



SHREE KARNI FABCOM LIMITED  
TECHNICAL TEXTILE & COATED FABRIC  
(Formerly known as Shree Karni Fabcom LLP)

September 8, 2025

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

**Symbol: SHREEKARNI**

Dear Sir / Madam,

**Sub: Annual Report for the financial year 2024-25**

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report 2024-25 of the Company. The Annual Report 2024-25 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 2024-25 is also available on the website of the Company at [https://skflindia.com/wp-content/uploads/2025/09/11zon\\_merged-PDF-2.pdf](https://skflindia.com/wp-content/uploads/2025/09/11zon_merged-PDF-2.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: 2025.09.08  
18:25:07 +05'30'

**Rajiv Lakhota**  
**Managing Director**  
**DIN: 02939190**





**SKFL<sup>®</sup>**

**2025**

Annual  
**REPORT**

**GROWTH IN  
MOTION**

**Shree Karni Fabcom Limited**

# TABLE OF CONTENT



## INTRODUCTION 04

Corporate Identity, Business Model, Key Financial Highlights, Infrastructure.

## MD'S MESSAGE 19

Updates on the financial year 2024-25 and Outlook

## MD&A 20

Global and Indian economy, Textile Industry, Company Overview, Performance Drivers, Opportunities, Risks, Challenges and Outlook

## NOTICE TO AGM 42

## DIRECTOR'S REPORTS 63

## FINANCIALS 94

Independent Audit Report, Standalone and Consildated Financial Statements with Notes



Our goal is simple: global in quality, disciplined in growth, premium in margins.







# CORPORATE IDENTITY

In a world where innovation threads through every industry, **Shree Karni Fabcom Limited** stands as a master weaver of possibilities. For five decades, we have been quietly revolutionizing the very foundation of modern life - from the backpack that accompanies a student's journey to the parachute that ensures a soldier's safe landing, from the medical textiles that heal to the industrial fabrics that build.

Today, as we turn the pages of our **FY25 chapter**, we witnessed our transformation from **"Gearing to Grow" to "Growth in Motion"** - a metamorphosis that saw our strategic blueprints come alive across multiple manufacturing units, our integration strategies unfold in real-time, and our sustainability commitments materialize into tangible actions.



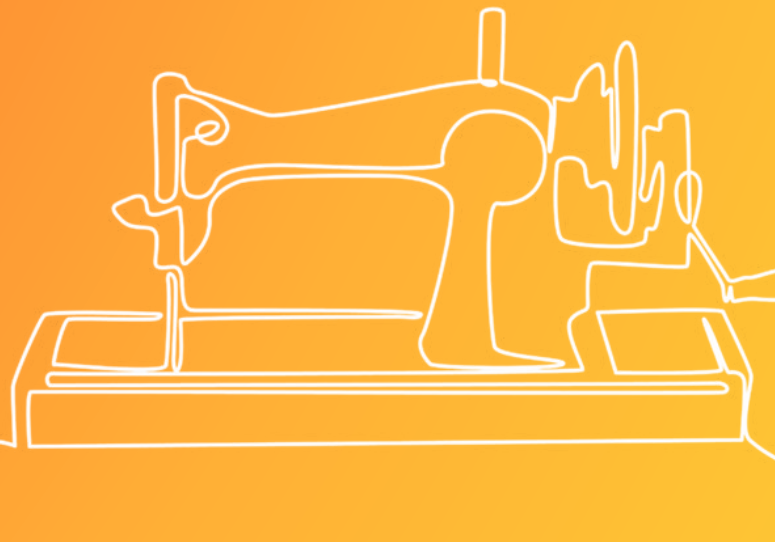


# GROWTH IN MOTION

What began as carefully planned investments with IPO proceeds has evolved into a comprehensive ecosystem of integrated manufacturing excellence that delivers measurable results quarter after quarter.

Where in FY24, we meticulously planned our expansion roadmap with the fresh capital from our shareholders gearing ourselves up for growth; in FY25, we executed it with precision and purpose, transforming potential into performance.

**That's why this year embodied the true essence of Growth in Motion - where every strategic initiative set in motion during our IPO year has now achieved operational reality.**







# GROWTH IN MOTION



# WEAVING THE FABRIC OF TOMORROW

Shree Karni Fabcom Limited (SKFL) stands as a pioneering force in India's technical textiles industry, transforming from a trading enterprise to a fully integrated manufacturing powerhouse over our remarkable 50-year journey. Operating under the trusted brand SKFL, we have established ourselves as a leading B2B manufacturer of specialized technical textiles, serving diverse industries with precision-engineered solutions.

We specialize in manufacturing Woven Fabrics, Knitted Fabrics, Coated Fabrics, and 100% polyester materials that serve critical applications across multiple sectors. From travel accessories and backpacks to defense equipment, medical solutions, and industrial applications, our products are designed to meet the most demanding specifications while maintaining the highest quality standards.

Our strategic location in Gujarat, known as the "Textile State of India," provides us with unparalleled advantages including proximity to major ports, access to the country's largest polyester production facilities, and a robust ecosystem of suppliers and partners. This positioning, combined with our advanced manufacturing capabilities, enables us to deliver superior products at competitive prices while maintaining exceptional quality and timely delivery.

As we continue our journey of "Growth in Motion," your company remains committed to innovation, sustainability, and creating long-term value for all stakeholders through our integrated approach to technical textile manufacturing.





# 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

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.

# MISSION

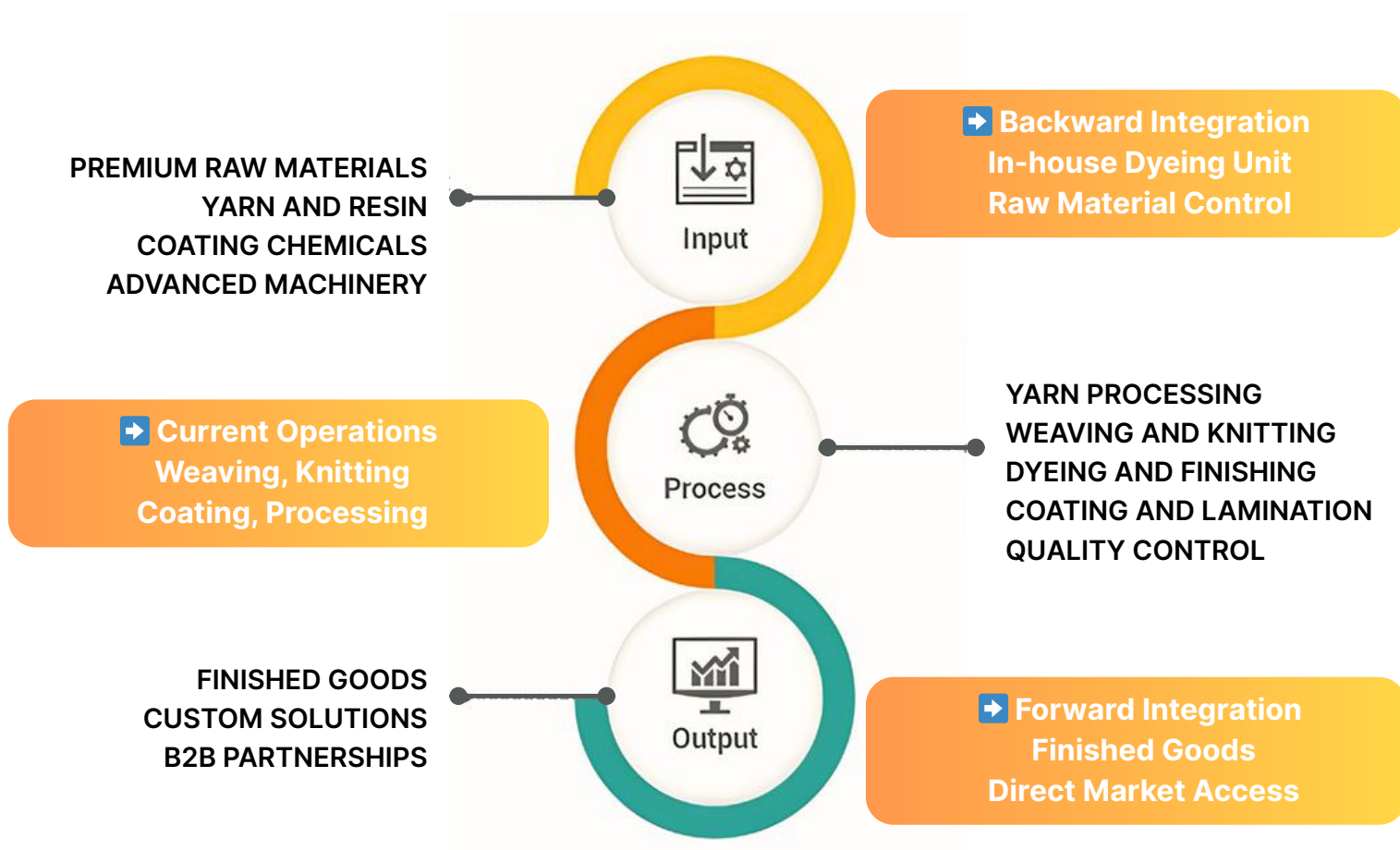


**Every layer stitched with value.**



# BUSINESS MODEL

Our business model is built on the foundation of integrated manufacturing excellence, combining traditional textile expertise with modern technology and sustainable practices.



# OUR CLIENT BASE

## FROM INDIA TO THE WORLD:

### NEW CLIENTS



### EXISTING CLIENTS



## GLOBAL EXPANSION:



Our WRAP certifications, achieved during FY25, were instrumental in securing critical MNC partnerships as they ensure compliance with international labor standards and ethical production practices that MNCs require from their supply chain partners.

A significant portion of our exports are linked to luxury brands in Europe and the US, particularly through our fabrics used in leather goods linings. Once a fabric is developed successfully, it often leads to indirect demand through brand nominations with other suppliers. This “pull effect” from marquee brands is a strong competitive advantage. Our newly expanded finished goods unit now allows us to serve boutique global buyers directly in stitched categories like backpacks and defence jackets.



# OUR VALUE PROPOSITION TO OUR CLIENTS

## Quality Excellence



## Operational Efficiency

Automated processes with solar capacity



## Sustainability Focus

Zero water wastage, R-PET yarn integration

# Market leader

**50+** years expertise serving

**200+** clients across 19 states

# KEY HIGHLIGHTS OF FY25

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.



Revenue is  
**16571.0 LAKHS**



Growth in revenue  
**27%**



Operating margins  
**14%**



Net margins  
**9%**



EBITDA  
**2341.2 LAKHS**

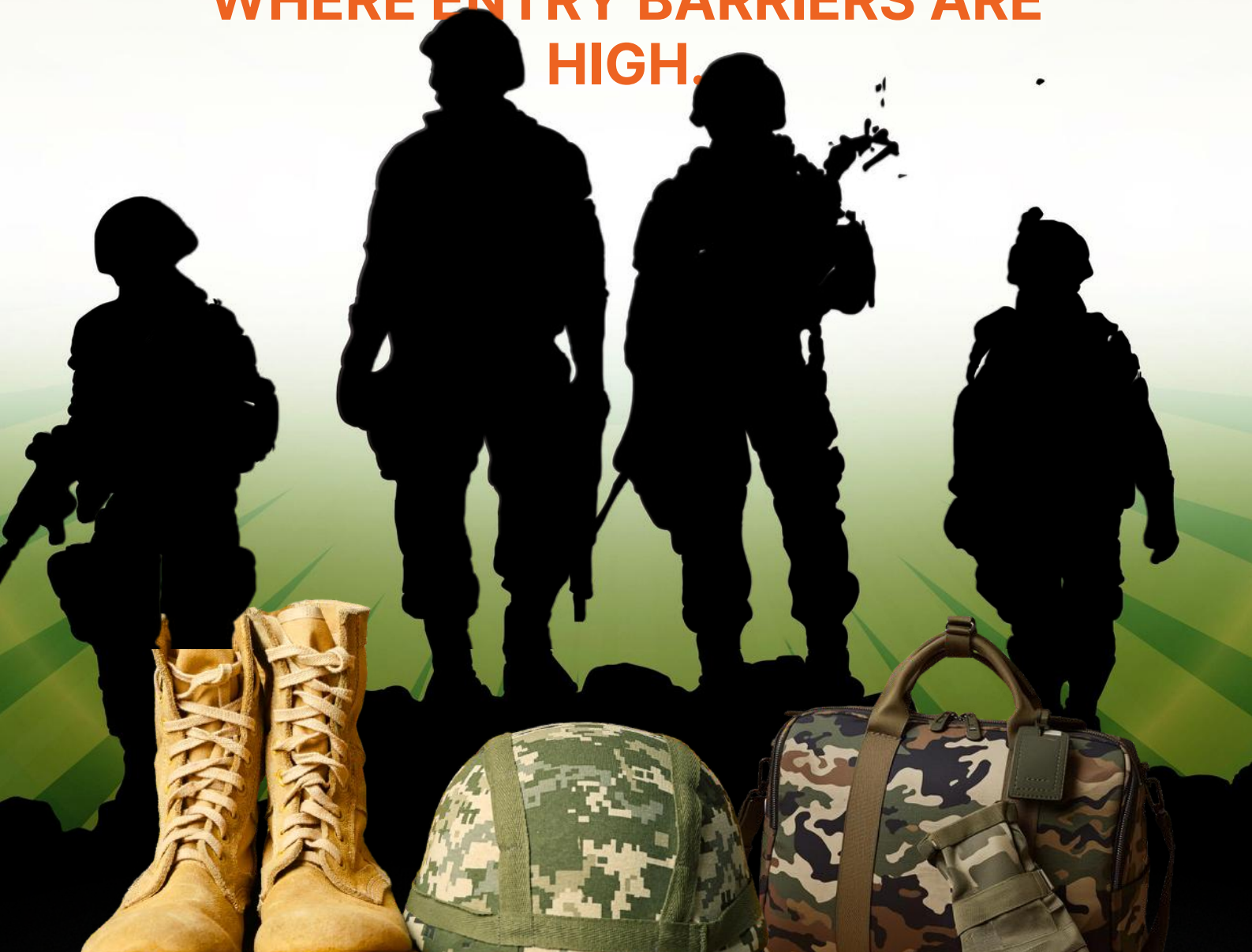


Profit after tax  
**1510.6 LAKHS**

## OPERATIONAL SNAPSHOT

Category	Installed Capacity (meters)	Utilised Capacity (meters)
<b>Woven Fabrics</b>	4,320,000	2,688,480
<b>Knitted Fabrics</b>	21,200,000	15,118,248
<b>Coating</b>	33,600,000	29,307,891
<b>Backpack</b>	1,000,000	113,785
<b>Dyeing</b>	14,400,000	—

**FROM BACKPACKS TO  
BATTLEFIELDS, INNOVATING  
WHERE ENTRY BARRIERS ARE  
HIGH.**





# INFRASTRUCTURE IN ACTION



**IN-HOUSE DYEING UNIT**

Eliminated the need to outsource dyeing, thus delivering 2-3% margin improvement while providing complete control over quality and lead times.

Scaled up our Noida finished goods manufacturing capacity from 200 to over 700 stitching machines, transforming our business model from being primarily a fabric supplier to becoming a fully integrated manufacturer of technical fabrics and premium finished goods. The fully operational facility is equipped with a broad labour pool trained in high-end stitching for backpacks, rucksacks, and defence jackets. The facility has helped us:

Command 15-25% higher margins compared to raw fabrics, moving us further along the value chain.

Diversify our product mix into premium, margin-accretive categories.

Absorb fixed costs and improve Surat unit efficiency.

Strengthen our relationships with boutique buyers and MNCs who are increasingly sourcing finished products alongside fabrics.



**CAPACITY SCALE UP OF STITCHING UNIT**





Upgraded R&D and quality control facilities  
Equipment: Spectrophotometers, tensile testing machines, spray testers

## ADVANCED QUALITY TESTING LABORATORIES

Solar power infrastructure has been expanded to 4MW and has delivered immediate operational benefits including 25-30% reduction in electricity costs and projected annual savings of ₹2-3 crores over the 20-year lifespan.

## SOLAR PANELS



# INFRASTRUCTURE IN ACTION

**WHEN GLOBAL BRANDS NOMINATE  
US, CREDIBILITY TRAVELS FASTER  
THAN GOODS.**





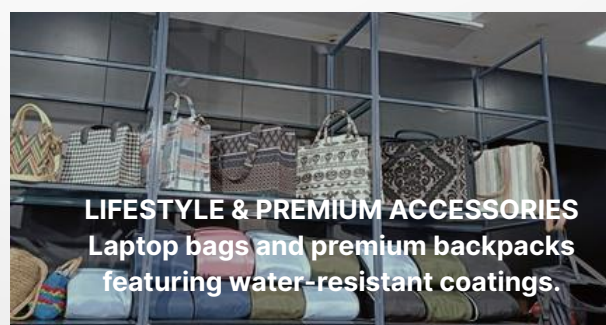
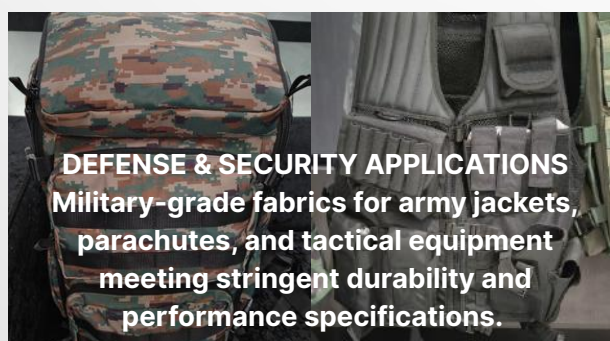
# PREMIUMISATION IN MOTION

FY25 witnessed SKFL's strategic diversification into high-value specialized segments, leveraging our enhanced manufacturing capabilities to launch innovative products that cater to evolving market demands.

These diversified product launches will enhance our average selling prices over traditional textiles while positioning SKFL as an innovation-driven solutions provider across multiple industry verticals.

## EXPANDING PRODUCT PORTFOLIO:

Sr. No.	Sector
1	Luggage & Backpack
2	Chair
3	Rainwear
4	Defence
5	Garments



# MESSAGE FROM MD



Over the last few years, we have invested significantly in strengthening our capabilities and creating an integrated platform in technical fabrics and finished goods. With this foundation now in place, the focus has shifted from capex to execution, scale-up, and value capture.

## Integration & Value Addition

A key differentiator of our model is integration across dyeing, coating, and stitching. Each step adds meaningful value, but it is the in-house dyeing and coating that have structurally changed our cost base and process control. By bringing this capability in-house, we are achieving better consistency, reduced turnaround times, and cost efficiencies that will flow through to margins. Beyond cost, integration allows us to protect sensitive product developments and strengthen trust with marquee customers.

## Exports & Global Customer Relationships

Exports are central to our growth story. Backpacks are largely export-oriented, and our fabrics for the leather goods industry eventually go into some of the world's leading luxury brands. This creates two advantages:

- Direct demand from global buyers.
- Indirect pull-through demand, as brands nominate us with other suppliers once a fabric is developed successfully.

This export orientation elevates our benchmark for quality, compliance, and delivery — qualities that not only win us international customers but also build credibility in the domestic market.

## Innovation & New Segments

We are deliberately moving into higher-value, higher-entry-barrier categories. Defence fabrics, fire-resistant textiles, and specialised outdoor products represent significant opportunities where only a handful of players operate. Our innovation agenda also includes exploring niche categories such as artificial flowers, which may appear small but offer high-value addition and export relevance.

At the same time, our Noida facility is enabling us to enter the high-end finished goods space. With specialised labour capable of stitching everything from backpacks to defence jackets, this unit allows us to target boutique buyers and premium segments where margins are structurally higher.

## Working Capital & Financial Strength

Our business requires holding inventory and managing long receivable cycles, but we have consistently maintained a healthy net working capital position. Exports, with their shorter cycle times, help balance liquidity. As scale builds, we expect to continue funding growth largely from internal accruals, reflecting operational strength and discipline.

## Margin Levers

Margin expansion is built into our strategy. The backward integration into dyeing is already delivering benefits, and as we increase the share of value-added categories — such as defence fabrics, fireproof textiles, and premium finished goods — we expect margins to strengthen further. Beyond cost savings, the key margin driver is mix improvement and prigg power derived from solving critical customer needs.

## Regulatory Support

The regulatory environment is turning favourable. Anti-dumping duties and additional tariffs are already in place, and once enforcement tightens against grey imports, domestic producers like us will benefit meaningfully. This will support both demand and prigg in the industry.

## Strategic Direction

In summary, our strategic priorities are clear: Execute and scale the capacities we have created.

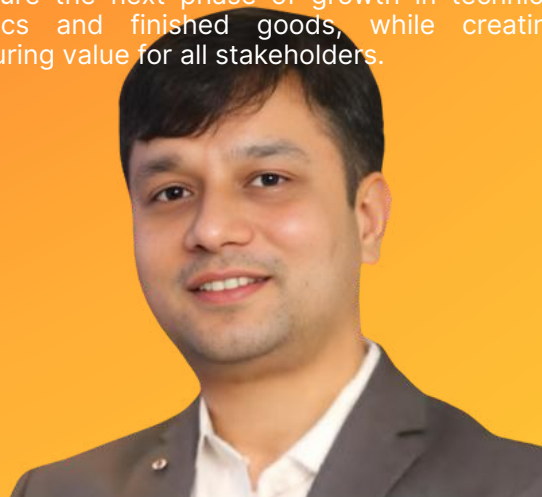
Deepen our presence in exports and premium segments.

Expand into high-value niches like defence fabrics, artificial flowers and others.

Drive margin expansion through backward integration and mix improvement.

Maintain financial discipline to ensure growth is sustainable and self-funded.

We believe these priorities position us strongly to capture the next phase of growth in technical fabrics and finished goods, while creating enduring value for all stakeholders.



Warm regards,  
Mr. Rajiv Lakhotia  
Managing Director  
Shree Karni Fabcom Limited





**The capex chapter is done.  
The execution story begins.**

# MANAGEMENT DISCUSSION & ANALYSIS REPORT

## GLOBAL ECONOMY

The global economy entered FY2025 amid heightened policy uncertainty and evolving trade dynamics. Global growth is projected to decline after a period of steady but underwhelming performance, amid policy shifts and new uncertainties. Global headline inflation is expected to decline further, notwithstanding upward revisions in some countries. Risks to the outlook are tilted to the downside.

Global growth is projected at **3.3%** both in 2025 and 2026, below the historical (2000–19) average of **3.7%**. The year witnessed significant trade policy shifts, particularly with the implementation of reciprocal tariffs by major economies, creating both challenges and opportunities for global trade flows.

The strongest recovery among major economies has been in the United States, where GDP in 2023 is estimated to exceed its prepandemic levels. The euro area has recovered, though less strongly - with output still **2.2%** below prepandemic 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.

## WORLD ECONOMIC OUTLOOK, APRIL 2025

### GROWTH PROJECTIONS (REAL GDP GROWTH, ANNUAL PERCENT CHANGE)

Economy	2024 (Actuals)	2025 (Projected)	2026 (Projected)
<b>Global Economy</b>	32	28	30
<b>Advanced Economies</b>	18	14	15
<b>Emerging Market &amp; Developing Economies</b>	43	37	39

Source: IMF World Economic Outlook, April 2025



# INDIAN ECONOMY

**India** continued to demonstrate economic resilience during FY2025, maintaining its position as one of the fastest-growing major economies globally. India's economy expanded by 6.5% in the full fiscal year 2025, in line with the government's February estimate. The growth outlook in Asia's third-largest economy has remained relatively robust, thanks to strong domestic consumption and a relatively lower dependence on exports, cushioning the blow from U.S. President Donald Trump's erratic trade policy. The International Monetary Fund projects India's economy will reach \$4.187 trillion in 2025, modestly overtaking Japan's \$4.186 trillion and potentially making it the world's fourth-largest economy. This achievement reflects India's sustained economic momentum despite global headwinds.

## Key Economic Indicators:

- GDP Growth: 6.5% in FY2025
- Expected to become 4th largest economy globally
- Strong domestic consumption driving growth
- Monetary policy support through rate cuts

## GDP Growth Projections for 2025

According to various international agencies:

- IMF: 6.2% in 2025
- ADB: 6.5% in fiscal year 2025

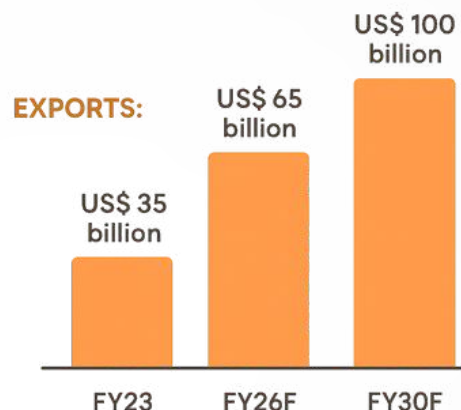
India's economic strength is underpinned by robust domestic demand, government infrastructure spending, and the resilience of its services sector. The country's demographic dividend, with a median age of 28 years, continues to support consumption-led growth.



# THE TEXTILE SECTOR

The Indian textile industry is on a strong growth trajectory, driven by innovations, government support, and increasing global demand. India is expected to be a major player not only in textiles but also in the emerging markets of smart and technical textiles. The market for Indian textiles and apparel is projected to reach US\$ 250 billion by 2030, with exports expected to reach US\$100 billion.

## INDUSTRY PROJECTIONS



## KEY FACTS AS OF FY24



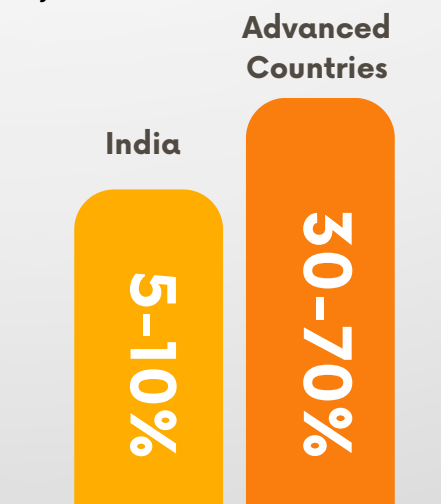
India's textile sector has demonstrated remarkable resilience and growth potential during FY2025, establishing itself as a critical pillar of the nation's manufacturing landscape.

## TECHNICAL TEXTILES: THE GROWTH ENGINE



## CONSUMPTION OF TECHNICAL TEXTILE: INDIA VERSUS THE WORLD

The central government has set a target to export Rs. 87,450 crore (US\$ 10 billion) worth of technical textiles under its National Technical Textiles Mission





# Government Initiatives (India)

## 1. PRODUCTION LINKED INCENTIVE (PLI) SCHEME

**Notification:** Announced September 2021, aimed at MMF (man-made fibre) apparel, MMF fabrics, and Technical Textiles.

**Support:** Incentives of 3–11% on incremental sales over a 5-year period.

**Recent update:** In Aug/Sep 2025, Govt. reopened the PLI application window until 30 Sept 2025 to attract more proposals, especially in Technical Textiles where uptake was modest initially.

