94	34.94
Income tax expense at tax rates applicable	454.94	33.53	248.80
Adjustments ;			
Tax effect of items that are deductible for tax purpose	124.85	-	-
Tax effect of items that are not deductible for tax purpose	40.50	-	-
Tax effect Income charged under special rates	1.18	-	-
Reversal of deferred tax liability	(16.31)	-	-
Income tax adjustment for earlier years	9.49	-	-
Other Adjustments			
Others	0.25	(3.53)	1.43
Income tax expense reported	365.20	30.00	250.23
Effective Income tax rate (%)	20.20	31.26	35.14

* As the status of the company during the previous years 2021-22 and 2020-21 was a Limited Liability Partnership, the company has not made provision for income tax separately during FY 2020-21 and 2021-22 and the same were adjusted with the Partner's share at the time of payment of taxes.

28 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

(₹ in Lakhs)

	31 March 2024	30th November, 2023	11th April, 2023	31 March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	116.36	116.36	116.36	103.18
Other commitments relating to settlement of litigation disputes		-	-	-

*The Comapnay has given capital Commitment in form of investment to Aartha Ventures of ₹ 116.36 lakhs.

29 CERTAIN TRADE RECEIVABLES ,LOANS & ADVANCES AND CREDITORS ARE SUBJECT TO CONFIRMATION. IN THE OPINION OF THE MANAGEMENT, THE VALUE OF TRADE RECEIVABLES AND LOANS & ADVANCES ON REALISATION IN THE ORDINARY COURSE OF BUSINESS, WILL NOT BE LESS THAN THE VALUE AT WHICH THESE ARE STATED IN THE BALANCE SHEET.

Notes forming part of the Consolidated Financial Statements as at 31st March 2024

30 EARNINGS PER SHARE (EPS) AS PER AS 20

	31 March 2024	11th April, 2023	31 March 2023
Calculation of weighted average number of equity shares of ₹ 10 each fully paid up:			
Number of equity shares at the beginning of the year	1,000,000	1,000,000	1,000,000
Total number of equity shares outstanding at the end of the year-A	7,072,000	1,000,000	1,000,000
Weighted average number of equity shares outstanding during the year –B	5,201,600	1,000,000	1,000,000
Net profit attributable to equity shareholders for calculation of basic EPS – C(₹ In Lakhs)	1,405.30	65.97	461.77
Basic and Diluted EPS (₹) (C/B)(Based on weighted average number of shares)	27.02	6.60	46.18
Basic and Diluted EPS (₹) (C/A)(Based on shares at the end of year)	19.87	6.60	46.18

31 DISCLOSURE ON CORPORATE SOCIAL RESPONSIBILITY EXPENSES

Provisions of Section 135 of the Companies Act, 2013 and rules made thereunder are not applicable to the company.

32 CONTINGENCIES AND EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There were no events which occurred after the Balance Sheet date up to the date of approval of financial statements which required any adjustments/disclosure in the financial statements as per AS-4

33 FOREIGN CURRENCY TRANSACTIONS

The company has made foreign currency transaction during the period under consideration.

Particulars		As on 31st March, 2024		As on 11th April, 2023	
S. No.	Nature of Transactions	Amount (USD)	Amount (₹ In Lakhs)	Amount (USD)	Amount (₹ In Lakhs)
1	Purchase of Goods	240,230.95	199.83	94,452	78.34
2	Purchase of Machinery	-	-	-	-
	Grand Total	240,230.95	199.83	94,452	78.34

Particulars		As on 31st March, 2023	
S. No.	Nature of Transactions	Amount (USD)	Amount (₹ In Lakhs)
1	Purchase of Goods	801,026	655.88
2	Purchase of Machinery	640,000	491.52
	Grand Total	1,441,026	1,147.40

Note : The foreign Currency figures have not been converted into Lakhs.

34 SEGMENT INFORMATION

The company operates in a single reportable primary segment (Business segment) i.e. Trading and Manufacturing of technical textiles, knitted and coated fabrics.

No other operating segments have been aggregated to form the above reportable operating segments as per the criteria specified in the AS-17.

Business Segment wise / Geographical Segment wise revenue/results/assets/liabilities

Since there is Single Reportable Operating Segment hence disclosure of Operating Segment wise Assets, Liabilities, Revenue and Results are not applicable.