**Objective:** Scale domestic manufacturing, reduce import dependence, and enable India to compete with China/ASEAN in MMF and technical fabrics.

## 2. NATIONAL TECHNICAL TEXTILES MISSION (NTTM)

**Budget & Duration:** Outlay of ₹1,480 crore (FY20–FY26).

**Focus Areas:**

**R&D:** Already cleared 168 projects across indigenisation of carbon fibre, aramid, nylon, UHMWPE, composites.

**Market Development:** Awareness programs, exhibitions, buyer–seller meets.

**Skilling:** Dedicated courses and training modules rolled out.

**Standards:** Coordinating with BIS for QCO (mandatory standards).

**Impact so far:** Catalyzed startup and academic participation; created a pipeline of prototypes in geo, agri, defence textiles. Govt. notes mission is “critical to move India up the value chain.”



## 3. PM-MITRA PARKS SCHEME

Seven mega parks sanctioned to create integrated textile value chains.

Technical textiles and MMF are explicitly prioritized categories.

**Benefit:** Common infrastructure, plug-and-play facilities, and scale efficiencies for investors.

**Investor interest:** Several states (Tamil Nadu, Gujarat, UP, Maharashtra, etc.) actively courting technical textile units within these parks.

## 4. QUALITY CONTROL ORDERS (QCOS) & STANDARDS

Geo Textiles & Protective Textiles QCOS: Enforced Apr 2023.

Medical Textiles QCO: Effective Oct 1, 2024, covering PPE kits, surgical gowns, etc.

Dashboard: Ministry maintains a live QCO tracker, ensuring industry compliance.

Strategic role: Mandatory BIS certification helps address sub-standard imports and raises global credibility for Indian exporters.

## 5. HSN CODIFICATION & TRADE FACILITATION

Since 2019, Govt. allocated 207 dedicated HSN codes for technical textiles.

Outcome: Enables clear tracking of trade flows, policy benefits, and targeted incentives.

Helps industry visibility in trade stats and export promotion councils.

## 6. USAGE MANDATES IN PUBLIC WORKS & AGRICULTURE INFRASTRUCTURE

MoRTH/IRC guidelines recommend use of geotextiles, geogrids, geocells in highways.

PMGSY (rural roads) mandates partial use of coir/jute geotextiles for soil stabilization.

Agriculture:

NHB/MIDH schemes subsidise shade nets, crop covers, hail nets to boost protected cultivation.

Impact: Creates steady domestic demand in GeoTech and AgroTech categories, where private demand cycles can be uneven.

## 7. EXPORT PROMOTION & MARKET ACCESS

Dedicated export promotion council (EPC): Recently carved out from Texprocil.

Incentives: Access to RoDTEP, duty-drawback, and FTA benefits.

Export momentum: FY25 exports touched ₹24,733 crore (US\$2.97B), up ~15% YoY. Govt. is targeting high-tech product exports (ProTech, MedTech, MobilTech) under this framework.



# Government Initiatives (India)



**Policy is turning tailwind — and  
We are set to capture it.**



# COMPANY OVERVIEW

Shree Karni Fabcom Limited (SKFL) stands as a pioneering force in India's technical textile landscape, embodying the theme of "Growth in Motion" that defines our FY2025 journey. As a leading B2B manufacturer of specialized technical textiles, we have successfully transformed from a traditional textile player to a comprehensive, vertically integrated manufacturer serving diverse industries globally.

## Our Heritage and Evolution

With over 50 years of legacy in textiles and more than two decades of focused expertise in technical textiles, SKFL has established itself as a trusted partner for global brands. Operating under the SKFL brand, we excel across multiple product categories including Woven Fabrics, Knitted Fabrics, Coated Fabrics, and 100% polyester materials.

## Product Portfolio

- Our comprehensive product range includes:
- PU Coated Fabrics - High-performance waterproof solutions
- EVA Coated Fabrics - Flexible and durable applications
- Inter Lining Fabrics - Structural support materials
- Rain Proof Fabrics - Weather-resistant solutions
- Air Mesh Fabrics - Breathable technical textiles
- Armed Forces Fabrics - Defense-grade materials
- Recycled Fabrics - Sustainable textile solutions
- Luggage & Backpack Fabrics - Travel industry specialization
- Specialty Custom Fabrics - Tailored solutions

# OPERATIONS & STRATEGIC EXPANSION

- FY2025 marked a transformative year for SKFL as we executed our ambitious expansion and integration strategy, truly embodying "Growth in Motion."

## Manufacturing Infrastructure

### Current Installed Capacity:

Weaving: 18,000 meters per day

- Knitting: 4,320 kg per day (increasing to 33,600 kg per day)

Coating: 15,358 meters per day (expanding to 27,883 meters per day)

EVA Lamination: 25,000 meters per day

## Global Brand Partnerships

SKFL serves an impressive roster of global brands, including Bata, VIP, Samsonite, and many others, demonstrating our capability to meet international quality standards and delivery requirements.



# Major Expansions During FY2025

## 1. In-House Dyeing Unit (Operational Q4 FY25)

Our backward integration initiative with the commissioning of an in-house dyeing unit represents a significant milestone. This facility enhances our bottom-line profitability by 2-3% while enabling the production of highly specialized products. The dyeing unit allows us to:

- Reduce dependency on external vendors
- Improve quality control
- Enhance margin optimization
- Expand our fabric portfolio beyond polyester to include Nylon and Cotton

## 2. Expanded Finished Goods Manufacturing

**Surat Facility Expansion:** The company has successfully extended its existing manufacturing facility in Surat, which has become operational as of January 31st, 2025. The new end to end manufacturing facility, equipped with 200 advanced machines, has enabled the commencement of commercial production and manufacturing of bags, covering the entire process from start to finish.

**Noida Facility:** Our new facility at Noida, Gautam Buddha Nagar has commenced commercial production as of June 27, 2025.

- Machine Capacity Expansion:
- FY24-beginning: 200 machines
- June 2025: 700 machines



# STRATEGIC INTEGRATIONS

## Backward Integration Benefits:

Cost Optimization: Reduced raw material costs and lead times

Quality Enhancement: Better control over entire production process

Flexibility: Ability to customize products according to client specifications

Margin Improvement: 2-3% improvement in overall margins

## Forward Integration Advantages:

Value Addition: Transition from raw material supplier to finished goods manufacturer

Customer Penetration: Deeper engagement with existing clients

Premium Price: Ability to command higher margins for finished products

Market Expansion: Access to new customer segments

## Sustainability Initiatives

SKFL is committed to ESG compliance and sustainable manufacturing:

Solar Integration: 2MW solar capacity already installed with additional 2MW planned

Water Recycling: Implementation of water conservation systems

R-PET Yarn: Contributing 20% to fabric production

Carbon Neutrality Goals: Long-term commitment to environmental sustainability

## Quality Certifications and Recognitions

During FY2025, we achieved several critical certifications:

WRAP Certification: Workplace responsibility standards

MNC Brand Audits: Successfully cleared audit processes for major global brands

Walmart Vendor Approval: Our Company has successfully cleared the audit conducted by Walmart. Leveraging this audit clearance, we are now an approved vendor for Walmart in India, which will expand our global reach, by deepening engagement with Walmart's extensive international network

# FINANCIAL PERFORMANCE

Standalone Basis

Numbers in lacs INR

PARTICULARS	FY23	FY24	FY25
<b>Net Sales</b>	<b>12,694.7</b>	<b>13,079.8</b>	<b>16,571.0</b>
- Fabric	12,694.7	13,079.8	16,392.01
- Bag Pack		-	179.02
<b>Growth %</b>	<b>52%</b>	<b>57%</b>	<b>27%</b>
Expenditure	11,184.4	10,992.0	14229.7
- COGS	10,355.7	10,108.7	12969.7
- Operating Expenses	828.6	883.2	1259.9
<b>EBIDTA</b>	<b>1,510.3</b>	<b>2,087.9</b>	<b>2341.2</b>
<b>EBIDTA Margin</b>	<b>12%</b>	<b>16%</b>	<b>14%</b>
Other Income	9.4	38.8	177.9
Depreciation	291.9	152.7	251.6
Interest	515.8	277.6	218.2
PBT	712.0	1,696.4	2049.2
Tax	185.13	395.2	538.6
<b>PAT</b>	<b>526.9</b>	<b>1,301.2</b>	<b>1510.6</b>
<b>PAT Margin</b>	<b>4%</b>	<b>10%</b>	<b>9%</b>

# PERFORMANCE DRIVERS



## REVENUE GROWTH FACTORS:

- Strong demand in existing product segments
- Successful launch of new backpack segment
- Timely execution and delivery
- Expanded customer base



## MARGIN ENHANCEMENT:

- Operational efficiency improvements
- Better product mix
- Cost optimization initiatives
- Backward and forward integration benefits



## INVESTMENT IN GROWTH

- During FY25, the company made strategic investments:
- Approximately ₹2 Crores in backpack capacity expansion
- ₹1 Crore in certifications (SEDEX and WRAP)
- Infrastructure development for ESG compliance
- Technology upgrades and automation





# OUTLOOK AND OPPORTUNITIES

## 1. Technical Textiles Growth

Smart textiles, which can respond to external stimuli such as heat, light, or moisture, are expected to be a major trend by 2025. These textiles can be used in medical, sports, and fashion applications, such as garments that monitor health parameters or adapt to environmental conditions.

## 2. Import Substitution

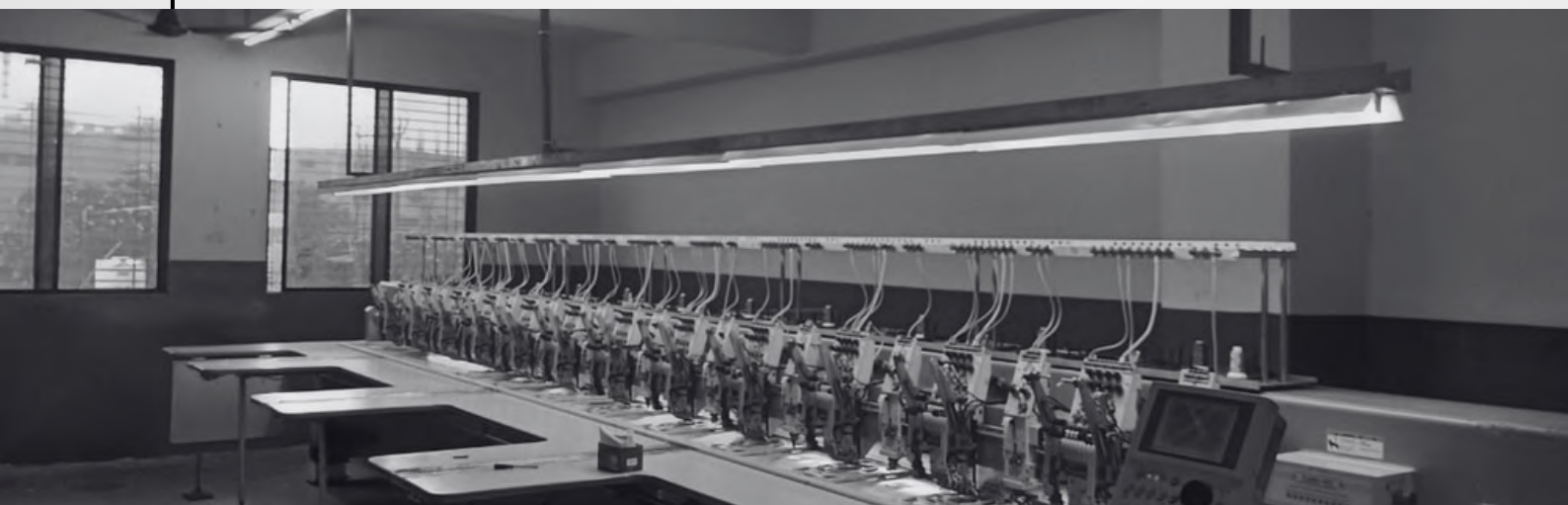
With our advanced R&D capabilities and localized innovation approach, we are well-positioned to substitute imports, particularly from China, with high-quality, cost-effective domestic alternatives.

## 3. Defense and Security Sector

Expanding into high-growth sectors such as defense fabrics, security jackets, and parachutes presents significant margin improvement opportunities.

## 4. Sustainable Textiles

Sustainability will remain a key focus, and companies that embrace eco-friendly practices will lead the way in the global market.



# STRATEGIC INITIATIVES

## 1. Technology Leadership

- Investment in state-of-the-art quality testing tools
- Dedicated in-house R&D team
- Advanced manufacturing technologies

## 2. Capacity Expansion

- Dyeing unit operational by Q4 FY25
- 700 machines by Q1 FY26
- Solar capacity enhancement

## 3. Market Diversification

- Reduced dependency on single markets
- Geographic expansion
- Product portfolio diversification

## 4. Customer Partnership Deepening

- Higher wallet share with existing clients
- New product development collaboration
- Premium product positioning



# CHALLENGES AND MITIGATION STRATEGIES

## GLOBAL TRADE UNCERTAINTIES

---

### **Challenge: US tariff implications and trade policy volatility**

Mitigation:

- Market diversification strategy
- Enhanced competitiveness through integration
- Strong government policy support
- Raw Material Cost Fluctuations

### **Challenge: Volatile input costs affecting margins**

Mitigation:

- Backward integration to reduce dependency
- Long-term supplier partnerships
- Cost pass-through mechanisms
- Competition from Low-Cost Producers

### **Challenge: Price pressure from competing countries**

Mitigation:

- Value-added product focus
- Quality differentiation
- Customer partnership deepening
- Infrastructure and Skill Gaps

### **Challenge: Need for skilled workforce and infrastructure**

Mitigation:

- Investment in training and development
- Technology adoption
- Strategic location advantages



# RISK MANAGEMENT

## Operational Risks

Raw Material Supply: Diversified supplier base and backward integration  
 Quality Control: Comprehensive testing facilities and quality systems  
 Capacity Utilization: Demand forecasting and flexible manufacturing

## Market Risks

Demand Fluctuation: Product and market diversification  
 Competition: Innovation and quality differentiation  
 Regulatory Changes: Compliance monitoring and adaptation

## Financial Risks

Foreign Exchange: Natural hedging through export-import matching  
 Credit Risk: Established customer relationships and credit policies  
 Interest Rate: Optimal debt-equity mix and financial planning

## HUMAN RESOURCES

Our human capital remains our most valuable asset, with over 200 dedicated professionals driving our growth.

### Key initiatives include:

#### Talent Development

- Technical training programs
- Leadership development
- Skill enhancement initiatives

#### Employee Engagement

- Performance-based incentives
- Career growth opportunities
- Safe and sustainable workplace

#### Organizational Culture

- Innovation-focused environment
- Quality-driven mindset
- Customer-centric approach



# FUTURE OUTLOOK

As we look ahead, SKFL is positioned to capitalize on the significant opportunities in India's technical textile sector. Our strategic theme of "Growth in Motion" will continue to guide our expansion and innovation efforts.

## Near-term Priorities (FY26)

- Operational Excellence: Full utilization of expanded capacities
- Market Expansion: Leveraging new certifications and capabilities
- Product Innovation: R&D-driven new product development
- Sustainability: ESG compliance and green manufacturing

## Medium-term Vision (3-5 years)

- Market Leadership: Establishing dominant position in technical textiles
- Global Expansion: Expanding geographical footprint
- Technology Leadership: Advanced manufacturing capabilities
- Sustainable Growth: Carbon-neutral operations

## Long-term Aspiration (10 years)

- Global Recognition: World-class technical textile manufacturer
- Innovation Hub: R&D center of excellence
- Sustainable Manufacturing: Industry benchmark for ESG practices
- Stakeholder Value: Consistent superior returns

## CONCLUSION

FY2025 has been a transformative year for Shree Karni Fabcom Limited, truly exemplifying our theme of "Growth in Motion." Through strategic expansions, operational excellence, and customer-focused innovations, we have positioned ourselves to capture the immense opportunities in India's growing technical textile sector.

Our successful backward and forward integration, combined with strong financial performance and strategic partnerships, provides a solid foundation for sustained growth. As India emerges as a global textile manufacturing hub, SKFL is well-positioned to lead this transformation with our commitment to quality, innovation, and sustainability.

The road ahead is filled with opportunities, and we are confident that our strategic investments, capable team, and customer-centric approach will continue to drive superior value creation for all stakeholders.

## CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis report describing 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 price in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and countries with which the Company conducts business, and other factors such as litigation and labor negotiations.



**Even a flower can be engineered —  
we find niches where few can stitch.**





# BOARD OF DIRECTORS

## **Managing Director**

Rajiv Lakhotia

## **Whole Time Director**

Radhe Shyam Daga  
Manoj Kumar Karnani  
Raj Kumar Agarwal

## **Independent Director**

Rashmi Bihani  
Swati Singhanian  
Sriyans Lunia  
(Demise, w.e.f. May 31, 2025)

## **Stakeholders Relationship Committee**

Sriyans Lunia –Chairman  
(Demise, w.e.f. May 31, 2025)  
Swati Singhanian  
Rashmi Bihani

## **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 Baleshwar, Taluka Palsana,  
Surat - 394317, Gujarat, India

## **Stitching Unit**

Block No - 314, Plot No - 281-288, Rajhans Texpa,  
Village Baleshwar, Nh-48, Taluka-Palsana,  
Surat - 394317, Gujarat, India

## **Noida Unit**

Plot No. 47, Sector 138, Gautam Budh Nagar,  
Noida - 201301, Uttar Pradesh, India

## **Audit Committee**

Sriyans Lunia - Chairman  
(Demise, w.e.f. May 31, 2025)  
Swati Singhanian  
Rashmi Bihani  
Raj Kumar Agarwal

## **Nomination and Remuneration Committee**

Sriyans Lunia -Chairman  
(Demise, w.e.f. May 31, 2025)  
Swati Singhanian  
Rashmi Bihani

## **Corporate Social Responsibility Committee**

Sriyans Lunia -Chairman  
(Demise, w.e.f. May 31, 2025)  
Swati Singhanian  
Radhe Shyam Daga

## **Company Secretary and Compliance Officer**

Dhiraj Ramkishor Vaishnav

## **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

## **Knitting Unit**

Block No 314, Plot No – 193-195, Rajhans Texpa  
Village Baleshwar, Nh-48, Taluka-Palsana,  
Surat-394317, Gujarat, India

## **Dyeing Unit**

Block No. 501, Sub-Plot No. 8, Rajhans Zesto,  
Phase 2, Village- Vesma, Taluka - Jalalpore,  
Navsari - 396445, Gujarat, India



**We are building not just fabrics,  
but fortresses of trust.**



# NOTICE TO AGM

**NOTICE** is hereby given that the 2nd Annual General Meeting of the members of **Shree Karni Fabcom Limited** will be held on Tuesday, September 30, 2025 at 1.30 P.M. through Video Confereng ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

## **ORDINARY BUSINESS:**

1. To consider and adopt the:

- Audited Standalone Annual Financial Statements of the Company for the financial year ended 31st March, 2025 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, 2025, and the Report of the Auditors' thereon.

2. To appoint a Director in place of Mr. Radhe Shyam Daga (DIN: 07848061), Wholetime Director, who retires by rotation and being eligible, offers himself for re-appointment.

## **SPECIAL BUSINESS:**

3. To approve material related party transaction with M/s IGK Technical Textiles LLP.

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

"RESOLVED THAT pursuant to provisions of Section 188 of the Companies Act 2013 ("Act") and other applicable provisions if any read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules 2014 and pursuant to Regulations 2(1)(zc), 23(4) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company's Policy on "Policy On Materiality Of Related Party Transactions" and all other applicable laws and regulations, as amended, supplemented or re-enacted from time to time, and based on the recommendation of the Audit Committee and the consent of the Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded to the Company to continue with the existing transaction(s) and/or carry out new transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) as detailed in the Explanatory Statement to with IGK Technical Textiles LLP, (Designated Partner is interested, Related party for the Company) on such terms and conditions as may be agreed between the Company and IGK Technical Textiles LLP (LLP, for an aggregate value not exceeding Rs. 30 crore (Rupees Thirty Crore) for sale, purchase or supply of any goods or materials, job work, notwithstanding the fact that the aggregate value of all these transaction(s), may exceed the prescribed thresholds as per provisions of the Act and SEBI Listing Regulations as applicable from time to time, provided, however, that the said contract(s)/arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in ordinary course of business of the Company."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to approve transactions and the terms and conditions with the related party as defined under the Act and to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company or to any one or more Directors of the Company or any other officer(s) or employee(s) of the Company, as it may deem fit, and to do all acts, deeds, matters and things and to take such steps as may be considered necessary, proper, expedient or incidental thereto as the Board may in its absolute discretion deem fit to give effect to the aforesaid resolution including to settle any question, difficulty or doubt that may arise with regard to giving effect to the above resolution and to sign, finalise, settle and execute necessary documents, papers etc on an ongoing basis, without being required to seek any further consent or approvals of the members or otherwise to the end and intent that they shall be deemed has given their approval thereto expressly by the authority of this resolution for the purpose of giving effect to this Resolution".

"RESOLVED FURTHER THAT all actions taken by the Board, or any person so authorized by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respect."

# NOTICE TO AGM

## 1. To approve material related party transaction with M/s Textron Fabtech LLP.

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

“RESOLVED THAT pursuant to provisions of Section 188 of the Companies Act 2013 (“Act”) and other applicable provisions if any read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules 2014 and pursuant to Regulations 2(1)(zc), 23(4) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company’s Policy on “Policy On Materiality Of Related Party Transactions” and all other applicable laws and regulations, as amended, supplemented or re-enacted from time to time, and based on the recommendation of the Audit Committee and the consent of the Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded to the Company to continue with the existing transaction(s) and/or carry out new transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) as detailed in the Explanatory Statement to with M/s Textron Fabtech LLP, (Designated Partner is interested, Related party for the Company) on such terms and conditions as may be agreed between the Company and M/s Textron Fabtech LLP (LLP, for an aggregate value not exceeding Rs. 5 crore (Rupees Five Crore) for sale, purchase or supply of any goods or materials, job work, notwithstanding the fact that the aggregate value of all these transaction(s), may exceed the prescribed thresholds as per provisions of the Act and SEBI Listing Regulations as applicable from time to time, provided, however, that the said contract(s)/arrangement(s)/ transaction(s) so carried out shall be at arm’s length basis and in ordinary course of business of the Company.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to approve transactions and the terms and conditions with the related party as defined under the Act and to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company or to any one or more Directors of the Company or any other officer(s) or employee(s) of the Company, as it may deem fit, and to do all acts, deeds, matters and things and to take such steps as may be considered necessary, proper, expedient or incidental thereto as the Board may in its absolute discretion deem fit to give effect to the aforesaid resolution including to settle any question, difficulty or doubt that may arise with regard to giving effect to the above resolution and to sign, finalise, settle and execute necessary documents, papers etc on an ongoing basis, without being required to seek any further consent or approvals of the members or otherwise to the end and intent that they shall be deemed has given their approval thereto expressly by the authority of this resolution for the purpose of giving effect to this Resolution”.

“RESOLVED FURTHER THAT all actions taken by the Board, or any person so authorized by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respect.”

## 2. Appointment of Mr. Pankaj Kumar Mohta (DIN: 11178087) as Independent Director of the Company.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the rules framed thereunder, read with Schedule IV of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Pankaj Kumar Mohta (DIN: 11178087), who was appointed as an Additional Director by the Board of Directors of the Company (“the Board”) based on the recommendation of the Nomination and Remuneration Committee with effect from September 08, 2025 pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director (NonExecutive) of the Company, not liable to retire by rotation, to hold office for a first term of consecutive five years up to September 07, 2030.”

# NOTICE TO AGM

Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable, or expedient to give effect to this resolution.”

September 8, 2025

**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](mailto:shreekarni@skflindia.com)

Website: [www.skflindia.com](http://www.skflindia.com)

: L47820GJ2023PLC140106

By order of the Board

**For Shree Karni Fabcom Limited**

**Rajiv Lakhotia**

**Managing Director**

**DIN: 02939190**

**NOTES:**

1. Pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021 and 02/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 08, 2021, December 14, 2021, May 05, 2022, 11/2022 dated December 28, 2022 and latest General Circular No. 09/2023 dated September 25, 2023 and latest General Circulars No. 09/2024 dated September 19, 2024, respectively issued by the Ministry of Corporate Affairs ('MCA') (collectively referred to as 'MCA Circulars') and Circular Nos. SEBI / HO / CFD / CFDPoD-2 / CMD1 / CIR / P / 2020 / 79, SEBI / HO / CFD / CMD2 / CIR / P / 2021 / 11 and SEBI / HODDHS / P / CIR / 2022 / 0063 / 2024 / 133 dated October 3, 2024, May 12, 2020, January 15, 2021, May 13, 2022, 11/2022 dated December 28, 2022 and SEBI vide its Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/167 dated October 7, 2023 ("SEBI Circular") respectively issued by 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.

2. A statement giving relevant details of the directors seeking appointment/ reappointment under Item No. 2 and item no 5 of the accompanying notice, as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is annexed herewith as Annexure-I.

3. The Explanatory Statement setting out material facts concerning the business under Item Nos. 3 to 5 of the Notice is annexed hereto. [Section 102 of the Companies Act, 2013 ("Act")]

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. Shah Nawaz, Practig 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.



# NOTICE TO AGM

---

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

6. Scrutinizer by email through its registered email address to [msassociates16@gmail.com](mailto:msassociates16@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

7. Members attending the AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

8. 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 can attend the AGM 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.

9. 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.

10. 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.

11. 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 in their questions/ comments in advance mentioning their name, demat account number/ folio number, email id, mobile number at [shreekarni@skflindia.com](mailto:shreekarni@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.

12. The Registers of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 24, 2025 to Tuesday, September 30, 2025 (both days inclusive) for the purpose of annual closure of books.

13. In accordance with SEBI LODR (Listing Obligations and Disclosure Requirements) (4th amendment) Regulations, 2018 notified on June 07, 2018 and further notification dated 30/11/2018 any request for physical transfer of shares shall not be processed w.e.f April 01,2019.

# NOTICE TO AGM

Further, in compliance with SEBI vide its circular SEBI/HO/ MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25th January 2022, the following requests received by the Company in physical form will be processed and the shares will be issued in dematerialization form only:-

- i. Issue of duplicate share certificate
- ii. Claim from unclaimed suspense account
- iii. Renewal/Exchange of securities certificate
- iv. Endorsement
- v. Sub-division / splitting of securities certificate
- vi. Consolidation of securities certificates/folios
- vii. Transmission
- viii. Transposition

For this purpose, the securities holder/claimant shall submit a duly filled up Form ISR-4 which is hosted on the website of the company as well as on the website of MAS Services Ltd, Registrar and share transfer agent (RTA) The aforementioned form shall be furnished in hard copy form.

**Members holding shares in physical form are requested to dematerialize their holdings at the earliest.**

1. The Securities and Exchange Board of India ('SEBI') vide its circular dated November 03, 2021 read with circular dated December 14, 2021 has made it mandatory for the shareholders holding securities in physical form to furnish PAN, KYC (complete address with pin-code, bank detail with MICR-CODE & IFS CODE, Email-ID, Mobile Number) and Nomination details to the Registrar and Transfer Agent ('RTA') of the Company. Effective from 1st January 2022. Registrar will not process, any service requests or complaints received from the member until unless above KYC and nomination will not be completed by shareholder and such shareholders holding will be fridge by RTA on or after 1st April 2023.

The shareholders holding shares in physical form are requested to note that in case of failure to provide required documents and details as per aforesaid SEBI circular, all folios of such shareholders shall be frozen on or after April 01, 2023 by the RTA. In view of the above, shareholders of the Company holding securities in physical form are requested to provide following documents/details to RTA:

- i. PAN; (using ISR-1)
- ii. Nomination in Form No.SH-13 or submit declaration to 'Opt-out' in Form ISR-3;
- iii. Contact details including Postal address with PIN code, Mobile Number, E-mail address;
- iv. Bank Account details including Bank name and branch, Bank account number, IFS code;
- v. Specimen signature. (using ISR-2)

Any cancellation or change in nomination shall be provided in Form No.SH-14

All of above required documents/details to be sent at the address of registered office of the RTA. The shareholders can download the forms mentioned in SEBI circular from the website of the Company or RTA website i.e [www.masserv.com](http://www.masserv.com).

In terms of Section 72 of the Companies Act, 2013 and the applicable provisions, the shareholders of the Company may nominate a person in whose name the shares held by him/them shall vest in the event of his/their death. Shareholders desirous of availing this facility may submit the requisite nomination form.

A separate communication has already been sent to the respective shareholders.

# NOTICE TO AGM

In compliance with the aforesaid MCA and SEBI Circulars, the Notice of the AGM along with the Annual Report 2024-25 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 2024-25 are available on the website of the Company at <https://skflindia.com/> and on the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at <https://www.nseindia.com/> and on the website of National Securities Depository Limited (NSDL) i.e. [www.evoting.nsdl.com](http://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).

As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their

1. holdings to dematerialized form. Members can contact the Company Secretary or Mas Services Limited, Company's Registrar and Share Transfer Agents ("RTA") (Tel. No. 011 26387281/82/83) for assistance in this regard.
2. Members who have not yet registered their e-mail addresses are requested to register the same with their Depository Participants ("DP") in case the shares are held by them in electronic form and with the Company/RTA in case the shares are held by them in physical form.
3. 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 if the shares are held by them in electronic form and to the Company / RTA if the shares are held by them in physical form.
4. For receiving all future correspondence (including Annual Report) from the Company electronically –

In case you have not registered your email ID with the Company/ Depository, please follow below instructions to register your email ID for obtaining Annual Report for FY 2024-2025 and login details for e-voting.

## Physical Holding

Send a signed request letter to Registrar and Transfer Agents of the Company, MAS Services Limited at [investor@masserv.com](mailto:investor@masserv.com) providing Folio Number, Name of the 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) with subject line (Register E-mail ID Folio No (Mention Folio No) of Uma Exports Limited.

## Demat Holding

Please contact your Depository Participant (DP) and register your email address as per the process advised by DP.

5. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2024-25 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. Further, those members who have not registered their e-mail addresses and mobile nos. and in consequence could not be served the Notice of the AGM and Annual Report may get themselves registered with RTA by emailing for obtaining the same. Members are requested to support our commitment to environmental protection by choosing to receive the Company's communications through e-mail going forward.

Members may note that the Notice and Annual Report 2024-25 will also be available on the Company's website <https://skflindia.com/> , websites of the Stock Exchanges i.e. National Stock Exchange of India Limited at <https://www.nseindia.com/> and on the website of NSDL <https://www.evoting.nsdl.com>



# NOTICE TO AGM

6. In line with the measures of "Green Initiatives", the Act provides for sending Notice of the AGM and all other correspondences through electronic mode. Hence, Members who have not registered their email IDs so far with their depository participants are requested to register their email ID for receiving all the communications including Annual Report, Notices etc., in electronic mode. The Company is concerned about the environment and utilises natural resources in a sustainable way.

7. 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 Tuesday, September 23, 2025, such person may obtain the User ID and Password from RTA by e-mail request on [investor@masserv.com](mailto:investor@masserv.com).

8. 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.

The Company has not paid any dividend in past, thus, details of the amount of dividend which remained 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.

1. 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.

2. SEBI has made it mandatory for all Companies to use the bank account details furnished by the Depositories and the bank account details maintained by the RTA for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS)/ Real Time Gross Settlement (RTGS)/ Direct Credit/NEFT etc. In the absence of ECS facilities, the Company will print the bank account details if available, on the payment instrument for distribution of dividend.

In order to receive the dividend without loss of time, the Members holding shares in physical form are requested to submit particulars of their bank accounts along with the original cancelled cheque bearing the name of the Member to the RTA, MAS Services Limited/Company to update their bank account details and all the eligible shareholders holding shares in demat mode are requested to update with their respective DPs, their correct Bank Account Number, including 9 Digit MICR Code and 11 digit IFSC Code, e-mail ID and Mobile No(s).

Members holding shares in physical form may communicate these details to the RTA viz. MAS Services Limited having address at RTA i.e. MAS Services Limited, having address at T-34 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi 110020, by quoting the reference folio number and attaching photocopy of the cheque leaf of their active bank account and a self-attested copy of their Permanent Account Number ('PAN') card.

This will facilitate the remittance of the dividend amount as directed by SEBI in the bank account electronically. Updation of e-mail IDs and Mobile No(s) will enable the Company in sending communication relating to credit of dividend, un-encashed dividend, etc.

The Company or RTA cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the DPs of the Members.

3. 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 Saturdays, upto the date of meeting.

4. 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)

# NOTICE TO AGM

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 2<sup>nd</sup> Annual General Meeting (AGM) through electronic voting system, to members holding shares as on Tuesday, September 23, 2025 (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	Mr. Radhe Shyam Daga	Mr. Pankaj Kumar Mohta
DIN	7848061	11178087
Date of Birth	June 12, 1958	20 Sep 1990
Age	67 years	35 years
Date of Appointment	11 Apr 2023	8 Sep 2025
Qualification	Undergraduate	CA and CS
Experience and Expertise	Mr. Daga is having more than 20 years of experience in textile industry. He is presently supervising the day-to-day operations of the company	12 years of comprehensive experience in practice. Currently serving as Managing Partner at R L Mundhra & Co since 2013, specializing in Company Audit, Corporate Laws, Direct Taxes, and GST matters. Proven track record in delivering quality professional services across diverse industry sectors with strong expertise in statutory compliance and tax advisory.
Number of Meetings of the Board attended during the financial year (2024-25)	9 out of 9 meetings	-
List of Directorship/ Membership /Chairmanship of Committees of other Board	IGK Technical Textiles LLP (as nominee of the Company) Textron Fabtech LLP (as nominee of the Company)	Rudra Advisory Private Limited
Membership / Chairmanship of Committees of Other Board:	NIL	NIL
Shareholding in the Company	12,50,000 shares (17.68%)	-
Relationship with other 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	Mr. Daga is having more than 20 years of experience in textile industry. He is presently supervising the day-to-day operations of the company  Rs 5,00,000/- pm	12 years of comprehensive experience in practice. Currently serving as Managing Partner at R L Mundhra & Co since 2013, specializing in Company Audit, Corporate Laws, Direct Taxes, and GST matters. Proven track record in delivering quality professional services across diverse industry sectors with strong expertise in statutory compliance and tax advisory.
Justification for choosing the appointees for appointment as Independent Directors	NA	His expertise can guide the company in field of taxation and legal matter.

# NOTICE TO AGM

---

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

The remote e-voting period begins on Saturday, September 27, 2025 at 9:00 A.M. and ends on Monday, September 29, 2025 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. Tuesday, September 23, 2025, 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 Tuesday, September 23, 2025.

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:



# NOTICE TO AGM

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>1. 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: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> 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 &amp; voting during the meeting.</p> <p>2. Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>3. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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 &amp; voting during the meeting.</p> <p>5. Shareholders/Members can also download NSDL Mobile App "NSDL Speed_e" facility by scanning the QR code mentioned below for seamless voting experience.</p>
Individual Shareholders holding securities in demat mode with CDSL	<p>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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</p> <p>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.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; 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.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>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 &amp; voting during the meeting.</p>

# NOTICE TO AGM

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned 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 fag any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members fag any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

# NOTICE TO AGM

**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?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

5. Password details for shareholders other than Individual shareholders are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

c) How to retrieve your ‘initial password’?

(i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, 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](http://www.evoting.nsdl.com).

b) [Physical User Reset Password?](#)” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

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.



# NOTICE TO AGM

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.
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.: 022 – 4886 7000 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 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 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.

# NOTICE TO AGM

---

## **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.
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](mailto:cs@skflindia.com). The same will be replied by the company suitably.

# NOTICE TO AGM

---

## 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, Practig 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 BSE Limited and National Stock Exchange of India Limited.

September 8, 2025

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](mailto:shreekarni@skflindia.com)

Website: [www.skflindia.com](http://www.skflindia.com)

: L47820GJ2023PLC140106 By order of the Board

For Shree Karni Fabcom Limited

**Rajiv Lakhotia**

**Managing Director**

**DIN: 02939190**



# NOTICE TO AGM

ANNEXURE TO THE NOTICE

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

ITEM NO. 3

To approve material related party transaction with M/S. IGK Technical Textiles LLP (Common Directorship/Designated Partner):

Pursuant to Section 188 of the Companies Act 2013 and the applicable Rules framed thereunder state that any related party transaction in relation to sale, purchase or supply of goods or material, directly or through appointment of agent amounting to or exceeding 10% or more of the turnover of the Company as per the latest audited financial statement for the preceding financial year shall not be entered into by the company except with the prior approval of the Company by a resolution.

During the Financial Year 2025-26, the Company, proposes to enter into certain related party transaction(s) with M/S. IGK Technical Textiles LLP as mentioned below, on mutually agreed terms and conditions, and the aggregate of such transaction(s) are expected to cross the applicable materiality thresholds.

Accordingly, transaction(s) entered M/S. IGK Technical Textiles LLP comes within the meaning of Related Party Transaction(s) in terms of provisions of the Act applicable rules framed thereunder. All the said transactions shall be in the ordinary course of business of the Company and on an arm's length basis. The Board of Directors, at its meeting held on May 26, 2025, upon recommendation of the Audit Committee of the Company, at its meeting held on same day, had, subject to approval of members of the Company, approved an aggregate limit not exceeding Rs. 30 crores (Rupees Thirty Crore) company for transactions involving purchase and sales for the financial year 2025-26 with M/S. IGK Technical Textiles LLP, related parties within the definition of Section 2(76) of the Act.

Except Mr. Radhe Shyam Daga along with their relatives are concerned or interested in the resolution. None of the other Directors and/ or Key Managerial Personnel of the Company and/or their respective relatives are concerned or interested either directly or indirectly, except to the extent of their shareholding in the Company, if any, in the Resolution mentioned at Item No. 03 of the Notice.

The Board recommends the relevant Ordinary resolution set forth at Item no. 03 in the Notice for the approval of the Members for the said Related Party Transaction(s) proposed to be entered by our Company.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 as amended till date.

Particulars of the transactions with IGK Technical Textiles LLP are as follows:

# NOTICE TO AGM

Sl No	Particulars	Remarks
1	Name of Related Parties	IGK Technical Textiles LLP
2	Name of the Director or KMP who is related	Mr Radhe Shyam Daga along with their relatives are concerned or interested in the resolution
3	Nature of relationship	Mr Radhe Shyam Daga is the director of Shree Karni Fabcom Limited and Designated Partner of IGK Technical Textiles LLP
4	Type of transaction	Sale, purchase, supply of goods or materials, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials, services, property or appointment of such related party to any office or place of profit in the Company, or its subsidiary or associate company or any other transactions of whatever nature.
5	Monetary value	Rs 30 Crores
6	Justification as to why the RPTs are in the interest of the Company	Such transactions are at arm's length and in ordinary course of business
7	Nature materials terms and particulars of the Contracts/arrangements	Purchase of Products and Raw materials
8	Any advance paid or received for the contracts/ arrangements	NA
9	Tenure of contracts/arrangement	April 1, 2025 to March 31, 2026 and onwards
10	Any other information relevant or important for the members to take a decision on the proposed resolution.	All important information forms part of notice.

# NOTICE TO AGM

---

## ITEM NO. 4

To approve material related party transaction with M/S. Textron Fabtech LLP (Common Directorship/Designated Partner):

Pursuant to Section 188 of the Companies Act 2013 and the applicable Rules framed thereunder state that any related party transaction in relation to sale, purchase or supply of goods or material, directly or through appointment of agent amounting to or exceeding 10% or more of the turnover of the Company as per the latest audited financial statement for the preceding financial year shall not be entered into by the company except with the prior approval of the Company by a resolution.

During the Financial Year 2025-26, the Company, proposes to enter into certain related party transaction(s) with M/S. Textron Fabtech LLP as mentioned below, on mutually agreed terms and conditions, and the aggregate of such transaction(s) are expected to cross the applicable materiality thresholds.

Accordingly, transaction(s) entered M/S. Textron Fabtech LLP comes within the meaning of Related Party Transaction(s) in terms of provisions of the Act applicable rules framed thereunder. All the said transactions shall be in the ordinary course of business of the Company and on an arm's length basis. The Board of Directors, at its meeting held on May 26, 2025, upon recommendation of the Audit Committee of the Company, at its meeting held on same day, had, subject to approval of members of the Company, approved an aggregate limit not exceeding Rs. 5 crores (Rupees Five Crore) company for transactions involving purchase and sales for the financial year 2025-26 with M/S. Textron Fabtech LLP, related parties within the definition of Section 2(76) of the Act.

Except Mr. Radhe Shyam Daga along with their relatives are concerned or interested in the resolution. None of the other Directors and/ or Key Managerial Personnel of the Company and/or their respective relatives are concerned or interested either directly or indirectly, except to the extent of their shareholding in the Company, if any, in the Resolution mentioned at Item No. 04 of the Notice.

The Board recommends the relevant Ordinary resolution set forth at Item no. 04 in the Notice for the approval of the Members for the said Related Party Transaction(s) proposed to be entered by our Company.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 as amended till date.

Particulars of the transactions with IGK Technical Textiles LLP are as follows:



# NOTICE TO AGM

SI No	Particulars	Remarks
1	Name of Related Parties	M/S. Textron Fabtech LLP
2	Name of the Director or KMP who is related	Mr Radhe Shyam Daga along with their relatives are concerned or interested in the resolution
3	Nature of relationship	Mr Radhe Shyam Daga is the director of Shree Karni Fabcom Limited and Designated Partner of IGK Technical Textiles LLP
4	Type of transaction	Sale, purchase, supply of goods or materials, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials, services, property or appointment of such related party to any office or place of profit in the Company, or its subsidiary or associate company or any other transactions of whatever nature.
5	Monetary value	Rs 5 Crores
6	Justification as to why the RPTs are in the interest of the Company	Such transactions are at arm's length and in ordinary course of business
7	Nature materials terms and particulars of the Contracts/arrangements	Purchase of Products and Raw materials
8	Any advance paid or received for the contracts/ arrangements	NA
9	Tenure of contracts/arrangement	April 1, 2025 to March 31, 2026 and onwards
10	Any other information relevant or important for the members to take a decision on the proposed resolution.	All important information forms part of notice.

# NOTICE TO AGM

## ITEM NO. 5

Mr. Pankaj Kumar Mohta (DIN: 11178087) has been appointed as an Additional Director (Independent) of the Company w.e.f. September 8, 2025.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company ("Board") at its meeting held on September 8, 2025 had appointed Mr. Pankaj Kumar Mohta (DIN: 11178087) as Additional Director (Non-Executive, Independent) of the Company for a first term of five (5) years effective from September 08, 2025, not liable to retire by rotation, subject to approval of the shareholders of the Company. Further, in terms of the amended Regulation 17(1C) of the SEBI Listing Regulations, effective from January 01, 2022, a listed entity shall ensure that the approval of shareholders for appointment of a person on the Board of Directors has to be taken either at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, approval of the shareholders is sought to comply with the SEBI Listing Regulations.

The Company has received from Mr. Pankaj Kumar Mohta (i) consent in writing to act as Directors in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that they are not disqualified under Section 164(2) of the Act and (iii) a declaration to the effect that he meet the criteria of independence as provided in Section 149(6) of the Act and under SEBI Listing Regulations. He do not hold any equity shares of the Company. The Company has also received a Notice under Section 160 of the Act from a member proposing candidature of Mr. Pankaj Kumar Mohta for the office of Directors of the Company.

None of the Directors, Key Managerial Personnel of the Company or their relatives, are in any way, concerned or interested, financially or otherwise, in resolutions set out respectively at Item No. 5 of the Notice.

The Board recommends the resolutions set forth in the Item No. 5 of the Notice for approval of the members.

September 8, 2025

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

: L47820GJ2023PLC140106 By order of the Board

For Shree Karni Fabcom Limited

**Rajiv Lakhotia**

Managing Director

DIN: 02939190

FROM FABRIC TO FINISHED GOOD  
— INTEGRATION IS OUR EDGE.





# DIRECTOR'S REPORT

TO,  
THE MEMBERS,  
SHREE KARNI FABCOM LIMITED

Your Directors are pleased to submit the 2nd 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, 2025. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

## 1. FINANCIAL SUMMARY OR HIGHLIGHTS / PERFORMANCE OF THE COMPANY

The Financial Results for the year ended March 31, 2025 and the corresponding figure for the previous year are as under:

Particulars	Standalone		Consolidated	
	2024-25	2023-24	2024-25	2023-24
Revenue from Operations	16,571.03	13,079.84	16,697.77	13,707.77
Other Income	17.790	3.877	24.852	7.093
<b>Total Income</b>	<b>16,748.93</b>	<b>13,118.61</b>	<b>16,946.29</b>	<b>13,778.70</b>
Total Expenditure	14,699.68	11,422.26	14,786.37	11,875.12
<b>Profit before tax</b>	<b>204.925</b>	<b>1,696.35</b>	<b>2,159.92</b>	<b>1,903.58</b>
Current Tax	47.079	40.202	53.139	40.202
Income tax Adjustment	1.898	949	1.898	949
Deferred Tax Adjustment	4.884	(16.31)	4.884	(16.31)
<b>Profit after Tax</b>	<b>1,510.64</b>	<b>1,301.15</b>	<b>1,510.64</b>	<b>1,471.26</b>
Basic Earnings per share (in ₹)	2.136	2.501	2.251	2.080

# DIRECTOR'S REPORT

## Notes:

· Equity shares are at par value of ₹10/- per share.

## 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 2025.

## 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 FY2025:

Ø Revenue from operations at ₹ 16,697.77 lakhs in FY 25 as compared to ₹ 13,707.77 lakhs in FY24, translating to a growth of 21.82% on consolidated basis.

Ø PAT at ₹1,510.64 lakhs in FY 25 as compared to ₹1471.26 lakhs in FY 24, translating to a staggering growth of 2.68% 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.

## 6. CHANGE IN NAME AND STATUS OF THE COMPANY

During the financial year, there has been no change in the name or legal status of the Company. The Company continues to operate under the same name and corporate structure as in the previous year.

## 7. UTILISATION OF FUNDS RAISED THROUGH IPO

During the year under review, the Company has fully utilized the proceeds raised through Initial Public Offer in line with the Objects of Issue as mentioned in the Prospectus dated March 12, 2024

## 8. DEMATERIALISATION OF SHARES

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, 2025, 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.

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

# DIRECTOR'S 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:

## 10. ALTERATION OF MEMORANDUM AND ARTICLES OF ASSOCIATION

During the financial year, there has been no alteration in the Memorandum of Association or Articles of Association of the Company. The existing provisions remain unchanged and continue to govern the operations of the Company.

## 11. 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
BTHPV0375G	Dhiraj Ramkishor Vaishnav	Appointed as Company Secretary & Compliance Officer of the Company*	August 24, 2024

\*Mr. Dhiraj Ramkishor Vaishnav has resigned from the position of Company Secretary & Compliance Officer of the Company w.e.f. August 5, 2025.

# Due to sudden demise of Mr. Sriyans Lunia he ceased to be the Independent Director of the Company w.e.f 31.05.2025

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Radhe Shyam Daga (DIN: 07848061), Whole Time 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 at the Annual General Meeting of the Company.. A brief profile of Mr. Radhe Shyam Daga (DIN: 07848061), has been given in the Notice convening the forthcoming AGM for reference of the shareholders.

## 12. 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.

## 13. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, Regulation 17(10) of the Listing Regulations and in line with our corporate governance guidelines, 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.



# DIRECTOR'S REPORT

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 them.

## 14. BOARD MEETING

During the year under review Board met 02-04-2024; 29-05-2024; 24-08-2024; 31-08-2024; 27-09-2024; 12-11-2024; 28-11-2024; 07-01-2025; 18-01-2025. There were 9 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.

## 15. MEETING OF THE INDEPENDENT DIRECTORS

During FY2024-25, one meeting of Independent Directors was held without the presence of the Executive Directors or Management Personnel on March 20, 2025. 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.

## 16. COMMITTEES OF THE BOARD

### A. AUDIT COMMITTEE

The Audit Committee of the Board comprises of:

Name of Directors	Category
Swati Singhania	Independent Director- Chairperson
Rashmi Bihani	Independent Director
Pankaj Kuamr Mohta	Additional Director
Raj Kumar Agarwal	Whole-Time Director

\*Sriyans Lunia demised on May 31, 2025 hence the committee got reconstituted

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.

### A. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board comprises of:

# DIRECTOR'S REPORT

Name of Directors	Category
Swati Singhania	Independent Director- Chairperson
Rashmi Bihani	Independent Director
Pankajkumar Mohta	Additional Director

\*Sriyans Lunia demised on May 31, 2025 hence the committee got reconstituted

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.

## A. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of the Board comprises of:

Name of Directors	Category
Swati Singhania	Independent Director- Chairperson
Rashmi Bihani	Independent Director
Pankajkumar Mohta	Additional Director

\*Sriyans Lunia demised on May 31, 2025 hence the committee got reconstituted

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.

## A. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social responsibility Committee of the Board comprises of:

# DIRECTOR'S REPORT

Name of Directors	Category
Radhe Shyam Daga	Wholetime Director- Chairperson
Swati Singhania	Independent Director
Pankaj Kumar Mohta	Additional Director

\*Sriyans Lunia demised on May 31, 2025 hence the committee got reconstituted

The CSR policy of the Company can be viewed at [www.skflindia.com/code-and-policies/](http://www.skflindia.com/code-and-policies/)

## 17. 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 information or participates in the said investigation. The Whistle Blower Policy is displayed on the Company's website at <https://skflindia.com/wp-content/uploads/2023/12/WHISTLE-BLOWER-POLICY.pdf>.

No individual in the Company has been denied access to the Audit Committee or its Chairman during the FY2024-25.

## 18. 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 <https://skflindia.com/wp-content/uploads/2023/12/Nomination-and-Remuneration-Policy.pdf>.

## 19. CORPORATE SOCIAL RESPONSIBILITY

The provisions of CSR have become applicable to the Company w.e.f April 2024 as the average net profit for FY 2024 and FY 25 has been exceeded the limit of Rs 5 Crores. The Audited Accounts for FY 2025 were approved by the Board of Directors on May 29, 2025.

The Company is liable to spend Rs 31.89 Lakhs towards CSR activities during the year 2024-25 as per the Company's CSR policy out of which the Company spend Rs 39.67 Lakhs. The CSR report for FY 2025 has been given in Annexure 1.



# DIRECTOR'S REPORT

## 20. 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.

## 21. 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, 2025.

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 2".

Further, pursuant to the provisions of Section 136 of the Companies Act, 2013, the standalone and consolidated financial statements of the Company, are available on the website of the Company at [www.skflindia.com](http://www.skflindia.com) 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.

## 22. 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 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.

## 23. 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.

## 24. AUDITORS & AUDITORS' REPORT

Board of Directors of the Company at their meeting held on August 24, 2025 based on the recommendation of the Audit Committee and pursuant to the approval of the shareholders of the Company at their 1st Annual General Meeting of the Company held on 28.09.2024, had appointed M/s. Baid Agarwal Singhi & Co., Chartered Accountants, (Firm Registration No. 328671E), as the Statutory Auditors, for a period of 5 (five) years i.e. from the conclusion of the 1st Annual General Meeting till the conclusion of 6th Annual General Meeting.

# DIRECTOR'S REPORT

## 25. CORPORATE GOVERNANCE

As the Company is listed on the Emerge platform of NSE, corporate governance provisions as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the Company for the year under review. 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.

## 26. 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. Shahnawaz (Membership No. 21427 CP No. 15076), Practig Company Secretary, to carry out the Secretarial Audit of the Company for FY 2024-25. The Secretarial Audit Report submitted by him, for FY2024-25 is annexed herewith marked as Annexure 4 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.

Board recommends appointment of CS Md. Shahnawaz (Membership No. 21427 CP No. 15076), Practig Company Secretary as the Secretarial Auditor of the Company for the period of 5 consecutive financial years commencing from FY 2025-26 and ending in FY 2029-30 subject to the approval of the Shareholders of the Company in the ensuing Annual General Meeting

## 27. 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).

## 28. 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 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:

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

# DIRECTOR'S REPORT

M/s. R S Y & Co, Chartered Accountants, had carried out Internal Audit of the Company for the FY S2024-25.

## 29. 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.

## 30. 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, 2025 is available on the Company's website at [www.skflindia.com](http://www.skflindia.com).

## 31. 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 2024-25.

## 32. 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, 2025.

## 33. 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, is annexed as Annexure 3.

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 and is available on the Company's website: <https://skflindia.com/wp-content/uploads/2023/12/RELATED-PARTY-TRANSACTION-POLICY.pdf>.

## 34. 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, 2025 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 5 and forms part of this report.

## 35. 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



# DIRECTOR'S REPORT

There are no employees who are receiving remuneration exceeding of Rs. eight lakh and fifty thousand per month or Rs. one crore and two lakh rupees per annum under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Details of remuneration and top ten employees has been annexed as Annexure 6.

## 36. 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, were applicable to the Company during the year under review and the same has been duly maintained.

## 37. 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

## 38. 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.

## 39. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Board, to the best of their knowledge and based on the information and explanations received from the Company, confirm 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 had 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 had 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 systems were adequate and operating effectively.

## 40. 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.

# DIRECTOR'S REPORT

The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations. The Code is displayed on the Company's website at [https://skflindia.com/wp-content/uploads/2025/05/Code\\_of\\_Conduct\\_for\\_Prohibition\\_of\\_Insider\\_Trading.pdf](https://skflindia.com/wp-content/uploads/2025/05/Code_of_Conduct_for_Prohibition_of_Insider_Trading.pdf).

## 41. 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 FY2025 on August 9, 2024.

There was no complaint pending at the beginning and at the end of FY2024-25. No complaints have been received by the Committee during the FY2024-25.