35 RELATED PARTY TRANSACTIONS

a) Key management personnel ('KMP')

1. Manoj Kumar Karnani
2. Radhe Shyam Daga
3. Raj Kumar Agarwal
4. Rajiv Lakhota
5. Arbind Kumar Lahoty

Notes forming part of the Consolidated Financial Statements as at 31st March 2024

b) Entities in which KMP can exercise significant influence

Name of the KMP	Entities in which KMP exercise significant influence
1. Manoj Kumar Karnani	a. IGK Technical Textiles LLP b. International Trade Link c. Lizo India Automobile LLP d. Nakoda Hair Accessories Private Limited e. DP Global Impex Private Limited f. Manoj Kumar Karnani HUF
2. Radhe Shyam Daga	a. Textron Fabtech LLP b. Radhe Shyam Daga HUF
3. Raj Kumar Agarwal	a. IGK technical Textiles LLP b. Raj Kumar Agarwal HUF
4. Rajiv Lakhotia	a. IGK technical Textiles LLP b. Textron Fabtech LLP c. Shree Karni Artha LLP d. Rajiv Lakhotia HUF

Note: Mr. Arbind Kumar Lahoty was appointed as CFO of the company as on 9th November, 2023 hence transactions for the month of November has been considered as Related Party Transactions.

Since the company made investments in subsidiary and associate as on 31.10.2023, hence the figures post investment has been considered for Related Party Transactions.

c) Transactions with related parties during the year have been set out below

(₹ in Lakhs)

	31 March 2024	30 November 2023	11th April, 2023	31 March 2023
Remuneration				
Key management personnel ("KMP")	240.00	112.50		28.80
Interest expense				
Key management personnel ("KMP")	16.94	-	6.57	175.86
Interest expense				
Entities in which KMP can exercise significant influence	62.97	-	3.76	34.49
Purchases				
Entities in which KMP can exercise significant influence	51.29	1,759.16	211.65	966.75
Sales				
Entities in which KMP can exercise significant influence	553.52	98.49	-	44.02
Rental Income				
Entities in which KMP can exercise significant influence	6.00	4.00	-	6.00
Loan Taken				
Entities in which KMP can exercise significant influence	4,939.65	157.12	-	1,487.65
Loan Repaid				
Entities in which KMP can exercise significant influence	3,633.11	1,196.00	-	458.86
Loan Taken				
Key management personnel ("KMP")	-	2,399.89	-	-
Loan Repaid				
Key management personnel ("KMP")	-	21.13	-	-

Notes forming part of the Consolidated Financial Statements as at 31st March 2024

d) Balances at the year end

	31 March 2024	30 November 2023	11th April, 2023	31 March 2023
Loan Taken				
Entities in which KMP can exercise significant influence	3,390.69	-	1042.25	1,038.87
Loan Taken				
Key managerial Personnel	-	2,378.76	0.00	-
Rent Payable				
Entities in which KMP can exercise significant influence	-	0.54	0.00	-

There are no investments by the company other than those stated under Note No. 13 in the financial statements.

e) Guarantee given

	31 March 2024	30 November 2023	11th April, 2023	31 March 2023
To secure obligation of other related parties	There is Corporate Guarantee given to ICICI bank on behalf of IGK Technical Textiles LLP.			

f) Security given

The Property of Shree Karni Fabcom Limited mortgage to ICICI bank on behalf of Loan taken for IGK Technical Textiles LLP.

In the opinion of the Board of Directors and to the best of their knowledge and belief, the valuation on realisation of financial assets and other assets in the ordinary course of business would not be less than the amount at which they are stated in the financial statements.

- 36** The Company was formed upon conversion of Limited Liability Partnership into Company vide certificate of incorporation dated April 11, 2023. The Company has been converted with paid up equity share capital of ₹ 1,00,00,000 divided into 10,00,000 equity shares of ₹ 10 each. The status of the Company prior to April 11, 2023 was of a Limited Liability Partnership. Hence, EPS and NAV per share for all the years has been calculated by considering the number of shares outstanding post conversion of Limited Liability Partnership into Company, except for the EPS for the year ended 31.03.23. in which the number of shares has been restated because of Bonus Issue in the Current Year.
- 37** The certificate of Incorporation of the company is dated 11/04/2023 but, since, the previous audited figures were till 11.04.2023 there will be an overlapping of figures hence while auditing the figures we have made the financial statements from 12.04.2023 till 30.11.2023. Also, no bills were issued or documents were raised on the name of the company from 01.04.23 to 11.04.2023.