## 42. MATERNITY BENEFIT PROVIDED BY THE COMPANY UNDER MATERNITY BENEFIT ACT 1961:

The Company declares that it has duly complied with the provisions of the Maternity Benefit Act, 1961. All eligible women employees have been extended the statutory benefits prescribed under the Act, including paid maternity leave, continuity of salary and service during the leave period, and post-maternity support such as nursing breaks and flexible return-to-work options, as applicable. The Company remains committed to fostering an inclusive and supportive work environment that upholds the rights and welfare of its women employees in accordance with applicable laws.

## 43. 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.

## 44. 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 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.

# DIRECTOR'S REPORT

---

## 45. 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.

## 46. 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.

## 47. GREEN INITIATIVES

In commitment to keeping in line with the Green Initiative and going beyond it to create new green initiations, an electronic copy of the Notice of the 2nd Annual General Meeting of the Company along with a copy of the Annual Report is being sent to all Members whose email addresses are registered with the Company/ Depository Participant(s) and will is also available at the Company's website at <https://skflindia.com/>.

## 48. 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: September 8, 2025

Radhe Shyam Daga Rajiv Lakhotia  
(Whole Time Director) (Managing Director)  
DIN: 07848061 DIN: 02939190  
Place: Surat Place:Kolkata



# ANNEXURE - 1

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY FOR THE FINANCIAL YEAR 2024-25

1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

The CSR Committee of the Board was constituted by the Board of Directors in compliance with the requirement of the said section read with relevant rules.

The Company carries out CSR activities through directly and through trust registered with MCA. The Company's CSR Policy focuses on following major philanthropic areas:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- Promoting education by building schools and colleges and providing assistance for their maintenance.
- Promoting education, including special education and employment enhance vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- Empowering the girl child through education and other initiatives.
- Improving healthcare (including preventive healthcare) by distributing free medicines and setting up dispensaries, health centres and maintenance thereof and providing assistance to charitable hospitals.
- Promoting sports.
- Focusing on community development through donations.

During FY2024-25, as per Section 135 of the Act, an amount of Rs. 31.89 lakhs was required to be spent by the Company on CSR activities. The Company has spent Rs. 39.67 lakhs during FY2025, eradication of hunger, promoting healthcare, setting up homes for orphans etc.

2. The composition of the CSR Committee as on March 31, 2025:

Sl.No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Sriyans Lunia	Independent Director	1	1
2	Swati Singhanian	Independent Director	1	Nil
3	Radhe Shyam Daga	Director	1	1

# ANNEXURE - 1

\*Sriyans Lunia demised on May 31, 2025 hence the committee got reconstituted

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Composition of the CSR committee shared above and is available on the Company's website on-  
www.skflindia.com

CSR policy- [www.skflindia.com/code-and-policies/](http://www.skflindia.com/code-and-policies/)

CSR projects: Not Applicable as the Company have not identified any CSR Project.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

6. Average net profit of the company as per section 135(5) - ₹ 1594.36 lakhs

7. (a) Two percent of average net profit of the company as per section 135(5) - ₹31.89 lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - Nil

(c) Amount required to be set off for the financial year, if any- ₹ Nil

(d) Total CSR obligation for the financial year (7a+7b-7c). - ₹ 31.89 lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in Lakhs)	Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount (₹ in Lakhs)	Date of transfer	Name of the Fund	Amount (₹ in Lakhs)	Date of transfer
1.000	Nil	Nil	Sri Venkateswara Anna Prasadam	1.000	21 Aug 2024
100	Nil	Nil	Manav Sewa Samiti	100	22 Apr 2024
467	Nil	Nil	Apnagar Asharam	467	23 Dec 2024
650	Nil	Nil	Shri Murli Manohar Gaushala	650	24 Jan 2025
1.750	Nil	Nil	Manguba Public Charitable Trust	1.750	27 Mar 2025

(b) Details of CSR amount spent against on-going projects for the financial year:

# ANNEXURE - 1

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration (in years)	Amount allocated for the project (₹ in Lakhs)	Amount spent in the current financial year (₹ in Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
Not Applicable												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ in '000)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
Not Applicable									



# ANNEXURE - 1

- (d) Amount spent in Administrative Overheads - Nil  
 (e) Amount spent on Impact Assessment, if applicable - Not Applicable  
 (f) Total amount spent for the Financial Year (8a+8b+8c+8d+8e) - ₹ 39.67 lakhs  
 (g) Excess amount for set off, if any-7.78 lakhs

Sl.No.	Particular	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	3.189
(ii)	Total amount spent for the Financial Year	3.967
(iii)	Excess amount spent for the financial year [(ii)-(i)]	778
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	778

## 9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Lakhs)	Amount spent in the reporting Financial Year (₹ in Lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹ in Lakhs)
				Name of the Fund	Amount (₹ in Lakhs)	Date of transfer	
Not Applicable as there was no unspent amount in the preceding 3 financial years							

## (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
Not Applicable as the company has not undertaken any project								

# ANNEXURE - 1

---

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s)- Nil

(b) Amount of CSR spent for creation or acquisition of capital asset. - Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - Nil

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). - Nil

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)- Not Applicable

For and on behalf of the Board of Directors  
SHREE KARNI FABCOM LIMITED

Date: September 8, 2025

Radhe Shyam Daga Rajiv Lakhotia  
(Whole Time Director) (Managing Director)  
DIN: 07848061 DIN: 02939190  
Place: Surat Place:Kolkata

# ANNEXURE - 2

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	2024-25	2024-25
3	Share capital	6.953.036.968	32,582,661
4	Reserves & surplus	NIL	NIL
5	Total assets	242,903,255	2,194,562
6	Total Liabilities	346,150,094	18,232,179
7	Investments	21,767,469	-
8	Turnover	250,465,687.64	209215956
9	Profit /Loss before taxation	1,82,04,632.21	(2,130,824.94)
10	Other Comprehensive Income	34,755,184	117,940.12
11	Provision for taxation	6,059,377	-
12	Profit after taxation(incl. other comprehensive income)	12,145,255.21	(2,130,824.94)
13	Proposed Dividend	NIL	NIL
14	% of shareholding	6.667%	45%

For and on behalf of the Board of Directors  
SHREE KARNI FABCOM LIMITED

Date: September 8, 2025

Radhe Shyam Daga Rajiv Lakhotia  
(Whole Time Director) (Managing Director)  
DIN: 07848061 DIN: 02939190  
Place: Surat Place:Kolkata



# ANNEXURE - 3

## ANNEXURE- 3

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013, including certain arm's length transactions under third proviso thereto.

### 1. Details of contracts or arrangements or transactions not at arm's length basis

During the year under review, the contracts or arrangement or transactions with related party were done at arm's length basis.

### 2. Details of material contractors or arrangement or transactions at arm's length basis

Name(s) of the related party and nature of relationship	International Trade Link (Common partner)	Textron Fabtech LLP (Common partner)	Textron Fabtech LLP (Common partner)	IGK Technical Textiles LLP (Common partner)	Bright Future Exports (Common partner)	Shreeji Fabrics (Common partner)	Aaradhya Impex (Common partner)	Aaradhya Impex (Common partner)
Nature of contracts/arrangements/transactions	Purchase of goods and Services	Purchase of goods and Services	Sale of goods and services	Purchase of goods and Services	Purchase of goods and Services	Purchase of goods and Services	Purchase of goods and Services	Sale of goods and services
Duration of the contracts /arrangements/transactions	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing
Salient terms of the contracts or arrangements or transactions including the value, if any	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Date of approval by the Board, if any	29 Mei...	29 Mei...	29 Mei...	29 Mei...	29 Mei...	29 Mei...	29 Mei...	29 Mei...
Amount paid as advances, if any:	NA	NA	NA	NA	NA	NA	NA	NA

Note: Appropriate approvals have been taken for Related Party Transactions. All the transactions referred above are in the Ordinary Course of business and on arm's length basis.

For and on behalf of the Board of Directors  
SHREE KARNI FABCOM LIMITED

Date: September 8, 2025

Radhe Shyam Daga Rajiv Lakhotia  
(Whole Time Director) (Managing Director)  
DIN: 07848061 DIN: 02939190  
Place: Surat Place:Kolkata

# ANNEXURE - 4

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

[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

: L47820GJ2023PLC140106

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 March 31, 2025, 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, 2025, 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;

# ANNEXURE - 4

- (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;
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015; and

I 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.

# ANNEXURE - 4

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. In accordance with Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), following securities were issued on a preferential basis ("Preferential Issue") at its Board Meeting held on January 18, 2025:

A) 5,23,050 (Five Lakh Twenty-Three Thousand Fifty) equity shares, having face value of Rs. 10/- each at a price of Rs.765/- (Rupees Seven Hundred and Sixty-Five Only) per equity share, aggregating to Rs 40,01,33,250/- (Rupees Forty Crore One Lakh Thirty Three Thousand Two Hundred Fifty Only) to the persons belonging to public category.

B) 3,15,000 (Three Lakh Fifteen Thousand) warrants, each carrying a right to subscribe to 1 (one) equity share at an exercise price of Rs.765/- (Rupees Seven Hundred and Sixty-Five Only) per equity share aggregating to Rs.24,09,75,000/- (Rupees Twenty-Four Crores Nine Lakh Seventy Five Thousand Only) to the persons belonging to the promoters and promoters' group.

2. The shareholders of the Company at their Annual General Meeting held on September 28, 2024, have approved appointment of M/s. Baid Agarwal Singhi & Co, Chartered Accountants (Firm Registration Number: 328671E) 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.

3. Appointment of Mr. Dhiraj Ramkishor Vaishnav (Membership No. A62575) as Company Secretary and Compliance Officer (Key Managerial Personnel) of the Company at their Board Meeting held on August 24, 2024.

M Shahnawaz & Associates

Company Secretaries

CS Md. Shahnawaz

Proprietor

Membership No.: 21427

CP No.: 15076

UDIN: A021427G000497276

Place: Kolkata

Date: May 29,2025



# 'ANNEXURE A'

---

To,  
The Members,  
SHREE KARNI FABCOM LIMITED  
: L47820GJ2023PLC140106  
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  
Peer Review Regn No. 6376/2025  
UDIN: A021427G000497276

Place: Kolkata  
Date: May 29, 2025

# ANNEXURE – 5

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

## 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)-  (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	NIL	NIL
<b>Research &amp; Development (R &amp; D) -</b>		
<b>the expenditure incurred on Research and Development</b>	NIL	

(Rs In Lacs)

# ANNEXURE – 5

## C) FOREIGN EXCHANGE EARNING AND OUTGO

Particulars	FY 2025	FY2024
Foreign Exchange earnings	3042	248
Foreign Exchange outgo	478	31

**For and on behalf of the Board of Directors**  
**SHREE KARNI FABCOM LIMITED**

Date: September 8, 2025  
 Radhe Shyam Daga Rajiv Lakhotia  
 (Whole Time Director) (Managing Director)  
 DIN: 07848061 DIN: 02939190  
 Place: Surat Place: Kolkata

# ANNEXURE – 6

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 2024-25, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2025

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 2024-25	Percentage increase in Remuneration during 2024-25
Daga Radheshyam Magniram	Whole-time Director	23.196	68.366
Rajiv Lakhota	Managing Director	23.196	68.366
Manoj Kumar Karnani	Whole-time Director	23.196	68.366
Raj Kumar Agarwal	Whole-time Director	23.196	68.366
Arbind Kumar Lahoty	CFO	1.600	76.473
Dhiraj R. Vaishnav	Company Secretary	882	69.487

- The median remuneration of employees of the Company during the financial year was Rs 37506/- p.a
- During the financial year 100% was increased of median remuneration of employee.
- There were 394 permanent employees on the rolls of the Company as on 31st March, 2025.
- v. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2024-25 was nil % whereas there is nil % 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.

For and on behalf of the Board of Directors  
SHREE KARNI FABCOM LIMITED

Date: September 8, 2025

Radhe Shyam Daga Rajiv Lakhota  
(Whole Time Director) (Managing Director)  
DIN: 07848061 DIN: 02939190  
Place: Surat Place:Kolkata



# ANNEXURE – 6

## Additional Shareholders' Information

FY2025 represents fiscal year 2024-25, from 1 April 2024 to 31 March 2025, and analogously for FY2024 and previously such labelled years.

### 1. General Body Meetings

The Company got incorporated on 11/04/2023, this is the 2nd 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 2nd Annual General Meeting of the Company is scheduled to be held on Tuesday, September 30, 2025, at 1.00 P.M 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 2ndAGM.

### 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 24, 2025 to September 30, 2025 (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 2025.

### 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 2025-26 are as under

For the first half-year ending 30 September 2025 First / Second week of November 2025

For the quarter and nine months ending 31 December 2025 First / Second week of February 2026

AGM for the year ending 31 March 2026 First/Second week of September 2026

### 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 2025-26. The Custodian fee for NSDL & CDSL has also been paid for the FY 2025-26.

# ANNEXURE – 6

## 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.

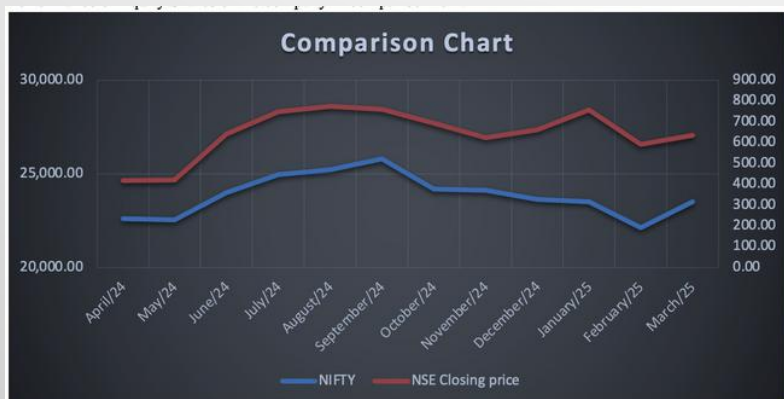
## 7. Market Price Data

52 Week High and Low Prices of the Equity Shares of the Company for the year ended 31st March, 2025:  
(Source: [www.nseindia.com](http://www.nseindia.com))

Month	NSE	
	High	Low
1 Apr 2024	47.300	32.505
May-24	45.500	39.105
June-24	82.450	73.005
July-24	83.500	81.920
August-24	80.700	77.600
1 Sep 2024	84.900	81.800
October-24	76.980	75.500
1 Nov 2024	72.850	70.100
December-24	71.895	69.000
January-25	85.290	81.400
February-25	79.890	78.000
March-25	72.035	70.600

## 8. Performance in comparison to board based indices

Performance of Equity Shares of the company in comparison to NIFTY



# ANNEXURE – 6

## 14. Distribution of shareholding as on March 31, 2025

Range	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total Shares
1 - 5000	361	37.683	83700	1.184
5001 – 10000	337	35.177	212800	3.009
10001 – 20000	115	12.004	160200	2.265
20001 – 30000	35	3.653	88200	1.247
30001 – 40000	13	1.357	47000	665
40001 – 50000	23	2.401	104300	1.475
50001 – 100000	31	3.236	214700	3.036
100001 & Above	43	4.489	6161100	8.712
<b>Total</b>	<b>958</b>	<b>100</b>	<b>7072000</b>	<b>100</b>

## 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, 2025 as under:

# ANNEXURE – 6

Physical	NSDL	CDSL
-	2307750	4764250

## 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. 37 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 has complied with the mandatory requirements of Corporate Governance under listing Regulations and is in the process of implementation of non- mandatory requirements.

### Disclosure of Accounting Treatments

The financial statements of the Company have been prepared in accordance with Indian Accounting Standard (IndAS) 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

### CS Dhiraj Ramkishor Vaishnav

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  
: L47820GJ2023PLC140106



# ANNEXURE – 6

## 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  
: L47820GJ2023PLC140106

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

SL 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: September 8, 2025

Radhe Shyam Daga Rajiv Lakhotia  
(Whole Time Director) (Managing Director)  
DIN: 07848061 DIN: 02939190  
Place: Surat Place: Kolkata

# 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 STANDALONE FINANCIAL STATEMENTS**

### **Opinion**

We have audited the accompanying standalone financial statements of SHREE KARNI FABCOM LIMITED ("the Company") which comprises the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the standalone 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 standalone 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, 2025, 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 Standalone 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 standalone 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 standalone financial statements

### **Key Audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended 31 March 2025. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context:

# INDEPENDENT AUDITOR'S REPORT

Key Audit Matters	Auditor's Response
<p>Valuation of Inventories Refer to note 17 to the standalone financial statements.</p> <p>The Company is having Inventory of Rs. 4,688.36 lakhs as on 31 March 2025. As described in the accounting policies Note No 1(e) to the standalone financial statements, inventories are carried at the lower of cost and net realisable value. Inventory forms a significant part of the Company's assets, given the operational complexity, volume of transactions, and reliance on both physical records and inventory management systems, this area required particular audit attention to ensure accuracy and completeness of reporting.</p>	<p>Based on our procedures, we obtained audit evidence supporting the appropriateness of management's assumptions and judgments applied in determining inventory quantities and values by:</p> <p>Performed walkthroughs of the end-to-end inventory process to understand how stock is recorded, tracked, and reconciled in both physical and software systems</p> <p>Evaluated the effectiveness of controls over stock management and reporting at key locations.</p> <p>Conducted sample-based verification by comparing physical stock with inventory software and accounting records</p> <p>Verifying for a sample of individual products that costs have been correctly recorded.</p>
<p>Related Party Transactions</p> <p>The Company enters into related party transactions as part of its normal business operations. Given their nature, ensuring transparency and appropriate disclosure was a key focus area. Evaluating the basis of management's assumptions and judgments regarding the nature, classification, and presentation of such transactions was critical.</p>	<p>Based on our work, we obtained assurance over the reasonableness of management's assumptions and judgments relating to the identification, classification, and disclosure of related party transactions through:</p> <p>Examined supporting documentation including board approvals, agreements, and related records.</p> <p>Reviewed the Company's process for identification, approval, and documentation of related party transactions.</p> <p>Assessed how management determined the terms of such transactions and evaluated whether they were appropriate and at arm's length.</p> <p>Verified that disclosures were complete and made in accordance with applicable financial reporting requirements.</p>

## RESPONSIBILITY OF MANAGEMENT FOR THE STANDALONE 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 standalone 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 standalone 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.



# INDEPENDENT AUDITOR'S REPORT

---

## AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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

# INDEPENDENT AUDITOR'S REPORT

---

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 standalone 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 31st March 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2025 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 standalone financial statement of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'.

g. With respect to the other matters to be included in the Auditor's Report under Section 197(16) of the Act

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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:

I. The Company does not have any pending litigations which would impact its financial position.

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.

# INDEPENDENT AUDITOR'S REPORT

---

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 entities, 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. Based on our examination, which included test checks, the company has used accounting software for maintaining its books of accounts for the financial year ended 31 March 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further during the course of our audit, we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per statutory requirements for record retention.

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 DHARUV NARAYAN AGARWAL  
(Partner)  
Membership No: 306940

Place: Kolkata  
Dated: 29th May 2025  
UDIN: 25306940BMJBBN1650

# ANNEXURE A - INDEPENDENT AUDITOR'S REPORT

---

Dated: 29th May 2025

UDIN: 25306940BMJBBM4942

## 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 2025, we report that:

i. (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment

(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 Standalone 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 standalone 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 Rs. 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 other than those as set out below:



Quarter	Particulars	Amount as per Statement Provided to bank (A)	Amount as per book (B)	Difference (A-B)	Reason for Variance
Q1	Trade receivables	3,716.50	3,728.04	(11.54)	Primarily due to non availability of credit notes and debit notes at the time of submitting statement to the bank and also due to inclusion of certain costs forming part of the inventory.
	Trade Payable	1,340.09	1,383.22	(43.13)	
	Stock	3,344.90	3,447.83	(102.93)	
	Total Revenue	2,872.00	2,871.36	64	
Q2	Trade receivables	4,585.40	4,585.43	(0.03)	
	Trade Payable	2,212.80	2,230.52	(17.72)	
	Stock	3,539.10	3,529.88	922	
	Total Revenue	7,614.50	7,614.44	6	
Q3	Trade receivables	4,490.20	4,490.08	12	
	Trade Payable	2,299.70	2,298.25	145	
	Stock	4,401.50	4,349.49	5.201	
	Total Revenue	11,370.40	11,370.36	4	
Q4	Trade receivables	5,093.80	5,098.24	(4.44)	
	Trade Payable	2,672.40	2,673.27	(0.87)	
	Stock	4,427.10	4,687.55	(260.45)	
	Total Revenue	16,554.50	16,554.49	1	

# ANNEXURE A – INDEPENDENT AUDITOR’S REPORT

---

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 previous 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, 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 2025 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, 2025 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.

# ANNEXURE A – INDEPENDENT AUDITOR'S REPORT

---

x.

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 standalone 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 standalone 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

ix.

a. The company has not raised monies by way of initial public offer during the year and hence reporting under clause 3(x)(a) of the order is not applicable.

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.

x.

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, 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.

# ANNEXURE A - INDEPENDENT AUDITOR'S REPORT

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 standalone 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 not been resignation of the statutory auditors during the year and accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios (refer Note 42 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone 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.



# ANNEXURE A - INDEPENDENT AUDITOR'S REPORT

---

xx. Based on information and explanations provided to us and our audit procedures, there are no unspent amounts towards Corporate Social Responsibility ("CSR") 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 standalone 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

Place: Kolkata  
Dated: 29th May 2025  
UDIN: 25306940BMJBBN1650

# 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 2025, we report that:

We have audited the internal financial controls over financial reporting of SHREE KARNI FABCOM LIMITED ("the Company") as of 31st March 2025 in conjunction with our audit of the standalone 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 standalone 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 standalone 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 standalone financial statement system and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statement included obtaining an understanding of internal financial controls with reference to standalone 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 standalone 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 standalone financial statement.

# ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

---

## MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statement to future periods are subject to the risk that the internal financial control with reference to standalone 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 Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statement and such internal financial controls with reference to standalone financial statement were operating effectively as at 31st March 2025, 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

Place: Kolkata  
Dated: 29th May 2025  
UDIN: 25306940BMJBBN1650

# NOTE 1 & 2: SIGNIFICANT ACCOUNTING POLICIES

## 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 have 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 Standalone Financial Statements have been prepared by the Management to comply in all material respects with the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act"); b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the "Guidance Note").

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.



# NOTE 1 & 2: SIGNIFICANT ACCOUNTING POLICIES

## **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 LIABILITIES**

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.

# NOTE 1 & 2: SIGNIFICANT ACCOUNTING POLICIES

## **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.

# NOTE 1 & 2: SIGNIFICANT ACCOUNTING POLICIES

## 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 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 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.

## 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.

# NOTE 1 & 2: SIGNIFICANT ACCOUNTING POLICIES

**I. REVENUE RECOGNITION** Our Company's revenue is primarily generated from sale of Technical Textile used by the luggage, medical arch support, chairs, shoes and apparels industry. 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.

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. CWIP**

CWIP includes costs directly attributable to projects in progress, such as the building currently under development. Direct costs comprise materials, labor, equipment, subcontractors, and other resources used specifically for the project. Indirect costs, including administrative expenses, insurance, and supervision, are also allocated as appropriate. Materials inventory includes items purchased but not yet utilized, held in storage or on-site. Labor costs reflect both direct construction labor and supporting indirect labor associated with the project.



**SHREE KARNI FABCOM LIMITED**  
**CIN : L47820GJ2023PLC140106**  
**STANDALONE BALANCE SHEET AS AT 31ST MARCH 2025**

(Rs. In lakhs)

PARTICULARS	Note No.	As at March 31, 2025	As at 31st March, 2024
<b>EQUITY AND LIABILITIES</b>			
1) <b>Shareholder's Fund</b>			
(a) Share Capital	3	707.20	707.20
(b) Reserves and Surplus	4	7,590.72	5,912.23
(c) Money Received Against Share Warrant	5	301.22	-
<b>Total Shareholder's Fund</b>		<u>8,599.14</u>	<u>6,619.43</u>
2) <b>Share Application money pending allotment</b>	6	697.68	-
<b>Liabilities</b>			
3) <b>Non-current liabilities</b>			
(a) Long Term Borrowings	7	518.45	754.37
(b) Deferred Tax liabilities (Net)	8	104.19	55.35
(c) Other Long Term Liabilities	9	21.08	10.43
<b>Total Non-Current Liabilities</b>		<u>643.73</u>	<u>820.15</u>
4) <b>Current liabilities</b>			
(a) Short Term Borrowings	10	6,552.31	4,211.15
(b) Trade Payables	11		
Total outstanding dues of micro enterprises and small enterprises		189.97	637.06
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,799.77	307.02
(c) Other Current Liabilities	12	149.75	102.36
(d) Short term provisions	13	139.72	130.96
<b>Total Current Liabilities</b>		<u>9,831.52</u>	<u>5,388.56</u>
<b>Total Equity and Liabilities</b>		<u><u>19,772.06</u></u>	<u><u>12,828.12</u></u>
<b>ASSETS</b>			
1) <b>Non-Current Assets</b>			
a) <b>Property, Plant &amp; Equipment</b>	14		
i) Tangible Asset		2,957.00	2,428.69
ii) Intangible Asset		387.21	22.48
iii) Capital Work in Progress		3,072.09	331.23
b) <b>Non Current Investments</b>	15	684.98	373.56
c) <b>Other Non Current Assets</b>	16	258.35	217.45
<b>Total non-current assets</b>		<u>7,359.63</u>	<u>3,373.41</u>
2) <b>Current assets</b>			
(a) Inventories	17	4,688.36	3,183.81
(b) Trade receivables	18	5,146.31	3,192.27
(c) Cash and Cash Equivalents	19	1,006.39	2,634.18
(d) Other Current Assets	20	1,571.37	444.44
		<u>12,412.43</u>	<u>9,454.70</u>
Assets classified as held for sale			
<b>Total assets</b>		<u><u>19,772.06</u></u>	<u><u>12,828.12</u></u>

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**

**For and on behalf of the Board**  
**SHREE KARNI FABCOM LIMITED**  
**(Formerly known as Shree Karni Fabcom LLP)**  
**(CIN : L47820GJ2023PLC140106)**

Rajiv Lakhota  
*Managing Director*  
DIN: 02939190

Manoj Kumar Karmani  
*Director*  
DIN: 08156230

(Dhruv Narayan Agarwal)  
**Partner**  
**Membership No.: 306940**  
**Place : Kolkata**  
**Date: 29th Day of May, 2025**  
**UDIN: 25306940BMJBBM4942**

Dhiraj RamKishor Vaishnav  
*Company Secretary*

Arbind Kumar Lahoty  
*CFO*

**SHREE KARNI FABCOM LIMITED**

CIN : L47820GJ2023PLC140106

**STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2025**

(Rs. in Lakhs except EPS)

PARTICULARS	NOTE NO.	For the year ended 31st March 2025	For the year ended 31st March 2024
<b>Revenue</b>			
Revenue from operations	21	16,571.03	13,079.84
Other Income	22	177.90	38.77
<b>Total revenue</b>		<b>16,748.93</b>	<b>13,118.61</b>
<b>Expenses</b>			
Cost of materials consumed	23	14,474.34	9,734.78
Changes in inventories of Finished and Semi Finished Goods	24	(1,504.55)	373.94
Employee benefits	25	573.98	449.69
Finance costs	26	218.27	277.57
Depreciation and amortisation	27	251.63	152.74
Other expenses	28	686.03	433.54
<b>Total expenses</b>		<b>14,699.68</b>	<b>11,422.26</b>
<b>Profit / Loss before exceptional item and tax</b>		2,049.25	1,696.35
<b>Exceptional Item</b>			-
<b>Profit / (Loss) before Tax</b>		2,049.25	1,696.35
<b>Income tax expense</b>			
- Current tax		470.79	402.02
- Deferred tax		48.84	(16.31)
- Income tax for earlier years		18.98	9.49
<b>Profit/ (loss) for the year from continuing operations</b>		<b>1,510.64</b>	<b>1,301.15</b>
Earnings Per Equity Share (Basic and Diluted)		21.36	25.01

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**

**For and on behalf of the Board**  
**SHREE KARNI FABCOM LIMITED**  
**(Formerly known as Shree Karni Fabcom LLP)**  
**(CIN : L47820GJ2023PLC140106)**

Rajiv Lakhotia  
*Managing Director*  
DIN: 02939190

Manoj Kumar Karnani  
*Director*  
DIN: 08156230

(Dhruv Narayan Agarwal)  
*Partner*  
**Membership No.: 306940**  
**Place : Kolkata**  
**Date: 29th Day of May, 2025**  
**UDIN: 25306940BMJBBM4942**

Dhiraj RamKishor Vaishnav  
*Company Secretary*

Arbind Kumar Lahoty  
*CFO*

**SHREE KARNI FABCOM LIMITED**  
**CIN : L47820GJ2023PLC140106**  
**STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2025**

(Rs. In lakhs)

	Year ended 31st March, 2025	Year ended 31st March, 2024
<b>A. CASH FLOW FROM OPERATION ACTIVITIES</b>		
Net Profit/(Loss) before Tax and Extraordinary Items	2,049.25	1,696.36
Adjustments for:		
Depreciation	251.63	152.74
Finance Cost	218.27	277.57
Profit on Sale of Capital Assets	-	(12.84)
Interest Income	(13.61)	(12.06)
Provision for Doubtful Debts	-	4.19
Income on Investment	-	(2.24)
Provision for Gratuity	10.71	10.86
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>2,516.25</b>	<b>2,114.58</b>
Adjustments for:		
Decrease/(Increase) in Inventories	(1,504.55)	373.94
Decrease/(Increase) in Other Current Assets	(1,126.93)	(420.33)
Decrease/(Increase) in Trade and Other Receivables	(1,954.05)	294.39
Decrease/(Increase) in Other Non Current Assets	(40.89)	(83.76)
Increase/(Decrease) in Trade and Other Payables	2,045.65	(2,444.92)
Increase/(Decrease) in Other Current/Non-Current Liabilities	47.33	(40.91)
<b>Cash Generated from Operations</b>	<b>(17.17)</b>	<b>(207.01)</b>
Adjustment for:		
Income taxes paid (net)	(480.99)	(371.90)
<b>NET CASH GENERATED/(USED IN) OPERATING ACTIVITIES (A)</b>	<b>(498.18)</b>	<b>(578.91)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	(3,970.83)	(507.06)
Sale of Property, Plant & Equipment	-	9.24
Purchase of Investments	(311.42)	(186.57)
Sale of Investments	-	11.34
Interest Income	13.61	12.06
<b>NET CASH GENERATED /(USED IN) INVESTING ACTIVITIES (B)</b>	<b>(4,268.64)</b>	<b>(660.99)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Changes in Partner's Capital	167.85	(1,734.54)
Issue of Share Capital	-	207.20
Money Received against Share Warrant	301.22	-
Share application money pending allotment	697.68	-
Securities Premium on issue of Share Capital	-	4,336.24
Finance Cost	(218.27)	(277.57)
Increase/ (Decrease) in Long Term Borrowings	(235.91)	1,306.80
Increase/ (Decrease) in Short Term Borrowings	2,341.15	-
<b>NET CASH GENERATED /(USED IN) FINANCING ACTIVITIES (C)</b>	<b>3,053.72</b>	<b>3,838.14</b>
<b>NET INCREASE/(DECREASE) IN CASH DURING THE YEAR (A+B+C)</b>	<b>(1,713.10)</b>	<b>2,598.23</b>
Cash & Cash Equivalents at the beginning of the year	2,634.18	35.95
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>921.08</b>	<b>2,634.18</b>
<b>Cash &amp; Cash Equivalents Comprises:</b>		
Cash and stamps on hand	3.40	3.37
Balance with banks	1,002.98	2,630.81
<b>Total</b>	<b>1,006.39</b>	<b>2,634.18</b>

**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 - 19 to the Financial Statements.
- Figures in brackets indicate cash outflows.

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**  
**Date: 29th Day of May, 2025**  
**UDIN: 25306940BMJBBM4942**

**For and on behalf of the Board**  
**SHREE KARNI FABCOM LIMITED**  
**(Formerly known as Shree Karni Fabcom LLP)**  
**(CIN : L47820GJ2023PLC140106)**

Rajiv Lakhotia  
*Managing Director*  
DIN: 02939190

Manoj Kumar Karnani  
*Director*  
DIN: 08156230

Dhiraj RamKishor Vaishnav  
*Company Secretary*

Arbind Kumar Lahoty  
CFO

## **NOTE 1 & 2: SIGNIFICANT ACCOUNTING POLICIES**

### **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 Standalone Financial Statements has been prepared by the Management to comply in all material respects with the requirements of:

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the "Guidance Note").

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 atleast 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 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 for the year is recognized as an expense in the Statement of Profit and Loss. However, if it relates to an item that is recognized directly in the financial statements outside the Statement of Profit and Loss (such as adjustments on account of capital receipts), the tax effect is also recognized outside the Statement of Profit and Loss, in accordance with the treatment of the underlying item.

**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.

## **I. REVENUE RECOGNITION**

Our Company's revenue is primarily generated from sale of Technical Textile used by the luggage, medical arch support, chairs, shoes and apparels industry. 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. CWIP**

CWIP includes costs directly attributable to projects in progress, such as the building currently under development. Direct costs comprise materials, labor, equipment, subcontractors, and other resources used specifically for the project. Indirect costs, including administrative expenses, insurance, and supervision, are also allocated as appropriate. Materials inventory includes items purchased but not yet utilized, held in storage or on-site. Labor costs reflect both direct construction labor and supporting indirect labor associated with the project.



**SHREE KARNI FABCOM LIMITED**  
**Notes forming part of the Standalone Financial Statements as at 31st March, 2025**  
**(Currency: Rs. In lakhs)**

	As at March 31, 2025	As at March 31, 2024
<b>3 Share Capital</b>		
<b>a. Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period :</b>		
<b><u>Authorised Share Capital :</u></b>		
( 80,00,000 Equity Shares of Rs.10/- each)	800.00	800.00
<b><u>Issued, Subscribed &amp; Fully Paid-up Share Capital :</u></b>		
<b>Opening Share Capital</b>	707.20	<b>307.20</b>
Add: Issue of bonus equity shares	-	400.00
( 70,72,000 Equity Shares of Rs.10/- each)		
<b>Total</b>	<b>707.20</b>	<b>707.20</b>
<b>b. Terms/rights attached to equity shares :</b>		
The Company has only one class of equity shares having a par value of Rs. 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.		
<b>4 Securities Premium Account</b>		
As per last Financial Statement	3,936.24	-
Add: Securities Premium	-	4,336.24
Less: Utilisation of Reserves for issue of Bonus Shares		(400.00)
	<b>3,936.24</b>	<b>3,936.24</b>
<b>4 Retained earnings</b>		
As per last Financial Statement	1,976.00	2,196.31
Add: Transfer from Statement of Profit and Loss	1,510.64	1,301.15
Add: Adjustment for change in Accounting Policy		213.07
Less: Transfer / Repayment of Capital to Partners	-	(1,734.54)
Add: Share of profit from Partnership firm	-	-
Add: Partner's Profit Adjustment of previous years	167.85	-
	<b>3,654.49</b>	<b>1,976.00</b>
<b>Total Reserves and Surplus</b>	<b>7,590.73</b>	<b>5,912.24</b>
<b>5 Money Received Against Share Warrant</b>		
As per last Financial Statement	-	-
Add: During the year	301.22	-
	<b>301.22</b>	<b>-</b>

Pursuant to the resolution passed by the Board of Directors on January 18, 2025, the Company approved the issuance of share warrants convertible into equity shares on a preferential basis. The said issuance was subsequently approved by the shareholders at their meeting held on February 12, 2025. The Company received in-principle approval from the National Stock Exchange of India Limited (NSE) for the proposed issuance on March 19, 2025.

The Company has approved the allotment of 3,15,000 share warrants, each convertible into or exchangeable for one fully paid equity share of the Company of face value ₹10 each at a price of ₹765 per warrant (including a premium of ₹755 per warrant). The total amount to be raised through this issue aggregates to ₹2,409.75 Lakhs.

Till March 31, 2025, the Company has received ₹301.22 Lakhs towards the aforesaid preferential issue of share warrants. The equity shares underlying these warrants are yet to be allotted.

**SHREE KARNI FABCOM LIMITED**  
**Notes forming part of the Standalone Financial Statements as at 31st March, 2025**  
**(Currency: Rs. In lakhs)**

	As at March 31, 2025	As at March 31, 2024
<b>6 Share Application money pending allotment</b>		
As per last Financial Statement	697.68	
Add: During the year	<u>697.68</u>	<u>-</u>
<p>Pursuant to the resolution passed by the Board of Directors on January 18, 2025, the Company approved the issuance of equity shares on a preferential basis. The said issuance was subsequently approved by the shareholders at their meeting held on February 12, 2025, and the shares were allotted on April 2, 2025. The Company received in-principle approval from the National Stock Exchange of India Limited (NSE) for the proposed allotment on March 19, 2025.</p> <p>The Company has approved the issue and allotment of 1,56,750 equity shares of face value ₹10 each at a price of ₹765 per share (including a premium of ₹755 per share) on a preferential basis. The total amount to be raised through this issue aggregates to ₹1,199.14 Lakhs.</p> <p>Till March 31, 2025, the Company has received ₹697.68 Lakhs towards the aforesaid preferential allotment.</p>		
<b>7 LONG TERM BORROWINGS#</b>		
<b>Secured Loan, considered good</b>		
Term Loan from Bank	852.58	1,100.59
Less: Current Maturity	(334.13)	(346.23)
<b>Total Long Term Borrowings</b>	<u><b>518.45</b></u>	<u><b>754.37</b></u>
#Refer Note 10A for Security and Repayment terms		
<b>8 DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred tax liabilities</b>		
Depreciation and Amortization Expenses	109.50	58.80
<b>Deferred tax assets</b>		
Provision for Gratuity	(5.31)	(2.73)
Provision for Doubtful Debt	-	(0.72)
<b>Deferred Tax Liabilities (Net)</b>	<u><b>104.19</b></u>	<u><b>55.35</b></u>
<b>9 OTHER LONG TERM LIABILITIES</b>		
Provision For Grautity*	21.08	10.43
<b>Total Other Non Current Liabilities</b>	<u><b>21.08</b></u>	<u><b>10.43</b></u>
* Gratuity for FY 23-24 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.		
<b>10 SHORT TERM BORROWINGS#</b>		
<b>Secured Loan, considered good</b>		
a.Cash Credit Accounts	3,839.42	1,486.17
b.Current Maturity of Term loan from banks	334.13	346.23
<b>Unsecured Loan, considered good*</b>		
a. Loan payable on demand	-	-
- Related Parties	2,378.76	2,378.76
- Others	-	-
<b>Total Short Term Borrowings</b>	<u><b>6,552.31</b></u>	<u><b>4,211.15</b></u>
* Unsecured loans includes the balance of partner's current capital account which is carried forward from the Limited Liability Partnership.		
#Refer Note 10A for Security and Repayment terms		
<b>11 TRADE PAYABLES</b>		
(a) Total outstanding dues of micro enterprises and small enterprises	189.97	637.06
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,799.77	307.02
<b>Total Trade Payables</b>	<u><b>2,989.73</b></u>	<u><b>944.08</b></u>

**SHREE KARNI FABCOM LIMITED**  
**Notes forming part of the Standalone Financial Statements as at 31st March, 2025**  
**(Currency: Rs. In lakhs)**

	As at March 31, 2025	As at March 31, 2024
<b>12 OTHER CURRENT LIABILITIES</b>		
Liability For Expenses	94.89	13.21
Advance from customers	24.00	2.36
Other Current Liabilities	-	1.95
Statutory Dues Payable		
Professional Tax Payable	0.32	0.09
Provident Fund Payable	2.99	0.43
ESIC Payable	0.07	
Goods and Service Tax Payable	6.25	36.45
TDS Payable	18.14	43.93
TCS Payable	0.23	1.08
Doubtful Debt	2.86	2.86
<b>Total Other Current Liabilities</b>	<b>149.75</b>	<b>102.36</b>
<b>13 Short Term Provisions</b>		
Provision for Gratuity*	0.42	0.42
Income Tax Liabilities (Net of Advance tax)	139.30	130.53
<b>Total Short Term Provisions</b>	<b>139.72</b>	<b>130.95</b>
* Gratuity for FY 23-24 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.		
<b>16 OTHER NON CURRENT ASSETS</b>		
Security Deposits	57.58	58.28
Fixed Deposits with Banks	200.77	159.18
<b>Total Other Non Current Assets</b>	<b>258.35</b>	<b>217.45</b>
<b>17 INVENTORIES</b>		
(At lower of cost and net realisable value)		
Closing Stock	4,688.36	3,183.81
<b>Total Inventories</b>	<b>4,688.36</b>	<b>3,183.81</b>
<b>18 TRADE RECEIVABLES</b>		
Trade receivables - unsecured, considered good (exceeding six months)		
- Related parties	-	-
- Others	860.86	211.92
Trade receivables - unsecured, considered doubtful (exceeding six months)		
- Related parties	-	-
- Others	2.86	11.43
<b>Total Trade Receivables (exceeding six months)</b>	<b>863.72</b>	<b>223.35</b>
Trade receivables - unsecured, considered good ( less than six months)		
- Related parties	-	-
- Others	4,282.59	2,968.91
Trade receivables - unsecured, considered doubtful (less than six months)		
- Related parties	-	-
- Others	-	-
<b>Total Trade Receivables (less than six months)</b>	<b>4,282.59</b>	<b>2,968.91</b>
<b>Total Trade Receivables</b>	<b>5,146.31</b>	<b>3,192.27</b>
<b>19 CASH &amp; CASH EQUIVALENTS</b>		
Balance with banks		
in current accounts	1,002.98	2,630.81
Cash and stamps on hand	3.40	3.37
<b>Total Cash &amp; Cash Equivalents</b>	<b>1,006.39</b>	<b>2,634.18</b>
<b>20 CURRENT ASSETS - OTHERS</b>		
(Unsecured, considered good)		
Capital Advance	251.43	209.98
Others - Advances Recoverable from (Unsecured, considered good)		
- Suppliers	312.69	-
- Other advances	3.40	9.33
Other Receivables	217.90	225.13
Balances with statutory/government authorities	451.89	-
Deferred Issue & Listing Expenses	59.13	-
Deferred Revenue Expenses	274.93	-
<b>Total Other Current Assets</b>	<b>1,571.37</b>	<b>444.44</b>

**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Standalone Financial Statements as at 31st March, 2025

(Currency: Rs in lakhs)

	Year ended 31st March, 2025	Year ended 31st March, 2024
<b>21 REVENUE FROM OPERATIONS</b>		
Other operating revenues		
Sale of Goods	15,033.20	12,929.89
Job Work	48.68	69.32
Export Sales	1,489.15	-
High Sea Sales	-	80.63
<b>Total Revenue from operations</b>	<b>16,571.03</b>	<b>13,079.84</b>
<b>22 OTHER INCOME</b>		
Income From Investment	87.09	2.24
Profit on sale of Capital Asset	-	12.84
Foreign Exchange Gain	25.64	2.17
Interest on Fixed Deposit	13.61	12.15
Rental Income	3.00	6.00
Subsidy*	5.00	-
Duty Drawback	23.42	3.36
Rodtep	15.52	-
Discount Received	0.20	-
Prior Period Income	2.40	-
Insurance Claim	2.02	-
<b>Total other income</b>	<b>177.90</b>	<b>38.77</b>
*Subsidy belongs to assistance in raising capital through SME Exchange under Atmanirbhar Gujarat-2022		
<b>23 COST OF MATERIALS CONSUMED</b>		
Cost of materials Consumed	14,474.34	9,734.78
<b>Total Cost of Materials Consumed</b>	<b>14,474.34</b>	<b>9,734.78</b>
<b>24 CHANGES IN INVENTORIES OF FINISHED AND SEMI FINISHED GOODS</b>		
Opening stock	3,183.81	3,557.75
Less: Closing stock	4,688.36	3,183.81
<b>Total (Increase)/Decrease in Inventories</b>	<b>(1,504.55)</b>	<b>373.94</b>
<b>25 EMPLOYEE BENEFITS EXPENSE</b>		
Salary, wages and other benefits	162.75	120.88
Staff Welfare Expenses	25.04	3.44
Director Remuneration	348.00	240.00
Gratuity Expenses	10.71	10.86
Wages	27.48	69.39
Bonus	-	5.12
<b>Total Employee benefit expenses</b>	<b>573.98</b>	<b>449.69</b>
*Staff Welfare Expenses includes PF & ESI		
<b>26 FINANCE COSTS</b>		
Interest On Cash Credit Facility	145.52	179.41
Interest on Loans*	51.51	76.93
Stamp Duty	12.14	10.78
Processing Charges	9.10	3.88
Interest On Partner's Capital	-	6.57
<b>Total Finance cost</b>	<b>218.27</b>	<b>277.57</b>
*Interest subsidy income amounting to Rs 46.53 lakhs has been netted off with interest on loans on accrual basis.		
<b>27 DEPRECIATION ON PROPERTY PLANT &amp; EQUIPMENTS</b>		
Tangible Assets	178.88	143.68
Intangible Assets	72.74	9.06
<b>Total Depreciation</b>	<b>251.63</b>	<b>152.74</b>
Note : Refer to Note No. 14		



**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Standalone Financial Statements as at 31st March 2025

(Currency: Rs in lakhs)

	Year ended 31st March, 2025	Year ended 31st March, 2024
<b>28 OTHER EXPENSES</b>		
Bank Charges	7.96	2.02
Transport Charges	242.58	55.82
Audit Fees (Refer Note. 28.1)	6.50	6.20
Custom Duty	-	13.49
Conveyance Expenses	16.51	10.63
Courier Expense	9.12	3.28
Discount & Commission Expenses	8.65	4.94
Donation	4.82	10.00
CSR Expenses*	39.67	-
Electricity Expenses	7.92	35.29
Insurance Expenses	12.63	4.33
Legal and Consultancy Expenses	75.42	29.14
Office Expenses	-	36.35
Rent Expenses	4.42	0.65
Repair And Maintenance	25.87	16.77
Stationary & Printing Expenses	5.97	1.70
Travelling Expenses	25.53	23.16
Packing charges	32.31	65.72
Rates and Taxes	4.80	13.45
Interest / Penalty	13.91	11.11
Water Treatment Expenses	9.58	8.42
Issue & Listing Expenses	32.64	10.55
Prior Period Expense	15.40	-
Selling & Distribution Expenses	26.09	27.27
Miscellaneous Expenses	57.73	43.26
<b>Total Other expenses</b>	<b>686.03</b>	<b>433.55</b>
*Refer note no. 33 for disclosure on CSR		
<b>28.1 Audit Fees</b>		
Statutory Audit Fees	6.22	5.95
Fees for Taxation Matters	0.25	0.25
Fees for Certification	0.03	-
	<b>6.50</b>	<b>6.20</b>
<b>29 Income taxes</b>		
<b>Income tax related to items charged or credited directly to profit or loss during the year :</b>		
<b>a) Statement of profit and loss</b>		
(i) Current Income Tax	470.79	402.02
(ii) Deferred Tax expense / (benefit)	48.84	(16.31)
(iii) Income tax adjustment for earlier years	18.98	9.49
<b>Total (a+b)</b>	<b>538.61</b>	<b>395.20</b>
<b>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.</b>		
Profit / (Loss) before taxes	2,049.25	1,696.36
Enacted Income Tax rate in India	25.17%	25.17%
Income tax expense at tax rates applicable	515.76	436.31
Adjustments ;		
Tax effect of items that are deductible for tax purpose	108.83	72.19
Tax effect of items that are not deductible for tax purpose	63.87	40.50
Tax effect Income charged under special rates	-	1.18
Reversal of deferred tax liability	48.84	(16.31)
Income tax adjustment for earlier years	18.98	9.49
<b>Other Adjustments</b>		
Others	-	(3.27)
Income tax expense reported	<b>538.61</b>	<b>395.20</b>
Effective Income tax rate (%)	26.28	23.30

**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Standalone Financial Statements as at 31st March, 2025

(Currency: Rs. In lakhs)

**Note 3 (c)****c. Details of shareholders holding more than 5% shares in the Company :**

Name of Shareholders	As at 31st March, 2025			As at 31st March, 2024		
	No. of Shares	% holding	% Change during the Period	No. of Shares	% holding	% Change during the Period
Manoj Kumar Karnani	12,50,000.00	17.68%	-	12,50,000.00	17.68%	100.00%
Raj Kumar Agarwal	12,50,000.00	17.68%	-	12,50,000.00	17.68%	100.00%
Rajiv Lakhotia	12,50,000.00	17.68%	-	12,50,000.00	17.68%	100.00%
Radhe Shyam Daga	12,50,000.00	17.68%	-	12,50,000.00	17.68%	100.00%
	<b>50,00,000.00</b>	<b>70.70%</b>		<b>50,00,000.00</b>	<b>70.70%</b>	

**d. Details of shareholding of Promoters**

Name of the Promoters & Promoter Group	As at 31st March, 2025			As at 31st March, 2024		
	No of shares held	% of Holding	% Change during the Period	No. of Shares	% of Holding	% Change during the Period
Manoj Kumar Karnani	12,50,000.00	17.68%	-	12,50,000.00	17.68%	100.00
Raj Kumar Agarwal	12,50,000.00	17.68%	-	12,50,000.00	17.68%	100.00
Rajiv Lakhotia	12,50,000.00	17.68%	-	12,50,000.00	17.68%	100.00
Radhe Shyam Daga	12,50,000.00	17.68%	-	12,50,000.00	17.68%	100.00
	<b>50,00,000.00</b>	<b>70.70%</b>	-	<b>50,00,000.00</b>	<b>70.70%</b>	-

**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Standalone Financial Statements as at 31st March, 2025

(Currency: Rs in lakhs)

Note 10(A) Loan Details as on 31th March, 2025							
Sl No.	Name of the Lender	Rate Of Interest	Nature of Loan	Amount as on 31.03.25	Repayment Term(including moratorium period)	Loan Financed (Rs. In Lakhs)	Description( including asset pledged)
1	Standard Chartered Bank CC Account	10.50%	Cash Credit	1,186.39	On demand	1,200.00	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.
2	HDFC Bank LTD	7.50%	Vehicle Loan	2.79	37 Months	23.33	Light Commercial Vehicle Loan
3	HDFC Bank LTD Car Loan	8.30%	Vehicle Loan	3.00	39 Months	15.06	Auto Loan
4	Kotak Mahindra Bank	9.23%	Vehicle Loan	17.37	36 Months	25.00	Auto Loan
5	SCB ECL TL - 005318764	9.50%	Term Loan	54.16	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.
6	SCB TL - IF005207137	10.06%	Term Loan	30.66	46 Months	147.16	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.
7	SCB TL - IF005368653	10.43%	Term Loan	399.39	64 Months	800.00	
8	SIDBI LOAN	9.10%	Term Loan	150.50	78 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)
9	SIDBI LOAN	8.85%	Term Loan	98.40	54 months	140.00	Hypothecation of movable properties situated at various Industrial Plots
10	SIDBI LOAN	8.40%	Term Loan	96.30	60 Months	104.01	Hypothecation of movable properties situated at various Industrial Plots
14	ICICI Bank CC	9.00%	Cash Credit	2,453.04	On demand	2,500.00	Hopthecation of Stock and Mortgage of Plot No. 8, Rajhans Zesto, Phase-II, Jalalpore Navsari
15	ICICI Bank Ad HOC	11.00%	Temporary Overdraft	200.00	30 Days	200.00	NA
17	Manoj Kumar Kamani		Unsecured Loan	534.42	NA	336.49	NA
18	Radheshyam Daga		Unsecured Loan	760.95	NA	600.05	NA
19	Rajiv Lakhotia		Unsecured Loan	919.56	NA	619.21	NA
20	Raj Kumar Agarwal		Unsecured Loan	163.84	NA	164.44	NA
<b>TOTAL</b>				<b>7,070.76</b>			

**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Standalone Financial Statements as at 31st March, 2025

(Currency: Rs in lakhs)

Note 10(A) Loan Details as on 31th March, 2024							
Sl No.	Name of the Lender	Rate Of Interest	Nature of Loan	Amount as on 31.03.24	Repayment Term(including moratorium period)	Loan Financed (Rs. In Lakhs)	Description( including asset pledged)
1	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
2	HDFC Bank LTD	7.50%	Vehicle Loan	10.75	37 Months	23.33	Light Commercial Vehicle Loan
3	HDFC Bank LTD Car Loan	8.30%	Vehicle Loan	7.84	39 Months	15.06	Auto Loan
4	Kotak Mahindra Bank	9.23%	Vehicle Loan	25.00			NA
5	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.
6	SCB ECL TL - IF005207146	9.25%	Term Loan	8.29	28 Months	80.12	
7	SCB TL - IF005207137	10.06%	Term Loan	67.44	46 Months	147.16	
8	SCB TL - IF005207121	10.06%	Term Loan	14.71	28 Months	110.30	
9	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.
10	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).
11	SIDBI LOAN	8.54%	Term Loan	129.60	35 months	11.09	NA
12	ADHOC AXIS BANK	9.00%		272.27			NA
13	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.
14	Manoj Kumar Kamani		Unsecured Loan	534.42	NA	336.49	NA
15	Radheshyam Daga		Unsecured Loan	760.95	NA	600.05	NA
16	Rajiv Lakhotia		Unsecured Loan	919.56	NA	619.21	NA
17	Raj Kumar Agarwal		Unsecured Loan	163.84	NA	164.44	NA
<b>TOTAL</b>				<b>4,965.52</b>			



**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Standalone Financial Statements as at 31st March, 2025

(Currency: Rs in lakhs)

**Ageing for Trade Payables (Refer note 11)**

Particulars	Ageing For Trade Payables Outstanding As At 31st March, 2025				
	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
MSME*	189.97	-	-	-	189.97
Others	2,793.34	-	6.43	-	2,799.77
Disputed Dues- MSME*	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-

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	-	-	-	-	-

\*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

**Note:**

The information regarding amounts due to creditors registered under the Micro, Small and Medium Enterprises Development Act, 2006, has been given to the extent available with the Company. The required disclosures of outstanding dues of micro, small & medium enterprises are as under:

*(Rs in lakhs)*

	As at March 31, 2025	As at March 31, 2024
(a) Principal amount remaining unpaid as at 31st March	189.97	637.06
(b) Interest amount remaining unpaid as at 31st March	4.71	-
(c) Interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.	NIL	NIL
(d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development	NIL	NIL
(e) Interest accrued and remaining unpaid as at 31st March	NIL	NIL
(f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	NIL	NIL

**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Standalone Financial Statements as at 31st March, 2025

(Currency: Rs. In lakhs)

**14 PROPERTY, PLANT AND EQUIPMENTS**

Particulars	Gross Block Determination				Depreciation				Net Block	
	Opening on 01.04.2024	Additions during the year	Deduction during the year	Closing on 31.03.2025	Opening on 01.04.2024	Additions during the year	Deduction during the year	Closing on 31.03.2025	As At 31.03.2025	As At 31.03.2024
Plant & machinery	1,906.86	407.73	-	2,314.59	299.14	120.84	-	419.98	1,894.61	1,607.72
Computer & Peripherals	21.91	11.61	-	33.53	13.17	7.53	-	20.70	12.82	8.74
Motor Vehicles	117.51	-	-	117.51	19.45	13.55	-	33.01	84.51	98.06
Furniture & Fittings	37.97	52.95	-	90.93	7.91	6.32	-	14.24	76.69	30.06
Office equipment	114.21	47.94	-	162.15	39.08	23.00	-	62.08	100.07	75.13
Plot(non depreciable)	382.36	144.16	-	526.52	-	-	-	-	526.52	382.36
Building on Plot	231.34	42.80	-	274.14	4.72	7.63	-	12.35	261.79	226.62
<b>Total</b>	<b>2,812.17</b>	<b>707.19</b>	<b>-</b>	<b>3,519.36</b>	<b>383.48</b>	<b>178.88</b>	<b>-</b>	<b>562.36</b>	<b>2,957.00</b>	<b>2,428.70</b>
<b>Intangible Asset</b>										
Water Treatment Right	31.00	435.00		466.00	12.60	72.43	-	85.04	380.96	18.40
Software	4.52	0.35		4.87	0.43	0.31	-	0.74	4.13	4.09
Other Intangible Assets	-	2.12		2.12	-	0.00	-	0.00	2.12	-
<b>Total</b>	<b>35.52</b>	<b>437.47</b>	<b>-</b>	<b>472.99</b>	<b>13.03</b>	<b>72.74</b>	<b>-</b>	<b>85.77</b>	<b>387.21</b>	<b>22.48</b>

**Note:****i) Title Deeds of Immovable Property not held in the Name of Company:**

Particular	Relevant Line Item in Balance Sheet	Description of Item of Property	Gross Carrying Value	Title Deeds held in the name of	Whether the title deed holder is a promoter, director or relative of promoter/director or employee of	Reason for not being held in the name of company	Property held since which date
There is no immovable property whose title deeds are not held other than in the name of the company therefore not applicable.							