38 GRATUITY

Valuation Results	Amount
Discontinuance Liability	10.50
Defined Benefit Obligation	10.86
Funding Status	Unfunded
Fund Balance	-
Current Liability	0.42
Non-Current Liability	10.43
VALUATION ASSUMPTIONS	
1. Demographic Assumptions	
Mortality & Disability:	In order to consider the case where termination of the employment of any employee is due to death or permanent disablement, we have used mortality rates as given under Indian Assured Lives Mortality 2012-14 (Urban). The rates are assumed to include permanent disablement.
Extract of Mortality Rates (Indian Assured Lives Mortality 2012-14 (Urban)): Age Rate	Extract of Mortality Rates(Indian Assured Lives Mortality 2012-14 (Urban)):
18	Age Rate 0.000675
25	0.000941
35	0.001253
45	0.002688
55	0.006576

Notes forming part of the Consolidated Financial Statements as at 31st March 2024

65	0.013526
Retirement Age:	Retirement Age is the age at which persons who hold certain jobs or offices are required by Entity's rule or by law to leave their employment. We have considered the retirement age for all employees as 58 years, as advised by the Entity. Anyone having age more than the retirement age is assumed to be retiring immediately.
Attrition Rate:	Attrition rate represents employee turnover other than on account of retirement, death or permanent disablement. Attrition rate is dependent on the nature of business carried out by the Entity and the retention policy of the Entity. Attrition rates are applied at the beginning of each future year. We have considered the Service related attrition rate as tabulated below, as advised by the Entity.
Service related band For All Bands	Attrition Rate 6.00 % p.a.
2. Financial Assumptions	
Discount Rate:	The rate used to discount post-employment benefit obligations reflects the estimated timing of benefit payments and the currency in which the benefits are to be paid. We have used the Discount Rate as 7.23% p.a. which relates to the par-yield rate available on Government Securities (G. Sec.) for the tenure of 12.00 years i.e. the expected term of the obligation. The rate is taken as per the deal rate as on 28-03-2024 as suggested under Indian Accounting Standard 19 (Ind AS 19). (Ref: G Sec. rates available through www.fbil.org.in). The expected term of the obligation is represented by the average expected future service. Since the Gratuity payments are to be made on the salary at the time of separation, liability to pay such Gratuity is based on the salary which the employee will be drawing at the time of exit; so, it is necessary to arrive at figures which would reflect the salaries of members in the future years. Estimates of future salary increases have been done on the basis of current salary suitably projected for future, beginning one year after the valuation date, the period is validated based on the available information as to the salary revision date other than the date one year after the valuation date, taking into consideration the general trend in inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. We have considered the salary escalation rate as tabulated below, as advised by the Entity.
Future Years For All Future Years	Salary Escalation Rate 8.00 % p.a.
3. Reasonableness of Assumptions	The escalation assumptions and attrition rate assumption are the expectations of the Entity based on the escalation that the Entity expects to experience in future and the expected attrition rate in the future. A detailed analysis of experience with regards to these assumptions has not been conducted. However, the importance, implication and broad guidelines of these assumptions were shared with the entity and the entity opined on the assumptions to be used, considering the suggestions, the outlook of the Entity and other economic scenarios. Thereby, the assumptions given by Entity have been relied upon and deemed reasonable as per explanation given by the Entity. However, we recommend an experience analysis be carried out periodically for the purpose of validating the assumptions. The assumption with regards to the discount rate has been considered as per the requirements of the Accounting Standard. No separate analysis of the mortality rate for the Entity was deemed necessary to be undertaken, hence we have considered an appropriate standard mortality table available. Suitable adjustments and improvements have been applied where necessary. The results may be particularly sensitive to some assumptions, such as the discount rate and escalation. Quantum of these sensitivities have been provided under the Valuation Results section where appropriate.
Materiality	Information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements. We have assumed that while providing the assumption, materiality of the assumptions has been considered by the Entity. The results of the valuation were shared with the Entity, and this Report is prepared in accordance with the constructive confirmation on the actuarial valuation summary specifying the data, assumptions and benefit scheme for the same.

Notes forming part of the Consolidated Financial Statements as at 31st March 2024

Gratuity is payable to all the eligible employees at the rate of 15 days salary for each year of service, subject to a payment ceiling of INR 2,000,000.