**ii) Benami Property :**

There is no proceeding initiated or pending against the company for holding any benami property under Benami Transaction (Prohibition) Act 1988.

**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Standalone Financial Statements as at 31st March, 2025

(Currency: Rs. In lakhs)

**Note 14 : Capital Work in Progress (Continued)****Schedule for the year ended March 31, 2025**

Description	As at 31-03-2024	Addition during the period	Sales/Capitalised	As at 31-03-2025
Capital Work-in-Progress	331.23	2,740.86	-	3,072.09
<b>Total</b>	<b>331.23</b>	<b>2,740.86</b>	<b>-</b>	<b>3,072.09</b>

Ageing for capital work-in-progress as at March 31, 2025 is as follows:

**Capital work-in-progress**

Projects in progress	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2years	2-3years	More than 3 years	
	2,740.86	331.23	-	-	3,072.09
	<b>2,740.86</b>	<b>331.23</b>	<b>-</b>	<b>-</b>	<b>3,072.09</b>

There are no project whose completion is overdue or has exceeded its cost compared to its original plan. Further there are no projects which are temporarily suspended.

**Note:****i) There are no intangible assets which are under development as at March 31, 2025****Schedule for the year ended March 31, 2024**

Description	As at 31-03-2023	Addition during the period	Sales/Capitalised	As at 31-03-2024
Capital Work-in-Progress	96.55	331.23	96.55	331.23
<b>Total</b>	<b>96.55</b>	<b>331.23</b>	<b>96.55</b>	<b>331.23</b>

**A. Capital Work In Progress Ageing**

Ageing for capital work-in-progress as at March 31, 2024 is as follows:

**Capital work-in-progress**

Projects in progress	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2years	2-3years	More than 3 years	
	331.23	-	-	-	331.23
	<b>331.23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>331.23</b>

There are no project whose completion is overdue or has exceeded its cost compared to its original plan. Further there are no projects which are temporarily suspended.

**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Standalone Financial Statements as at 31st March, 2025

(Currency: Rs in lakhs)

Note "15" - Investment		
Particulars	As at 31st March, 2025	As at 31st March, 2024
	Rs. In lakhs	Rs. In lakhs
Unquoted, Trade Investments, Considered Good		
<b>Venture Capital and Angel Funds</b>		
Artha Venture	100.82	100.82
Artha Select Fund	20.00	20.00
Artha Venture Fund I	74.42	48.92
LV Angel Fund Flox F1	5.00	5.00
LV Angel Fund kaching li	4.00	4.00
LV Angel Fund Glampusa P I	4.00	4.00
INVSTT Seeders Bima Plan- I	10.24	10.24
DGVCL Deposits	30.98	-
<b>Total</b>	<b>249.45</b>	<b>192.98</b>
<b>Investment in Subsidiary LLP</b>		
IGK Technical Textiles LLP	350.97	133.34
<b>Investment in Associate LLP</b>		
Textron Fabtech LLP	84.55	47.24
<b>Total</b>	<b>684.98</b>	<b>373.56</b>

Aggregate amount of quoted investments and market value thereof

-

-

Aggregate amount of unquoted investments

684.98

373.56

Aggregate provision for diminution in value of investments

-

-



**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Standalone Financial Statements as at 31st March, 2025

(Currency: Rs in lakhs)

**Ageing for Trade Receivables (Refer note 18)**

Particulars	Ageing For Trade Receivables Outstanding As At 31st March, 2025					
	Less Than 6 Months	6 Months-1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
Undisputed trade receivables- considered good	4,282.59	627.16	207.96	25.73	-	5,143.45
Undisputed trade receivables- considered doubtful	-	-	2.86	-	-	2.86
Disputed trade receivables- considered good	-	-	-	-	-	-
Disputed trade receivables- considered doubtful	-	-	-	-	-	-

**Ageing for Trade Receivables (Refer note 18)**

Particulars	Ageing For Trade Receivables Outstanding As At 31st March, 2024					
	Less Than 6 Months	6 Months-1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
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	-	-	-	-	-	-
Disputed trade receivables- considered doubtful	-	-	2.86	-	-	2.86

**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Standalone Financial Statements as at 31st March, 2025

(Currency: Rs. In lakhs)

30	Contingent Liabilities and Capital commitments	31 March 2025	31 March 2024
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)*	233.11	116.36
	Other commitments relating to settlement of litigation disputes	-	-

31 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.

## 32 Earnings per share (EPS) as per AS 20

Calculation of weighted average number of equity shares of Rs 10 each fully paid up:

	31 March 2025	31 March 2024
Number of equity shares at the beginning of the year	70,72,000	10,00,000
Total number of equity shares outstanding at the end of the year-A	70,72,000	70,72,000
Weighted average number of equity shares outstanding during the year -B	70,72,000	52,01,600
Net profit attributable to equity shareholders for calculation of basic EPS - C(Rs. In Lakhs)	1,510.64	1,301.15
Basic and Diluted EPS (Rs.) (C/B)(Based on weighted average number of shares)	21.36	25.01
Basic and Diluted EPS (Rs.) (C/A)(Based on shares at the end of year)	21.36	18.40

## 33 Disclosure on Corporate Social Responsibility Expenses

Gross amount required to be spent by the Company during the year in pursuance to the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder : INR 39.67 lacs (PY NIL).

Amount unspent as at 31.3.2025 INR NIL (P.Y 31.3.2024 INR NIL)

Amount spent during the year 2024-25 are shown under other expenses in the statement of Profit &amp; Loss (Refer Note No.28)

S.No.	Particulars	As on 31st March, 2025	As on 31st March, 2024
1	Spent during the year (Rs. In lakhs)	39.67	-
2	Yet to spend	-	-

## Description of Nature of Activities

- 1 Eradication of Hunger
- 2 Promoting Health Care
- 3 Setting Up Homes for Orphans
- 4 Animal Welfare
- 5 Eradicating poverty, hunger and malnutrition, promoting health care which includes sanitation and preventive health care for the promotion of sanitation and making available safe drinking water

## 34 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

## 35 Foreign currency transactions

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

	Particulars	As on 31st March, 2025		As on 31st March, 2024	
S. No.	Nature of Transactions	Amount (USD)	Amount(Rs. In Lakhs)	Amount (USD)	Amount(Rs. In Lakhs)
1	Import of Goods	15,17,353.35	1,297.26	2,40,230.95	199.83
2	Import of Machinery	1,00,400.00	86.95	-	-
3	Export of Goods	17,25,991.00	1,489.15	-	-
	<b>Grand Total</b>	<b>33,43,744.35</b>	<b>2,873.36</b>	<b>2,40,230.95</b>	<b>199.83</b>

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

## 36 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.

## 37 Related party transactions

## a) Key management personnel ('KMP')

1. Manoj Kumar Kamani	Whole Time Director
2. Radhe Shyam Daga	Whole Time Director
3. Raj Kumar Agarwal	Whole Time Director
4. Rajiv Lakhota	Managing Director
5. Arbind Kumar Lahoty	CFO
6. Dhiraj Ramkishor Vaishnav	Company Secretary
7. Jyoti Chitralingia*	Company Secretary

\*Jyoti Chitralingia ceases to be Company Secretary w.e.f., May 29th, 2024.

## b) Subsidiary, Joint Venture &amp; Associates

1. IGK Technical Textiles LLP	Subsidiary
2. Textron Fabtech LLP	Associate

**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Standalone Financial Statements as at 31st March, 2025

(Currency: Rs. In lakhs)

## c) Entities in which KMP and their relatives 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 g. Shreeji Fabrics
2. Radhe Shyam Daga	a. Textron Fabtech LLP b. Radhe Shyam Daga HUF c. Aaradhya Impex
3. Raj Kumar Agarwal	a. IGK technical Textiles LLP b. Raj Kumar Agarwal HUF c. Bright Future Exports
4. Rajiv Lakhota	a. IGK technical Textiles LLP b. Textron Fabtech LLP c. Shree Karni Artha LLP d. Rajiv Lakhota HUF e. Shreeji Fabrics

\*KMP includes KMP and their relatives

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.

## d) Transactions with related parties during the year have been set out below

**Remuneration**

Key management personnel ('KMP')

S.No.	Name of KMP	31st March, 2025	31st March, 2024
<b>- Directors</b>			
1	Manoj Kumar Kamani	87.00	60.00
2	Radhe Shyam Daga	87.00	60.00
3	Raj Kumar Agarwal	87.00	60.00
4	Rajiv Lakhota	87.00	60.00
		<b>348.00</b>	<b>240.00</b>
<b>- Other KMPs</b>			
5	Arbind Lahoti	6.00	2.52
6	Dhiraj Ramkishor Vaishnav	3.31	-
7	Jyoti Chitralingia	0.57	1.47
	<b>Total</b>	<b>357.88</b>	<b>243.98</b>

**Interest expense**

Key management personnel ('KMP')

S.No.	Name of KMP	31st March, 2025	31st March, 2024
1	Manoj Kumar Kamani	-	1.31
2	Radhe Shyam Daga	-	2.25
3	Rajiv Lakhota	-	2.32
4	Raj Kumar Agarwal	-	0.69
	<b>Total</b>	<b>-</b>	<b>6.57</b>

**Interest expense**

Entities in which KMP can exercise significant influence

S.No.	Name of Entities	31st March, 2025	31st March, 2024
1	Radhe Shyam Daga HUF	-	19.55
2	Rajiv Lakhota HUF	-	19.50
3	Manoj Kumar Kamani HUF	-	23.08
	<b>Total</b>	<b>-</b>	<b>62.12</b>

**Purchases**

Entities in which KMP can exercise significant influence

S.No.	Name of Entities	31st March, 2025	31st March, 2024
1	International Trade Link	54.31	34.93
2	Textron Fabtech LLP	450.49	9.24
3	IGK Technical Textiles LLP	2,545.73	990.78
4	Bright Future Exports	307.90	28.51
5	Shreeji Fabrics	12.19	7.12
6	Aaradhya Impex	1.35	-
	<b>Total</b>	<b>3,371.96</b>	<b>1,070.57</b>

**Sales**

Entities in which KMP can exercise significant influence

S.No.	Name of Entities	31st March, 2025	31st March, 2024
1	International Trade Link	-	4.74
2	Textron Fabtech LLP	104.31	461.46
3	IGK Technical Textiles LLP	-	99.47
4	Bright Future Exports	-	-
5	Shreeji Fabrics	-	78.68
6	Aaradhya Impex	52.86	-
	<b>Total</b>	<b>157.17</b>	<b>644.34</b>

**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Standalone Financial Statements as at 31st March, 2025

(Currency: Rs. In lakhs)

**Rental Income**

Entities in which KMP can exercise significant influence

S.No.	Name of Entities	31st March, 2025	31st March, 2024
1	Textron Fabtech LLP	3.54	6.00
<b>Total</b>		<b>3.54</b>	<b>6.00</b>

**Loan Taken**

Entities in which KMP can exercise significant influence

S.No.	Name of Entities	31st March, 2025	31st March, 2024
1	Textron Fabtech LLP	-	257.00
2	Radheshyam Daga HUF	-	74.55
3	Rajiv Lakhotia HUF	-	19.50
4	Manoj Kumar Karnani HUF	-	23.08
<b>Total</b>		<b>-</b>	<b>374.12</b>

**Loan Repaid**

Entities in which KMP can exercise significant influence

S.No.	Name of Entities	31st March, 2025	31st March, 2024
1	Textron Fabtech LLP	-	257.00
2	Radheshyam Daga HUF	-	410.98
3	Rajiv Lakhotia HUF	-	349.73
4	Manoj Kumar Karnani HUF	-	395.29
<b>Total</b>		<b>-</b>	<b>1,413.00</b>

**Loan Taken**

Key management personnel ('KMP')

S.No.	Name of Entities	31st March, 2025	31st March, 2024
1	Manoj Kumar Karnani	-	875.94
2	Radheshyam Daga	-	1,388.75
3	Rajiv Lakhotia	-	1,564.38
4	Rajkumar Agarwal	-	332.49
<b>Total</b>		<b>-</b>	<b>4,161.56</b>

**Loan Repaid**

Key management personnel ('KMP')

S.No.	Name of Entities	31st March, 2025	31st March, 2024
1	Manoj Kumar Karnani	-	341.52
2	Radheshyam Daga	-	627.80
3	Rajiv Lakhotia	-	644.82
4	Rajkumar Agarwal	-	168.65
<b>Total</b>		<b>-</b>	<b>1,782.79</b>

**e) Balances at the year end****Loan Taken**

Entities in which KMP can exercise significant influence

**Loan Taken**

Key managerial Personnel

S.No.	Name of Entities	31st March, 2025	31st March, 2024
1	Manoj Kumar Karnani	534.42	534.42
2	Radheshyam Daga	760.95	760.95
3	Rajiv Lakhotia	919.56	919.56
4	Rajkumar Agarwal	163.84	163.84
<b>Total</b>		<b>2,378.76</b>	<b>2,378.76</b>

**Rent Payable**

Entities in which KMP can exercise significant influence

**Trade Receivables**

Entities in which KMP can exercise significant influence

S.No.	Name of Entities	31st March, 2025	31st March, 2024
1	Textron Fabtech LLP	3.64	192.89
2	Shreeji Fabrics	-	4.23
3	Aaradhya Impex	-	10.07
<b>Total</b>		<b>3.64</b>	<b>207.19</b>



**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Standalone Financial Statements as at 31st March, 2025

(Currency: Rs. In lakhs)

**Trade Payables**Entities in which KMP can exercise significant influence

S.No.	Name of Entities	31st March, 2025	31st March, 2024
1	International Trade Link	54.31	-
2	Textron Fabtech LLP	186.99	-
3	IGK Technical Textiles LLP	284.89	125.12
4	Bright Future Exports	-	28.51
5	Shreeji Fabrics	7.96	-
<b>Total</b>		<b>534.16</b>	<b>153.63</b>

There are no investments by the company other than those stated under Note No. 15 in the financial statements.

**f) Guarantee given***As on 31st March, 2025**As on 31st March, 2024*

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.

**g) Security given**

- The Property of Shree Kami 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.

**38** 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 Rs. 1,00,00,000 divided into 10,00,000 equity shares of Rs. 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.

**39** 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.

**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Standalone Financial Statements as at 31st March, 2025

(Currency: Rs. In lakhs)

**40 Gratuity**

Valuation Results	Amount
Discontinuance Liability	42.39
Defined Benefit Obligation	21.51
Funding Status	Unfunded
Fund Balance	-
Current Liability	0.42
Non-Current Liability	21.08

VALUATION ASSUMPTIONS	
1. Demographic Assumptions	
<b>Mortality &amp; Disability:</b>	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.
<b>Extract of Mortality Rates(Indian Assured Lives Mortality 2012-14 (Urban)): Age Rate</b>	
18	0.000675
25	0.000941
35	0.001253
45	0.002688
55	0.006576
65	0.013526
<b>Retirement Age:</b>	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.
<b>Attrition Rate:</b>	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.
<b>Service related band</b>	<b>Attrition Rate</b>
For All Bands	6.00 % p.a.
2. Financial Assumptions	
<b>Discount Rate:</b>	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.
<b>Future Years</b>	<b>Salary Escalation Rate</b>
For All Future Years	8.00 % p.a.
<b>3.Reasonableness of Assumptions</b>	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.
<b>Materiality</b>	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.
<b>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.</b>	
<b>Vesting period :</b>	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.	
<b>Method of Valuation</b>	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.

**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Standalone Financial Statements as at 31st March, 2025

(Currency: Rs in lakhs)

**Note 41 - RECONCILIATION OF QUARTERLY RETURN FILED BY COMPANY TO THE BANK AND BOOKS OF ACCOUNTS**

Quarter	Particulars	Amount as per Statement Provided to bank (A)	Amount as per book (B)	Difference (A-B)	Reason
Q1	Trade receivables	3,716.50	3,728.04	(11.54)	Please see note below
	Trade Payable	1,340.09	1,383.22	(43.13)	
	Stock	3,344.90	3,447.83	(102.93)	
	Total Revenue	2,872.00	2,871.36	0.64	
Quarter	Particulars	Amount as per Statement Provided to bank (A)	Amount as per book (B)	Difference (A-B)	Reason
Q2	Trade receivables	4,585.40	4,585.43	(0.03)	Please see note below
	Trade Payable	2,212.80	2,230.52	(17.72)	
	Stock	3,539.10	3,529.88	9.22	
	Total Revenue	7,614.50	7,614.44	0.06	
Quarter	Particulars	Amount as per Statement Provided to bank (A)	Amount as per book (B)	Difference (A-B)	Reason
Q3	Trade receivables	4,490.20	4,490.08	0.12	Please see note below
	Trade Payable	2,299.70	2,298.25	1.45	
	Stock	4,401.50	4,349.49	52.01	
	Total Revenue	11,370.40	11,370.36	0.04	
Quarter	Particulars	Amount as per Statement Provided to bank (A)	Amount as per book (B)	Difference (A-B)	Reason
Q4	Trade receivables	5,093.80	5,098.24	(4.44)	Please see note below
	Trade Payable	2,672.40	2,673.27	(0.87)	
	Stock	4,427.10	4,687.55	(260.45)	
	Total Revenue	16,554.50	16,554.49	0.01	
Note					
Primarily due to non availability of credit notes and debit notes at the time of submitting statement to the bank and also due to inclusion of certain costs forming part of the inventory.					

42 Ratio Analysis

Ratio	Numerator	Denominator	Current Period as on 31.03.2025	Previous Period as on 31.03.2024	Variance %	Remarks
Current ratio (in times)	Total current assets	Total current liabilities	1.26	1.75	-28.05	Due to substantial increase in Trade payables and short term borrowings
Debt-equity ratio (in times)	Debt consists of borrowings and lease liabilities	Total Equity	0.85	0.75	13.59	The increase is primarily attributable to a rise in short term borrowings in the current year.
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	4.42	2.03	117.53	Due to increase in earnings and reduction in interest expense along with principal repayment.
Return on equity ratio	Profit for the year less Preference dividend (if any)	Average total equity	0.20	0.29	-30.61	Due to increase in equity during the year because of accumulated profits during the year.
Inventory turnover ratio (in times)	Revenue from operations	Average Inventory	4.21	3.88	8.50	
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	3.97	3.91	1.54	
Trade payables turnover ratio (in times)	Cost of Purchases	Average trade payables	7.36	4.49	63.78	Due to substantial increase in Trade payables
Net Capital turnover ratio (in times)	Revenue from operations	Average working capital(i.e. Total current assets less total current liabilities)	4.99	4.22	18.29	
Net profit ratio (in %)	Profit for the year	Revenue from operations	9.12	9.95	-8.36	
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities+ Deferred tax liabilities	26.99	29.57	-8.74	

Note: While Calculation Total Equity, Share application money pending allotment and Share warrant money pending allotment has not been considered.

Note 43-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:
- 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,
- 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:
- 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.
- 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.

Note - 44

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

For and on behalf of the Board  
SHREE KARNI FABCOM LIMITED  
(Formerly known as Shree Karni Fabcom LLP)  
(CIN : L47820GJ2023PLC140106)

Rajiv Lakhota  
Managing Director  
DIN: 02939190

Manoj Kumar Karnani  
Director  
DIN: 08156230

(Dhruv Narayan Agarwal)  
Partner  
Membership No.: 306940  
Place : Kolkata  
Date: 29th Day of May, 2025  
UDIN: 25306940BMJBBM4942

Dhiraj RamKishor Vaishnav  
Company Secretary

Arbind Kumar Lahoty  
CFO

# INDEPENDENT AUDITOR'S REPORT

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

## REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying consolidated financial statements of SHREE KARNI FABCOM LIMITED ("the Company") which comprises the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the consolidated 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 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 Company as at March 31, 2025, 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 Parent 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.



# INDEPENDENT AUDITOR'S REPORT

In preparing the consolidated 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 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:

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 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 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 Company 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. 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 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 as on 31st March 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2025 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 consolidated 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:

I. The Company does not have any pending litigations which would impact its financial position.

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.

a) The respective management 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 its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other

# REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

I. 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.

II. 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 have a feature of recording audit trail (edit log) facility. Further during the course of our audit, we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per statutory requirements for record retention.

Since 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.

III. There was no dividend declared or paid during the year by the company.

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)  
: L47820GJ2023PLC140106

**Rajiv Lakhotia**  
Managing Director  
DIN: 02939190

**Arbind Kumar Lahoty**  
CFO

**Radheshyam daga**  
Whole Time Director  
DIN: 07848061

**Jyoti Chitlangiya**  
Company Secretary

## ANNEXURE - A 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 2025, we report that:

We have audited the internal financial controls over financial reporting of SHREE KARNI FABCOM LIMITED ("the Company") as of 31st March 2025 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 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 consolidated 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 consolidated 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 consolidated financial statement system and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statement included obtaining an understanding of internal financial controls with reference to consolidated 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 consolidated 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 consolidated financial statement.

# ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

## MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control with reference to consolidated financial statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated 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 consolidated 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;
- (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 consolidated financial statements.

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statement to future periods are subject to the risk that the internal financial control with reference to consolidated 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 Company has, in all material respects, an adequate internal financial controls system with reference to consolidated financial statement and such internal financial controls with reference to consolidated financial statement were operating effectively as at 31st March 2025, 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.

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)  
: L47820GJ2023PLC140106

**Rajiv Lakhotia**  
Managing Director  
DIN: 02939190

**Arbind Kumar Lahoty**  
CFO

**Radheshyam daga**  
Whole Time Director  
DIN: 07848061

**Jyoti Chitlangiya**  
Company Secretary



# ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

## NOTE 1 & 2: SIGNIFICANT ACCOUNTING POLICIES

### 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	6.667%

### 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### a. BASIS OF PREPARATION OF STANDALONE FINANCIAL STATEMENTS

The financial statements have 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 Standalone Financial Statements have been prepared by the Management to comply in all material respects with the requirements of:

- Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
- The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended ("the Guidance Note").

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.

# ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

---

## **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 results are known / materialized.

## **c. CLASSIFICATION OF ASSETS AND LIABILITIES**

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, and 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.

# ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

## Subsequent costs

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

# ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

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 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 have 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.



# ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

## Current Tax for the year

Current tax for the year is recognized as an expense in the Statement of Profit and Loss. However, if it relates to an item that is recognized directly in the financial statements outside the Statement of Profit and Loss (such as adjustments on account of capital receipts), the tax effect is also recognized outside the Statement of Profit and Loss, in accordance with the treatment of the underlying item.

## 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.

## i. REVENUE RECOGNITION

Our Company's revenue is primarily generated from sale of Technical Textile used by the luggage, medical arch support, chairs, shoes and apparels industry. 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. CWIP

CWIP includes costs directly attributable to projects in progress, such as the building currently under development. Direct costs comprise materials, labor, equipment, subcontractors, and other resources used specifically for the project. Indirect costs, including administrative expenses, insurance, and supervision, are also allocated as appropriate. Materials inventory includes items purchased but not yet utilized, held in storage or on-site. Labor costs reflect both direct construction labor and supporting indirect labor associated with the projects



**SHREE KARNI FABCOM LIMITED**  
**CIN: L47820GJ2023PLC140106**  
**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2025**

(Rs. in Lakhs )

PARTICULARS	NOTE NO.	As at March 31, 2025	As at 31st March, 2024
<b>EQUITY AND LIABILITIES</b>			
1) <b>Shareholder's Fund</b>			
(a) Share Capital	3	707.20	707.20
(b) Reserves and Surplus	4	7,600.34	6,089.71
(c) Money Received Against Share Warrant	5	301.22	-
<b>Total Shareholder's Fund</b>		<b>8,608.76</b>	<b>6,796.91</b>
2) <b>Share Application money pending allotment</b>	6	697.68	-
3) <b>Minority Interest</b>		175.46	134.98
<b>Liabilities</b>			
4) <b>Non-current liabilities</b>			
(a) Long Term Borrowings	7	1,768.61	2,158.72
(b) Deferred Tax liabilities	8	104.19	55.35
(c) Other Long Term Liabilities	9	21.08	10.43
<b>Total Non-Current Liabilities</b>		<b>1,893.89</b>	<b>2,224.51</b>
5) <b>Current liabilities</b>			
(a) Short Term Borrowings	10	8,546.78	5,779.08
(b) Trade Payables	11		
i) Total outstanding dues of micro enterprises and small enterprises		190.23	693.29
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,642.30	412.27
(c) Other Current Liabilities	12	346.16	254.99
(d) Short term provisions	13	146.93	100.90
<b>Total Current Liabilities</b>		<b>11,872.40</b>	<b>7,240.53</b>
<b>Total Equity and Liabilities</b>		<b>23,248.19</b>	<b>16,396.91</b>
<b>ASSETS</b>			
1) <b>Non-Current Assets</b>			
a) <b>Property, Plant &amp; Equipment</b>	14		
i) Tangible Asset		5,314.18	5,051.34
ii) Intangible Asset		387.21	22.48
iii) Capital Work in Progress		3,143.95	331.23
b) <b>Investments</b>	15	334.01	271.42
c) <b>Other Non Current Assets</b>	16	476.02	425.39
<b>Total non-current assets</b>		<b>9,655.37</b>	<b>6,101.86</b>
2) <b>Current assets</b>			
(a) Inventories	17	4,945.75	3,780.43
(b) Trade receivables	18	5,216.86	3,258.02
(c) Cash and Cash Equivalents	19	1,030.40	2,640.33
(d) Other Current Assets	20	2,399.80	616.30
		13,592.82	10,295.07
Assets classified as held for sale			
<b>Total assets</b>		<b>23,248.19</b>	<b>16,396.92</b>

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**

**For and on behalf of the Board**  
**SHREE KARNI FABCOM LIMITED**  
**(Formerly known as Shree Karni Fabcom LLP)**  
**(CIN : L47820GJ2023PLC140106)**

Rajiv Lakhota  
*Managing Director*  
DIN: 02939190

Manoj Kumar Karnani  
*Director*  
DIN: 08156230

**(Dhruv Narayan Agarwal)**  
**Partner**  
**Membership No.: 306940**  
**Place : Kolkata**  
**Date: 29th Day of May, 2025**  
**UDIN: 25306940BMJBBN1650**

Dhiraj RamKishor Vaishnav  
*Company Secretary*

Arbind Kumar Lahoty  
*CFO*

**SHREE KARNI FABCOM LIMITED**  
CIN: L47820GJ2023PLC140106  
**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2025**

(Rs. in Lakhs except EPS)

PARTICULARS	NOTE NO.	For the Year ended 31st March 2025	For the Year ended 31st March 2024
<b>Revenue</b>			
Revenue from operations	21	16,697.77	13,707.77
Other Income	22	248.52	70.93
<b>Total revenue</b>		<b>16,946.29</b>	<b>13,778.70</b>
<b>Expenses</b>			
Cost of materials consumed	23	13,225.76	9,909.53
Changes in inventories of finished goods	24	(1,165.32)	128.77
Employee benefits	25	976.81	613.45
Finance costs	26	284.45	405.20
Depreciation and amortisation	27	609.02	310.24
Other expenses	28	855.66	507.93
<b>Total expenses</b>		<b>14,786.37</b>	<b>11,875.12</b>
<b>Profit / Loss before exceptional item and tax</b>		2,159.92	1,903.58
<b>Exceptional Item</b>			-
<b>Profit / (Loss) before Tax</b>		2,159.92	1,903.58
<b>Income tax expense</b>			
- Current tax		531.39	402.02
- Deferred tax		48.84	(16.31)
- Income tax for earlier years		18.98	9.49
<b>Add : Profit from Associate</b>		(9.59)	31.20
<b>Less : Minority Interest</b>		(40.48)	(68.32)
<b>Profit/(loss) for the year from continuing operations</b>		<b>1,510.64</b>	<b>1,471.26</b>
Earnings Per Equity Share (Basic and Diluted)		22.51	28.28
<b>Earnings Per Equity Share (Basic and Diluted)(Based on the shares outstanding at the current year end)</b>		22.51	20.80

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**

**For and on behalf of the Board**  
**SHREE KARNI FABCOM LIMITED**  
**(Formerly known as Shree Karni Fabcom LLP)**  
**(CIN : L47820GJ2023PLC140106)**

Rajiv Lakhota  
*Managing Director*  
DIN: 02939190

Manoj Kumar Karnani  
*Director*  
DIN: 08156230

**(Dhruv Narayan Agarwal)**  
**Partner**  
**Membership No.: 306940**  
**Place : Kolkata**  
**Date: 29th Day of May, 2025**  
**UDIN: 25306940BMJBBN1650**

Dhiraj RamKishor Vaishnav  
*Company Secretary*

Arbind Kumar Lahoty  
*CFO*

**SHREE KARNI FABCOM LIMITED**  
**CIN: L47820GJ2023PLC140106**  
**CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2025**  
**(Rs. in Lakhs )**

	Year ended 31st March, 2025	Year ended 31st March, 2024
<b>A. CASH FLOW FROM OPERATION ACTIVITIES</b>		
Net Profit/(Loss) before Tax and Extraordinary Items	2,159.92	1,903.58
Adjustments for:		
Depreciation	609.02	310.24
Finance Cost	284.45	405.20
Profit on Sale of Capital Assets	-	(12.84)
Interest Income	(23.82)	(18.04)
Provision for Doubtful Debts	-	4.19
Income on Investment	(15.70)	(2.24)
Provision for Gratuity	10.71	10.86
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>3,024.58</b>	<b>2,600.95</b>
Adjustments for:		
Decrease/(Increase) in Inventories	(1,165.32)	597.87
Decrease/(Increase) in Other Current Assets	(1,783.50)	(359.66)
Decrease/(Increase) in Trade and Other Receivables	(1,958.84)	1,126.38
Decrease/(Increase) in Other Non Current Assets	(50.63)	(127.00)
Increase/(Decrease) in Trade and Other Payables	1,726.97	(4,065.73)
Increase/(Decrease) in Other Current/Non-Current Liabilities	91.12	(117.73)
<b>Cash Generated from Operations</b>	<b>(115.65)</b>	<b>(344.91)</b>
Adjustment for:		
Income taxes paid (net)	(544.83)	(401.54)
<b>NET CASH GENERATED/(USED IN) OPERATING ACTIVITIES (A)</b>	<b>(660.48)</b>	<b>(746.45)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	(4,049.31)	(890.70)
Sale of Property, Plant & Equipment	-	9.24
Purchase of Investments	(56.48)	(57.48)
Sale of Investments	-	11.34
Income from Investment	-	-
Interest Income	23.82	18.04
<b>NET CASH GENERATED /(USED IN) INVESTING ACTIVITIES (B)</b>	<b>(4,081.97)</b>	<b>(909.56)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Changes in Partner's Capital	-	(1,734.54)
Issue of Share Capital	-	207.20
Securities Premium on issue of Share Capital	-	4,336.24
Money Received against Share Warrant	697.68	-
Share application money pending allotment	301.22	-
Finance Cost	(284.45)	(405.20)
Increase/ (Decrease) in Long Term Borrowings	(390.11)	1,725.22
Increase/ (Decrease) in Short Term Borrowings	2,767.70	-
Increase/(Decrease) in Minority Interest	40.48	68.32
<b>NET CASH GENERATED /(USED IN) FINANCING ACTIVITIES (C)</b>	<b>3,132.52</b>	<b>4,197.24</b>
<b>NET INCREASE/(DECREASE) IN CASH DURING THE YEAR (A+B+C)</b>	<b>(1,609.93)</b>	<b>2,541.23</b>
Cash & Cash Equivalents at the beginning of the year	2,640.33	35.95
Cash received on acquisition of Subsidiary	-	63.14
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>1,030.40</b>	<b>2,640.33</b>
<b>Cash &amp; Cash Equivalents Comprises:</b>		
Cash and stamps on hand	25.77	8.39
Balance with banks	1,004.64	2,631.94
<b>Total</b>	<b>1,030.40</b>	<b>2,640.33</b>

**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 - 19 to the Financial Statements.
- Figures in brackets indicate cash outflows.

In terms of our report of even date

**For Baid, Agarwal Singhi & Co.**  
**Chartered Accountants**  
**Firm's Registration No. with ICAI:0328671E**

**For and on behalf of the Board**  
**SHREE KARNI FABCOM LIMITED**  
**(Formerly known as Shree Karni Fabcom LLP)**  
**(CIN : L47820GJ2023PLC140106)**

Rajiv Lakhotia  
*Managing Director*  
DIN: 02939190

Manoj Kumar Kamani  
*Director*  
DIN: 08156230

**(Dhruv Narayan Agarwal)**  
**Partner**  
**Membership No.: 306940**  
**Place : Kolkata**  
**Date: 29th Day of May, 2025**  
**UDIN: 25306940BMJBBN1650**

Dhiraj RamKishor Vaishnav  
*Company Secretary*

Arbind Kumar Lahoty  
**CFO**

## **NOTE 1 & 2: SIGNIFICANT ACCOUNTING POLICIES**

### **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 Standalone Financial Statements has been prepared by the Management to comply in all material respects with the requirements of:

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the "Guidance Note").

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 atleast 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 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 for the year is recognized as an expense in the Statement of Profit and Loss. However, if it relates to an item that is recognized directly in the financial statements outside the Statement of Profit and Loss (such as adjustments on account of capital receipts), the tax effect is also recognized outside the Statement of Profit and Loss, in accordance with the treatment of the underlying item.

**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.

## **I. REVENUE RECOGNITION**

Our Company's revenue is primarily generated from sale of Technical Textile used by the luggage, medical arch support, chairs, shoes and apparels industry. 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. CWIP**

CWIP includes costs directly attributable to projects in progress, such as the building currently under development. Direct costs comprise materials, labor, equipment, subcontractors, and other resources used specifically for the project. Indirect costs, including administrative expenses, insurance, and supervision, are also allocated as appropriate. Materials inventory includes items purchased but not yet utilized, held in storage or on-site. Labor costs reflect both direct construction labor and supporting indirect labor associated with the project.

**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Consolidated Financial Statements as at 31st March, 2025

(Currency: Rs. In lakhs)

	As at March 31, 2025	As at March 31, 2024
<b>3 Share Capital</b>		
<b>a. Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period :</b>		
<b>Authorised Share Capital :</b>		
( 80,00,000 Equity Shares of Rs.10/- each)	800.00	800.00
<b>Issued, Subscribed &amp; Fully Paid-up Share Capital :</b>		
<b>Opening Share Capital</b>	707.20	307.20
Add: Issue of Bonus Equity Shares	-	400.00
( 40,00,000 Equity Shares of Rs.10/- each)		
<b>Total</b>	<b>707.20</b>	<b>707.20</b>
<b>b. Terms/rights attached to equity shares :</b>		
The Company has only one class of equity shares having a par value of Rs. 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.		
<b>4 Securities Premium Account</b>		
As per last Financial Statement	3,936.24	-
Add: Securities Premium	-	4,336.24
Less: Utilisation of Reserves for issue of Bonus Shares	-	(400.00)
	<b>3,936.24</b>	<b>3,936.24</b>
<b>Retained earnings</b>		
As per last Financial Statement	2,153.47	2,196.31
Add: Transfer from Statement of Profit and Loss	1,510.64	1,471.27
Add: Adjustment for change in Accounting Policy	-	213.07
Less: Transfer / Repayment of Capital to Partners	-	(1,734.54)
Opening Reserves for subsidiary	-	7.36
	<b>3,664.11</b>	<b>2,153.47</b>
<b>Total Reserves and Surplus</b>	<b>7,600.34</b>	<b>6,089.71</b>
<b>5 Money Received Against Share Warrant</b>		
As per last Financial Statement	-	-
Add: During the year	301.22	-
	<b>301.22</b>	-

Pursuant to the resolution passed by the Board of Directors on January 18, 2025, the Company approved the issuance of share warrants convertible into equity shares on a preferential basis. The said issuance was subsequently approved by the shareholders at their meeting held on February 12, 2025. The Company received in-principle approval from the National Stock Exchange of India Limited (NSE) for the proposed issuance on March 19, 2025.

The Company has approved the allotment of 3,15,000 share warrants, each convertible into or exchangeable for one fully paid equity share of the Company of face value ₹10 each at a price of ₹765 per warrant (including a premium of ₹755 per warrant). The total amount to be raised through this issue aggregates to ₹2,409.75 Lakhs.

Till March 31, 2025, the Company has received ₹301.22 Lakhs towards the aforesaid preferential issue of share warrants. The equity shares underlying these warrants are yet to be allotted.

**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Consolidated Financial Statements as at 31st March, 2025

(Currency: Rs. In lakhs)

As at March 31, 2025 As at March 31, 2024

**6 Share Application money pending allotment**

As per last Financial Statement

Add: During the year

-	-
697.68	-
<b>697.68</b>	<b>-</b>

Pursuant to the resolution passed by the Board of Directors on January 18, 2025, the Company approved the issuance of equity shares on a preferential basis. The said issuance was subsequently approved by the shareholders at their meeting held on February 12, 2025, and the shares were allotted on April 2, 2025. The Company received in-principle approval from the National Stock Exchange of India Limited (NSE) for the proposed allotment on March 19, 2025.

The Company has approved the issue and allotment of 1,56,750 equity shares of face value ₹10 each at a price of ₹765 per share (including a premium of ₹755 per share) on a preferential basis. The total amount to be raised through this issue aggregates to ₹1,199.14 Lakhs.

Till March 31, 2025, the Company has received ₹697.68 Lakhs towards the aforesaid preferential allotment.

**7 LONG TERM BORROWINGS#****Secured Loan, considered good**

Term Loan from Bank

2,534.89 2,870.39

Less: Current Maturity

(766.28) (711.67)

**Total Long Term Borrowings****1,768.61 2,158.72**

#Refer Note 10A for Security and Repayment terms

**8 DEFERRED TAX LIABILITIES (NET)****Deferred tax liabilities**

Depreciation and Amortization Expenses

109.50 58.80

**Deferred tax assets**

Provision for Gratuity

(5.31) (2.73)

Provision for Doubtful Debt

- (0.72)

**Deferred Tax Liabilities (Net)****104.19 55.35****9 OTHER LONG TERM LIABILITIES**

Provision For Gratuity\*

21.08 10.43

**Total Other Non Current Liabilities****21.08 10.43**

\* Gratuity for FY 23-24 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.

**10 SHORT TERM BORROWINGS#****Secured Loan, considered good****a.Cash Credit Accounts**

4,083.51 1,676.73

**b.Current Maturity of Term loan from banks**

766.28 711.67

**Unsecured Loan, considered good\***

- -

**a. Loan payable on demand**

- Related Parties

2,777.49 2,378.76

- Others

919.50 1,011.92

**Total Short Term Borrowings****8,546.78 5,779.08**

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

#Refer Note 10A for Security and Repayment terms

**11 TRADE PAYABLES**

(a) Total outstanding dues of micro enterprises and small enterprises  
Total outstanding dues of creditors other than micro enterprises

190.23 693.29

(b) and small enterprises

2,642.30 412.27

**Total Trade Payables****2,832.53 1,105.56**



**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Consolidated Financial Statements as at 31st March, 2025  
(Currency: Rs. In lakhs)

	As at March 31, 2025	As at March 31, 2024
<b>12 OTHER CURRENT LIABILITIES</b>		
Partner's capital	159.26	159.26
Liability For Expenses	132.05	36.14
Advance from customers	24.00	2.35
Other Current Liabilities	-	1.95
Statutory Dues		
Professional Tax Payable	0.32	0.28
Provident Fund Payable	2.99	0.56
ESIC Payable	0.07	-
Goods and Service Tax Payable	6.25	-
TDS Payable	18.14	50.52
TCS Payable	0.23	1.08
Doubtful Debt	2.86	2.86
<b>Total Other Current Liabilities</b>	<b>346.16</b>	<b>254.99</b>
<b>13 Short Term Provisions</b>		
Provision for Gratuity*	0.42	0.42
Income Tax Liabilities (Net of Advance tax)	146.50	100.48
<b>Total Short Term Provision</b>	<b>146.93</b>	<b>100.90</b>
* Gratuity for FY 23-24 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.		
<b>16 OTHER NON CURRENT ASSETS</b>		
Security Deposits	156.69	62.97
Fixed Deposits with Banks	319.33	213.64
Other Deposits	-	148.78
<b>Total Other Non Current Assets</b>	<b>476.02</b>	<b>425.39</b>
<b>17 INVENTORIES</b> (At lower of cost and net realisable value)		
Closing Stock	4,945.75	3,780.43
<b>Total Inventories</b>	<b>4,945.75</b>	<b>3,780.43</b>
<b>18 TRADE RECEIVABLES</b>		
Trade receivables - unsecured, considered good (exceeding six months)		
- Related parties	-	-
- Others	877.00	286.79
Trade receivables - unsecured, considered doubtful (exceeding six months)		
- Related parties	-	-
- Others	2.86	11.43
	<b>879.85</b>	<b>298.22</b>
Trade receivables - unsecured, considered good ( less than six months)		
- Related parties	-	-
- Others	4,337.01	2,959.80
Trade receivables - unsecured, considered doubtful (less than six months)		
- Related parties	-	-
- Others	-	-
	<b>4,337.01</b>	<b>2,959.80</b>
<b>Total Trade Receivables</b>	<b>5,216.86</b>	<b>3,258.02</b>
<b>19 CASH &amp; CASH EQUIVALENTS</b>		
Balance with banks		
in current accounts	1,004.64	2,631.94
Cash and stamps on hand	25.77	8.39
<b>Total Cash &amp; Cash Equivalents</b>	<b>1,030.40</b>	<b>2,640.33</b>
<b>20 CURRENT ASSETS - OTHERS</b> (Unsecured, considered good)		
Capital Advance	251.43	209.98
Others - Advances Recoverable from (Unsecured, considered good)		
- Suppliers	321.27	-
- Other advances	400.95	54.65
Other Receivables	532.79	251.16
Balances with statutory/government authorities	559.30	100.49
Deferred Issue & Listing Expenses	59.13	-
Deferred Revenue Expenses	274.93	-
<b>Total Other Current Assets</b>	<b>2,399.80</b>	<b>616.30</b>

**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Consolidated Financial Statements as at 31st March, 2025

(Currency: Rs in lakhs)

	Year ended 31st March, 2025	Year ended 31st March, 2024
<b>21 REVENUE FROM OPERATIONS</b>		
Other operating revenues		
Sale of Goods	15,121.19	13,463.84
Job Work	87.43	163.30
Export Sales	1,489.15	-
High Sea Sales	-	80.63
<b>Total Revenue from operations</b>	<b>16,697.77</b>	<b>13,707.77</b>
<b>22 OTHER INCOME</b>		
Income From Investment	15.70	2.24
Profit on sale of Capital Asset	-	12.84
Foreign Exchange Rate	25.64	2.63
Interest - Fd	23.82	18.04
Rental Income	3.00	6.00
Duty Drawback	23.42	3.36
Subsidy*	135.67	22.56
Rodtep	15.52	-
Discount Received	0.20	0.07
Prior Period Income	2.47	-
TDS Refund Interest	1.06	0.68
Insurance Claim	2.02	(1.77)
Interest Income	-	4.28
<b>Total other income</b>	<b>248.52</b>	<b>70.93</b>
*Subsidy includes subsidy regarding assistance in raising capital through SME Exchange under Atmanirbhar Gujarat-2022		
<b>23 COST OF MATERIALS CONSUMED</b>		
Cost of materials Consumed	13,225.76	9,909.53
<b>Total Cost of Materials Consumed</b>	<b>13,225.76</b>	<b>9,909.53</b>
<b>24 CHANGES IN INVENTORIES OF FINISHED AND SEMI FINISHED GOODS</b>		
Opening stock	3,780.43	3,909.20
Less: Closing stock	4,945.75	3,780.43
<b>Total (Increase)/Decrease in Inventories</b>	<b>(1,165.32)</b>	<b>128.77</b>
<b>25 EMPLOYEE BENEFITS EXPENSE</b>		
Salary, wages, other benefits	555.17	277.70
Staff Welfare Expenses	35.45	9.21
Director Remuneration	348.00	240.00
Gratuity Expenses	10.71	10.86
Wages	27.48	70.56
Bonus	-	5.12
<b>Total Employee benefit expenses</b>	<b>976.81</b>	<b>613.45</b>
*Staff Welfare Expenses includes PF & ESI		
<b>26 FINANCE COSTS</b>		
Interest On Cash Credit Facility	166.25	188.41
Interest on Loans*	107.37	195.55
Stamp Duty	-	10.78
Processing Charges	10.84	3.88
Interest On Partner's Capital	-	6.57
<b>Total Finance cost</b>	<b>284.45</b>	<b>405.20</b>
*Interest subsidy income amounting to Rs 252.09 lakhs has been netted of with interest on loans on accrual basis.		
<b>27 DEPRECIATION ON PROPERTY PLANT &amp; EQUIPMENTS</b>		
Tangible Assets	536.27	301.18
Intangible Assets	72.74	9.06
<b>Total Depreciation</b>	<b>609.02</b>	<b>310.24</b>
<b>Note : Refer to Note No. 14</b>		

**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Consolidated Financial Statements as at 31st March, 2025  
(Currency: Rs in lakhs)

	Year ended 31st March, 2025	Year ended 31st March, 2024
<b>28 OTHER EXPENSES</b>		
Bank Charges	7.69	2.61
Transport Charges	244.98	56.19
Audit Fees (Refer Note. 28.1)	6.75	6.45
Custom Duty	-	13.49
Conveyance Expenses	16.70	10.72
Courier Expense	9.12	3.28
Discount & Commission Expenses	9.84	5.62
Donation	4.87	10.00
CSR Expenses*	39.67	-
Electricity Expenses	7.92	35.29
Insurance Expenses	18.62	5.93
Legal and Consultancy Expenses	91.62	33.79
Office Expenses	18.81	37.68
Rent Expenses	4.42	0.65
Repair And Maintenance	131.09	39.01
Stationary & Printing Expenses	9.14	2.66
Travelling Expenses	25.53	23.16
Packing charges	32.31	74.80
Rates and Taxes	6.66	17.52
Interest / Penalty	13.93	35.87
Labour Charges	-	17.31
Water Treatment Expenses	9.58	-
IPO Expense	32.64	10.55
Prior Period Expense	15.40	-
Selling & Distribution Expenses	26.08	27.27
Miscellaneous Expenses	58.79	38.09
Stamp duty and Registration fees	13.52	-
<b>Total Other expenses</b>	<b>855.66</b>	<b>507.93</b>
*Refer note no. 33 for disclosure on CSR		
<b>28.1 Audit Fees</b>		
Statutory Audit Fees	6.48	6.20
Fees for Taxation Matters	0.25	0.25
Fees for Certification	0.03	-
	<b>6.75</b>	<b>6.45</b>
<b>29 Income taxes</b>		
<b>Income tax related to items charged or credited directly to profit or loss during the year :</b>		
<b>a) Statement of profit and loss</b>		
(i) Current Income Tax	531.39	402.02
(ii) Deferred Tax expense / (benefit)	48.84	(16.31)
(iii) Income tax adjustment for earlier years	18.98	9.49
<b>Total (a+b)</b>	<b>599.20</b>	<b>395.20</b>
<b>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.</b>		
Profit / (Loss) before taxes	2,159.92	1,903.59
Enacted Income Tax rate in India	0.25	0.25
Income tax expense at tax rates applicable	561.41	488.47
Adjustments :		
Tax effect of items that are deductible for tax purpose	(114.61)	124.85
Tax effect of items that are not deductible for tax purpose	84.60	40.50
Tax effect Income charged under special rates	-	1.18
Reversal of deferred tax liability	48.84	(16.31)
Income tax adjustment for earlier years	18.98	9.49
<b>Other Adjustments</b>		
Others	-	(3.28)
<b>Income tax expense reported</b>	<b>599.20</b>	<b>395.20</b>
<b>Effective Income tax rate (%)</b>	<b>27.74</b>	<b>19.93</b>

**SHREE KARNIFABCOM LIMITED**

Notes forming part of the Consolidated Financial Statements as at 31st March, 2025

(Currency: Rs. In lakhs)

**Note 3 (c) - Details of shareholders holding more than 5% shares in the Company :**

Name of Shareholders	As at 31st March, 2025			As at 31st March, 2024		
	No. of Shares	% holding	% Change during the Period	No. of Shares	% holding	% Change during the Period
Manoj Kumar Karnani	12,50,000.00	17.68%	-	12,50,000.00	17.68%	100.00%
Raj Kumar Agarwal	12,50,000.00	17.68%	-	12,50,000.00	17.68%	100.00%
Rajiv Lakhotia	12,50,000.00	17.68%	-	12,50,000.00	17.68%	100.00%
Radhe Shyam Daga	12,50,000.00	17.68%	-	12,50,000.00	17.68%	100.00%
	<b>50,00,000.00</b>	<b>70.70%</b>		<b>50,00,000.00</b>	<b>70.70%</b>	

**Note 3 (d) - Details of shareholding of Promoters**

Name of the Promoters & Promoter Group	As at 31st March, 2025			As at 31st March, 2024		
	No of shares held	% of Holding	% Change during the Period	No. of Shares	% of Holding	% Change during the Period
Manoj Kumar Karnani	12,50,000.00	17.68%	-	12,50,000.00	17.68%	100.00
Raj Kumar Agarwal	12,50,000.00	17.68%	-	12,50,000.00	17.68%	100.00
Rajiv Lakhotia	12,50,000.00	17.68%	-	12,50,000.00	17.68%	100.00
Radhe Shyam Daga	12,50,000.00	17.68%	-	12,50,000.00	17.68%	100.00
	<b>50,00,000.00</b>	<b>70.70%</b>	-	<b>50,00,000.00</b>	<b>70.70%</b>	-

**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Consolidated financial statements as at 31st March, 2025

(Currency: Rs in lakhs)