Vesting period : 5 years

Gratuity shall be payable to an employee on termination of employment due to superannuation, retirement, resignation, death or permanent disablement after successful completion of the vesting period, if applicable. However, the completion of vesting period is not applicable in the case where termination of employment is due to death or permanent disablement.

Method of Valuation

To calculate the Defined Benefit Obligation (DBO) we have used the Projected Unit Credit Method which is suggested under Indian Accounting Standard 19 (Ind AS 19). Under this method, accrued benefit amount is projected to calculate future expected cashflows by applying various valuation assumptions as described above and guidance given in the Accounting Standard, which is in turn discounted back at applicable discount rate assumption to arrive at present value of benefit obligation. (Refer FAQs for more detail) For the purpose of calculation, the past service is rounded up to 4 decimal places. Suitable application of the INR 2,000,000 ceiling has been considered when conducting the valuation.

39 RATIO ANALYSIS

Ratio	Numerator	Denominator	Current Period as on 31.03.2024	Previous Period 2022-23	Variance %	Remarks
Current ratio (in times)	Total current assets	Total current liabilities	1.42	1.43	-0.62	
Debt-equity ratio (in times)	Debt consists of borrowings and lease liabilities	Total Equity	1.17	1.59	-26.70	Due to substantial increase in equity as equity was issued on premium
Debt service coverage ratio (in times)	Earning for Debt Service= Net Profit before taxes+ Non cash operating expenses+ Interest+Other non cash adjustments	Debt service = Interest payments+Principal repayments	2.82	0.68	313.14	Due to substantial increase in earnings
Return on equity ratio	Profit for the year less Preference dividend (if any)	Average total equity	0.32	0.27	20.78	
Inventory turnover ratio (in times)	Revenue from operations	Average Inventory	3.74	4.97	-24.78	
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	4.06	4.29	-5.25	
Trade payables turnover ratio (in times)	Cost of Purchases	Average trade payables	4.41	4.75	-7.24	
Net Capital turnover ratio (in times)	Revenue from operations	Average working capital(i.e. Total current assets less total current liabilities)	5.28	5.92	-10.88	

Notes forming part of the Consolidated Financial Statements as at 31st March 2024

Ratio	Numerator	Denominator	Current Period as on 31.03.2024	Previous Period 2022-23	Variance %	Remarks
Net profit ratio (in %)	Profit for the year	Revenue from operations	10.73	3.64	195.07	Substantial increase in profits during the year due to reduced direct and indirect expenses
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities+ Deferred tax liabilities	33.69	20.62	63.43	Due to increase in profits

40 OTHER STATUTORY INFORMATION

- i) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017
- ii) The company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami Property.
- iii) The company do not have any transactions with struck off companies under Section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- iv) The company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- v) The company has not traded or invested in Crypto currency or Virtual currency during the financial year.
- vi) The Company has not advanced or loaned or invested any fund to any person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
 - b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries,
- vii) The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries); or
 - b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- viii) The Company do not have any such transactions which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India during the year.

- 41 Previous year's figures have been regrouped and/or re-arranged wherever necessary, to conform the current year classification.

Significant accounting policies

The accompanying notes form an integral part of the standalone financial statements
As per our annexed report of even date

For Baid, Agarwal Singhi & Co.

Chartered Accountants
Firm's Registration No. with ICAI:0328671E

Dhruv Narayan Agarwal

Partner
Membership No.: 306940
Place : Kolkata

For and on behalf of the Board SHREE KARNI FABCOM LIMITED

(Formerly known as Shree Karni Fabcom LLP)
CIN : U47820GJ2023PLC140106

Rajiv Lakhotia

Managing Director
DIN: 02939190

Arbind Kumar Lahoty

CFO

Radheshyam daga

Whole Time Director
DIN: 07848061

Jyoti Chitlangiya

Company Secretary



Corporate Address

📍 Block No - 314, Plot No -188-190, Rajhans Texpa, Village
Baleshwar, NH-48, Taluka-Palsana, Surat - 394317

Knitting Factory Unit

📍 Block No - 314, Plot No - 193-195, Rajhans Texpa, Village
Baleshwar, NH-48, Taluka-Palsana, Surat - 394317

Stitching Factory Unit

📍 Block No - 314, Plot No - 281-282 , Rajhans Texpa, Village
Baleshwar, NH-48, Taluka-Palsana, Surat - 394317