Note 10(A) Loan Details as on 31th March, 2025							
Sl No.	Name of the Lender	Rate if Interest	Nature of Loan	Amount as on 31.03.25 (Rs. In Lakhs)	Repayment Term(including moratorium period)	Loan Financed (Rs. In Lakhs)	Description( including asset pledged)
1	Standard Chartered Bank CC Account	10.50%	Cash Credit	1,186.39	On demand	1,200.00	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
2	HDFC Bank LTD	7.50%	Vehicle Loan	2.79	37 Months	23.33	Light Commercial Vehicle Loan
3	HDFC Bank LTD Car Loan	8.30%	Vehicle Loan	3.00	39 Months	15.06	Auto Loan
4	Kotak Mahindra Bank	9.23%	Vehicle Loan	17.37	36 Months	25.00	Auto Loan
5	SCB ECL TL - 005318764	9.50%	Term Loan	54.16	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.
6	SCB TL - IF005207137	10.06%	Term Loan	30.66	46 Months	147.16	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
7	SCB TL - IF005368653	10.43%	Term Loan	399.39	64 Months	800.00	present and future. Charge on various residential and commercial properties, as well as Industrial
8	SIDBI LOAN	9.10%	Term Loan	150.50	78 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)
9	SIDBI LOAN	8.85%	Term Loan	98.40	54 months	140.00	Hypothecation of movable properties situated at various Industrial Plots
10	SIDBI LOAN	8.40%	Term Loan	96.30	60 Months	104.01	Hypothecation of movable properties situated at various Industrial Plots
11	ICICI Bank CC	9.00%	Cash Credit	2,453.03	On demand	2,500.00	Hopthecation of Stock and Mortgage of Plot No. 8, Rajhans Zesto, Phase-II, Jalalpore Navsari
12	ICICI Bank Ad HOC	11.00%	Temporary Overdraft	200.00	30 Days	200.00	
13	ICICI Bank Limited	9%	Overdraft	244.09	On Demand	250.00	Hypothecation of Moveable Properties, Current Assets, Receivables, Mortgage of Immovable Property, Corporate Gurantee from SKFL
14	ICICI Bank Limited	9%	Term Loan	1,404.35	74 Months	2,425.00	Hypothecation of Moveable Properties, Current Assets, Receivables, Mortgage of Immovable Property, Corporate Gurantee from SKFL
15	ICICI Bank Limited	9%	Term Loan	277.96	60 Months	443.80	Hypothecation of Moveable Properties, Current Assets, Receivables, Mortgage of Immovable Property, Corporate Gurantee from SKFL
<b><u>Unsecured Loans from related parties:</u></b>							
16	Manoj Kumar Karnani		Unsecured Loan	534.42	NA	336.49	NA
17	Radheshyam Daga		Unsecured Loan	760.95	NA	600.05	NA
18	Rajiv Lakhota		Unsecured Loan	997.10	NA	619.21	NA
19	Raj Kumar Agarwal		Unsecured Loan	220.02	NA	164.44	NA
20	Radheshyam Daga HUF		Unsecured Loan	25.05	NA	-	NA
21	Rajiv Lakhota HUF		Unsecured Loan	239.95	NA	-	NA
22	Ansh Lakhota Trust		Unsecured Loan	14.37	NA	-	NA
23	Jeewan Lakhota		Unsecured Loan	6.26	NA	-	NA
24	Mukta Lakhota		Unsecured Loan	6.27	NA	-	NA
25	Sangita Lakhota		Unsecured Loan	12.51	NA	-	NA
26	Uma Lakhota		Unsecured Loan	23.06	NA	-	NA
<b><u>Unsecured Loans from body corporate</u></b>				295.86	NA	-	NA
<b><u>Unsecured Loans from others</u></b>				561.17	NA	-	NA
<b>TOTAL</b>				<b>10,315.39</b>			



**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Consolidated financial statements as at 31st March, 2025

(Currency: Rs in lakhs)

Note 10(A) Loan Details as on 31th March, 2024							
Sl No.	Name of the Lender	Rate if Interest	Nature of Loan	Amount as on 31.03.24 (Rs. In Lakhs)	Repayment Term(including moratorium period	Loan Financed (Rs. In Lakhs)	Description( including asset pledged)
1	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
2	HDFC Bank LTD	7.50%	Vehicle Loan	10.75	37 Months	23.33	Light Commercial Vehicle Loan
3	HDFC Bank LTD Car Loan	8.30%	Vehicle Loan	7.84	39 Months	15.06	Auto Loan
4	Kotak Mahindra Bank	9.23%	Vehicle Loan	25.00			
5	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
6	SCB ECL TL - IF005207146	9.25%	Term Loan	8.29	28 Months	80.12	
7	SCB TL - IF005207137	10.06%	Term Loan	67.44	46 Months	147.16	
8	SCB TL - IF005207121	10.06%	Term Loan	14.71	28 Months	110.30	
9	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.
10	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).
11	SIDBI LOAN	8.54%	Term Loan	129.60	35 months	11.09	
12	ADHOC AXIS BANK	9.00%		272.27			
13	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.
14	ICICI Bank Limited	9%	Overdraft	190.56	On Demand	250.00	Hypothecation of Moveable Properties, Current Assets, Receivables, Mortgage of Immovable Property, Corporate Gurantee from SKFL
15	ICICI Bank Limited	9%	Term Loan	1,769.80	74 Months	2,425.00	Hypothecation of Moveable Properties, Current Assets, Receivables, Mortgage of Immovable Property, Corporate Gurantee from SKFL
<b>Unsecured Loans from related parties:</b>							
16	Manoj Kumar Karnani		Unsecured Loan	539.23	NA	336.49	NA
17	Radheshyam Daga		Unsecured Loan	760.95	NA	600.05	NA
18	Rajiv Lakhotia		Unsecured Loan	985.84	NA	619.21	NA
19	Raj Kumar Agarwal		Unsecured Loan	203.02	NA	164.44	NA
20	Rajiv Lakhotia HUF		Unsecured Loan	6.88	NA	-	NA
21	Ansh Lakhotia Trust		Unsecured Loan	13.27	NA	-	NA
22	Jeewan Lakhotia		Unsecured Loan	5.78	NA	-	NA
23	Mukta Lakhotia		Unsecured Loan	5.79	NA	-	NA
24	Sangita Lakhotia		Unsecured Loan	11.56	NA	-	NA
25	Uma Lakhotia		Unsecured Loan	11.56	NA	-	NA
<b>Unsecured Loans from body corporate</b>			Unsecured Loan	330.34	NA	-	NA
<b>Unsecured Loans from others</b>			Unsecured Loan	517.78	NA	-	NA
<b>TOTAL</b>				<b>7,937.80</b>			

**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Consolidated financial statements as at 31st March, 2025

(Currency: Rs in lakhs)

**Ageing for Trade Payables (Refer note 11)**

Particulars	Ageing For Trade Payables Outstanding As At 31st March, 2025				
	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
MSME*	190.23		-	-	<b>190.23</b>
Others	2,635.57	0.30	6.43	-	<b>2,642.30</b>
Disputed Dues- MSME*	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-

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*	667.34	25.95	-	-	<b>693.29</b>
Others	411.93	0.34	-	-	<b>412.27</b>
Disputed Dues- MSME*	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-

\*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

**Note:**

The information regarding amounts due to creditors registered under the Micro, Small and Medium Enterprises Development Act, 2006, has been given to the extent available with the Company. The required disclosures of outstanding dues of micro, small &

*(Rs in lakhs)*

	As at March 31, 2025	As at March 31, 2024
(a) Principal amount remaining unpaid as at 31st March	190.23	693.29
(b) Interest amount remaining unpaid as at 31st March	4.71	-
(c) Interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.	NIL	NIL
(d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL
(e) Interest accrued and remaining unpaid as at 31st March	NIL	NIL
(f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	NIL	NIL

**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Consolidated financial statements as at 31st March, 2025

(Currency: Rs. In lakhs)

**14 PROPERTY, PLANT AND EQUIPMENTS**

Particulars	Gross Block Determination				Depreciation				Net Block	
	Opening on 01.04.2024	Additions during the year	Deduction during the year	Closing on 31.03.2025	Opening on 01.04.2024	Additions during the year	Deduction during the year	Closing on 31.03.2025	As At 31.03.2025	As At 31.03.2024
Plant & machinery	1,906.86	407.73	-	2,314.59	299.14	120.84	-	419.98	1,894.61	1,607.72
Computer & Peripherals	21.91	11.61	-	33.53	13.17	7.53	-	20.70	12.82	8.74
Motor Vehicles	117.51	-	-	117.51	19.45	13.55	-	33.01	84.51	98.06
Furniture & Fittings	37.97	52.95	-	90.93	7.91	6.32	-	14.24	76.69	30.06
Office equipment	114.21	47.94	-	162.15	39.08	23.00	-	62.08	100.07	75.13
Plot(non depreciable)	382.36	144.16	-	526.52	-	-	-	-	526.52	382.36
Building on Plot	231.34	42.80	-	274.14	4.72	7.63	-	12.35	261.79	226.62
<b>Total</b>	<b>2,812.17</b>	<b>707.19</b>	<b>-</b>	<b>3,519.36</b>	<b>383.48</b>	<b>178.88</b>	<b>-</b>	<b>562.36</b>	<b>2,957.00</b>	<b>2,428.70</b>

<b>Intangible Asset</b>										
Water Treatment Right	31.00	435.00		466.00	12.60	72.43	-	85.04	380.96	18.40
Software	4.52	0.35		4.87	0.43	0.31	-	0.74	4.13	4.09
Other Intangible Assets	-	2.12	-	2.12	-	0.00	-	0.00	2.12	-
<b>Total</b>	<b>35.52</b>	<b>437.47</b>	<b>-</b>	<b>472.99</b>	<b>13.03</b>	<b>72.74</b>	<b>-</b>	<b>85.77</b>	<b>387.21</b>	<b>22.48</b>

Block Of Assets	Particulars	Rate %	Opening W.D.V.	Addition		Sale	Profit/(loss) On Sale	SUBSIDY	Depreciation	Closing W.D.V.
				Before.	After Sep.					
<b>Depreciable Assets</b>										
Plant & Machinery		15%	2,313.81	82.70	3.01	-	-	-	354.87	2,044.66
Computer & Computer Peripherals	Computer	40%	0.77	1.25	0.14	-	-	-	0.83	1.32
Furniture			11.77	-	-	-	-	-	1.68	10.09
<b>No Depreciable Assets</b>										
Land & Building	Land & Building		296.29	4.82	-	-	-	-	-	301.11
<b>Grand Total</b>			2,622.64	88.77	3.15	-	-	-	357.39	2,357.18

**Note:**
**i) Title Deeds of Immovable Property not held in the Name of Company:**

Particular	Relevant Line Item in Balance Sheet	Description of Item of Property	Gross Carrying Value	Title Deeds held in the name of	Whether the title deed holder is a promoter, director or relative of promoter/director or employee of	Reason for not being held in the name of company	Property held since which date
There is no immovable property whose title deeds are not held other than in the name of the company therefore not applicable.							

**ii) Benami Property :**

There is no proceeding initiated or pending against the company for holding any benami property under Benami Transaction (Prohibition) Act 1988.

**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Consolidated Financial Statements as at 31st March, 2025

(Currency: Rs. In lakhs)

**Note 14 : Capital Work in Progress (Continued)****Schedule for the year ended March 31, 2025**

Description	As at 31-03-2024	Addition during the period	Sales/Capitalised	As at 31-03-2025
Capital Work-in-Progress	331.23	2,812.72	-	3,143.95
<b>Total</b>	<b>331.23</b>	<b>2,812.72</b>	<b>-</b>	<b>3,143.95</b>

Ageing for capital work-in-progress as at March 31, 2025 is as follows:

**Capital work-in-progress**

Projects in progress	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2years	2-3years	More than 3 years	
	2,812.72	331.23	-	-	3,143.95
	<b>2,812.72</b>	<b>331.23</b>	<b>-</b>	<b>-</b>	<b>3,143.95</b>

There are no project whose completion is overdue or has exceeded its cost compared to its original plan. Further there are no projects which are temporarily suspended.

**Note:****i) There are no intangible assets which are under development as at March 31, 2025****Schedule for the year ended March 31, 2024**

Description	As at 31-03-2023	Addition during the period	Sales/Capitalised	As at 31-03-2024
Capital Work-in-Progress	96.55	331.23	96.55	331.23
<b>Total</b>	<b>96.55</b>	<b>331.23</b>	<b>96.55</b>	<b>331.23</b>

**A. Capital Work In Progress Ageing**

Ageing for capital work-in-progress as at March 31, 2024 is as follows:

**Capital work-in-progress**

Projects in progress	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2years	2-3years	More than 3 years	
	331.23	-	-	-	331.23
	<b>331.23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>331.23</b>

There are no project whose completion is overdue or has exceeded its cost compared to its original plan. Further there are no projects which are temporarily suspended.

**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Consolidated financial statements as at 31st March, 2025

(Currency: Rs in lakhs)

Note "15" - Investment		
Particulars	As at 31st March 2025	As at 31st March 2024
	Rs. In lakhs	Rs. In lakhs
<b>Unquoted, Trade Investments, Considered Good</b>		
<b>Venture Capital and Angel Funds</b>		
Artha Venture	100.82	100.82
Artha Select Fund	20.00	20.00
Artha Venture Fund I	74.42	48.92
LV Angel Fund Flox F1	5.00	5.00
LV Angel Fund kaching Ii	4.00	4.00
LV Angel Fund Glampusa P I	4.00	4.00
INVSTT Seeders Bima Plan- I	10.24	10.24
DGVCL Deposits	30.98	-
<b>Total</b>	<b>249.45</b>	<b>192.98</b>
<b>Investment in Subsidiary LLP</b>		
IGK Technical Textiles LLP	-	-
<b>Investment in Associate LLP</b>		
Textron Fabtech LLP	84.55	78.44
<b>Total</b>	<b>334.01</b>	<b>271.42</b>

Aggregate amount of quoted investments and market value thereof

-

-

Aggregate amount of unquoted investments

334.01

271.42

Aggregate provision for diminution in value of investments

-

-



**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Consolidated financial statements as at 31st March, 2025 (Continued)

(Currency: Rs in lakhs)

**Ageing for Trade Receivables (Refer note 18)**

<b>Particulars</b>	<b>Ageing For Trade Receivables Outstanding As At 31st March, 2025</b>					
	<b>Less Than 6 Months</b>	<b>6 Months-1 Year</b>	<b>1-2 Years</b>	<b>2-3 Years</b>	<b>More Than 3 Years</b>	<b>Total</b>
Undisputed trade receivables- considered good	4,337.01	628.48	218.34	30.18	-	5,214.01
Undisputed trade receivables- considered doubtful	-	-	2.86	-	-	2.86
Disputed trade receivables- considered good	-	-	-	-	-	-
Disputed trade receivables- considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>4,337.01</b>	<b>628.48</b>	<b>221.19</b>	<b>30.18</b>	<b>-</b>	<b>5,216.86</b>

<b>Particulars</b>	<b>Ageing For Trade Receivables Outstanding As At 31st March, 2024</b>					
	<b>Less Than 6 Months</b>	<b>6 Months-1 Year</b>	<b>1-2 Years</b>	<b>2-3 Years</b>	<b>More Than 3 Years</b>	<b>Total</b>
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	-	-	-	-	-	-
Disputed trade receivables- considered doubtful	-	-	2.86	-	-	2.86
<b>Total</b>	<b>2,959.80</b>	<b>227.06</b>	<b>67.15</b>	<b>4.02</b>	<b>-</b>	<b>3,258.02</b>

**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Consolidated financial statements as at 31st March, 2025 (Continued)

(Currency: Rs. In lakhs)

<b>30</b>	<b>Contingent Liabilities and Capital commitments</b>	<b>31-Mar-25</b>	<b>31 March 2024</b>
	Estimated amount of contracts remaining to be executed on capital	233.11	116.36
	Other commitments relating to settlement of litigation disputes	-	-

- 31** 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.

<b>32</b>	<b>Earnings per share (EPS) as per AS 20</b>	<b>31-Mar-25</b>	<b>31 March 2024</b>
	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	70,72,000	10,00,000
	Total number of equity shares outstanding at the end of the year-A	70,72,000	70,72,000
	Weighted average number of equity shares outstanding during the year –B	70,72,000	52,01,600
	Net profit attributable to equity shareholders for calculation of basic EPS – C(Rs. In Lakhs)	1,510.64	1,471.26
	Basic and Diluted EPS (Rs.) (C/B)(Based on weighted average number of shares)	21.36	28.28
	Basic and Diluted EPS (Rs.) (C/A)(Based on shares at the end of year)	21.36	20.80

**33 Disclosure on Corporate Social Responsibility Expenses**

Gross amount required to be spent by the Company during the year in pursuance to the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder : INR 39.67 lacs (PY NIL).

Amount unspent as at 31.3.2025 INR NIL (P.Y 31.3.2024 INR NIL)

Amount spent during the year 2024-25 are shown under other expenses in the statement of Profit &amp; Loss (Refer Note No.28)

S.No.	Particulars	As on 31st March, 2025	As on 31st March, 2024
1	Spent during the year	39.67	-
2	Yet to spend	-	-

**Description of Nature of Activities**

- 1 Eradication of Hunger
- 2 Promoting Health Care
- 3 Setting Up Homes for Orphans
- 4 Animal Welfare
- 5 Eradicating poverty, hunger and malnutrition, promoting health care which includes sanitation and preventive health care for the promotion of sanitation and making available safe drinking water

**34 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.

**35 Foreign currency transactions**

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

Particulars		As on 31st March,2025		As on 31st March,2024	
S. No.	Nature of Transactions	Amount (USD)	Amount(Rs. In Lakhs)	Amount (USD)	Amount(Rs. In Lakhs)
1	Import of Goods	15,17,353.35	1,297.26	2,40,230.95	199.83
2	Import of Machinery	1,00,400.00	86.95	-	-
3	Exports of Goods	17,25,991.00	1,489.15	-	-
<b>Grand Total</b>		<b>33,43,744.35</b>	<b>2,873.36</b>	<b>2,40,230.95</b>	<b>199.83</b>

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

**36 Segment Information**

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

**37 Related party transactions****a) Key management personnel ('KMP')**

1. Manoj Kumar Karnani	Whole Time Director
2. Radhe Shyam Daga	Whole Time Director
3. Raj Kumar Agarwal	Whole Time Director
4. Rajiv Lakhota	Managing Director
5. Arbind Kumar Lahoty	CFO
6. Dhiraj Ramkishor Vaishnav	Company Secretary
7. Jyoti Chitralingia*	Company Secretary

\*Jyoti Chitralingia ceases to be Company Secretary w.e.f., May 29th, 2024

**b) Subsidiary, Joint Venture & Associates**

1. IGK Technical Textiles LLP	Subsidiary
2. Textron Fabtech LLP	Associate

**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Consolidated financial statements as at 31st March, 2025 (Continued)

(Currency: Rs. In lakhs)

**c) 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 g. Shreeji Fabrics
2. Radhe Shyam Daga	a. Textron Fabtech LLP b. Radhe Shyam Daga HUF c. Aaradhya Impex
3. Raj Kumar Agarwal	a. IGK technical Textiles LLP b. Raj Kumar Agarwal HUF c. Bright Future Exports
4. Rajiv Lakhotia	a. IGK technical Textiles LLP b. Textron Fabtech LLP c. Shree Karni Artha LLP d. Rajiv Lakhotia HUF e. Shreeji Fabrics

\*KMP includes KMP and their relatives

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.

**d) Transactions with related parties during the year have been set out below**
**Remuneration**

Key management personnel ('KMP')

S.No.	Name of KMP	31st March, 2025	31st March, 2024
<b>- Directors</b>			
1	Manoj Kumar Karnani	87.00	60.00
2	Radhe Shyam Daga	87.00	60.00
3	Raj Kumar Agarwal	87.00	60.00
4	Rajiv Lakhotia	87.00	60.00
		<b>348.00</b>	<b>240.00</b>
<b>- Other KMPs</b>			
5	Arbind Lahoti	6.00	2.52
6	Dhiraj Ramkishor Vaishnav	3.31	-
7	Jyoti Chitralingia	0.57	1.47
	<b>Total</b>	<b>357.88</b>	<b>243.98</b>

**Interest expense**

Key management personnel ('KMP')

S.No.	Name of KMP	31st March, 2025	31st March, 2024
1	Manoj Kumar Karnani	0.08	1.31
2	Radhe Shyam Daga	-	2.25
3	Rajiv Lakhotia	6.57	2.32
4	Raj Kumar Agarwal	4.16	0.69
	<b>Total</b>	<b>10.81</b>	<b>6.57</b>

**Interest expense**

Entities in which KMP can exercise significant influence

S.No.	Name of KMP	31st March, 2025	31st March, 2024
1	Manoj Kumar Karnani HUF	-	23.08
2	Radhe Shyam Daga HUF	3.05	19.55
3	Rajiv Lakhotia HUF	17.31	19.50
	<b>Total</b>	<b>20.36</b>	<b>62.12</b>

**Purchases**

Entities in which KMP can exercise significant influence

S.No.	Name of Entities	31st March, 2025	31st March, 2024
1	International Trade Link	54.31	34.93
2	Textron Fabtech LLP	450.49	9.24
3	Bright Future Exports	307.90	-
4	Shreeji Fabrics	12.19	7.12
5	Aaradhya Impex	1.35	-
	<b>Total</b>	<b>826.23</b>	<b>51.29</b>

**Sales**

Entities in which KMP can exercise significant influence

S.No.	Name of Entities	31st March, 2025	31st March, 2024
1	International Trade Link	-	4.74
2	Textron Fabtech LLP	104.31	461.46
3	Shreeji Fabrics	-	78.68
4	Aaradhya Impex	52.86	-
	<b>Total</b>	<b>157.17</b>	<b>544.87</b>

**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Consolidated financial statements as at 31st March, 2025 (Continued)

(Currency: Rs. In lakhs)

**Rental Income**

Entities in which KMP can exercise significant influence

S.No.	Name of Entities	31st March, 2025	31st March, 2024
1	Textron Fabtech LLP	3.54	6.00
<b>Total</b>		<b>3.54</b>	<b>6.00</b>

**Loan Taken**

Entities in which KMP can exercise significant influence

S.No.	Name of Entities	31st March, 2025	31st March, 2024
1	Textron Fabtech LLP	-	257.00
2	Radheshyam Daga HUF	131.05	74.55
3	Rajiv Lakhotia HUF	234.81	19.50
4	Manoj Kumar Karnani HUF	-	23.08
<b>Total</b>		<b>365.86</b>	<b>374.12</b>

**Loan Repaid**

Entities in which KMP can exercise significant influence

S.No.	Name of Entities	31st March, 2025	31st March, 2024
1	Textron Fabtech LLP	-	257.00
2	Radheshyam Daga HUF	106.01	410.98
3	Rajiv Lakhotia HUF	1.73	349.73
4	Manoj Kumar Karnani HUF	-	395.29
<b>Total</b>		<b>107.74</b>	<b>1,413.00</b>

**Loan Taken**

Key management personnel ('KMP')

S.No.	Name of Entities	31st March, 2025	31st March, 2024
1	Manoj Kumar Karnani	8.08	537.79
2	Rajiv Lakhotia	43.92	944.83
3	Rajkumar Agarwal	90.06	166.09
4	Radheshyam Daga	29.00	778.30
<b>Total</b>		<b>171.06</b>	<b>2,427.02</b>

**Loan Repaid**

Key management personnel ('KMP')

S.No.	Name of Entities	31st March, 2025	31st March, 2024
1	Manoj Kumar Karnani	12.89	341.52
2	Rajiv Lakhotia	32.66	644.82
3	Rajkumar Agarwal	73.07	168.65
4	Radheshyam Daga	29.00	627.80
<b>Total</b>		<b>147.61</b>	<b>1,782.79</b>

**e) Balances at the year end****Loan Taken**

Entities in which KMP can exercise significant influence

S.No.	Name of Entities	31st March, 2025	31st March, 2024
1	Radheshyam Daga HUF	25.05	-
2	Rajiv Lakhotia HUF	239.95	-
<b>Total</b>		<b>265.00</b>	<b>-</b>

**Loan Taken**

Key managerial Personnel

S.No.	Name of Entities	31st March, 2025	31st March, 2024
1	Manoj Kumar Karnani	534.42	534.42
2	Radheshyam Daga	760.95	760.95
2	Rajiv Lakhotia	997.10	919.56
3	Rajkumar Agarwal	220.02	163.84
<b>Total</b>		<b>2,512.49</b>	<b>2,378.76</b>

**Rent Payable**

Entities in which KMP can exercise significant influence

- -

**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Consolidated financial statements as at 31st March, 2025 (Continued)

(Currency: Rs. In lakhs)

**Trade Receivables***Entities in which KMP can exercise significant influence*

S.No.	Name of Entities	31st March, 2025	31st March, 2024
1	Textron Fabtech LLP	3.64	192.89
2	Shreeji Fabrics	-	4.23
3	Aaradhya Impex	-	10.07
<b>Total</b>		<b>3.64</b>	<b>207.19</b>

**Trade Payables***Entities in which KMP can exercise significant influence*

S.No.	Name of Entities	31st March, 2025	31st March, 2024
1	International Trade Link	54.31	-
2	Textron Fabtech LLP	186.99	-
3	Shreeji Fabrics	7.96	-
<b>Total</b>		<b>249.27</b>	<b>-</b>

There are no investments by the company other than those stated under Note No. 15 in the financia

**f) Guarantee given**

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.

**g) 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.

- 38** 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 Rs. 1,00,00,000 divided into 10,00,000 equity shares of Rs. 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.
- 39** 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.



**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Consolidated financial statements as at 31st March, 2025 (Continued)

(Currency: Rs. In lakhs)

**40 Gratuity**

Valuation Results	Amount
Discontinuance Liability	42.39
Defined Benefit Obligation	21.51
Funding Status	Unfunded
Fund Balance	-
Current Liability	0.42
Non-Current Liability	21.08

VALUATION ASSUMPTIONS	
1. Demographic Assumptions	
<b>Mortality &amp; Disability:</b>	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.
<b>Extract of Mortality Rates(Indian Assured Lives Mortality 2012-14 (Urban)): Age Rate</b>	
18	0.000675
25	0.000941
35	0.001253
45	0.002688
55	0.006576
65	0.013526
<b>Retirement Age:</b>	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.
<b>Attrition Rate:</b>	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.
<b>Service related band</b>	<b>Attrition Rate</b>
For All Bands	6.00 % p.a.
<b>2. Financial Assumptions</b>	
<b>Discount Rate:</b>	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 <a href="http://www.fbil.org.in">www.fbil.org.in</a> ). 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.
<b>Future Years</b>	<b>Salary Escalation Rate</b>
For All Future Years	8.00 % p.a.

**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Consolidated financial statements as at 31st March, 2025 (Continued)

(Currency: Rs. In lakhs)

<b>3.Reasonableness of Assumptions</b>	<p>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.</p> <p>The assumption with regards to the discount rate has been considered as per the requirements of the Accounting Standard.</p> <p>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.</p> <p>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.</p>
<b>Materiality</b>	<p>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.</p> <p>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.</p>
<b>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.</b>	
<b>Vesting period :</b>	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.	
<b>Method of Valuation</b>	<p>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.</p> <p>Suitable application of the INR 2,000,000 ceiling has been considered when conducting the valuation.</p>

**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Consolidated financial statements as at 31st March, 2025 (Continued)

(Currency: Rs. In lakhs)

**Note 41 - RECONCILIATION OF QUARTERLY RETURN FILED BY COMPANY TO THE BANK AND BOOKS OF ACCOUNTS**

Quarter	Particulars	Amount as per Statement Provided to bank (A)	Amount as per book (B)	Difference (A-B)	Reason
Q1	Trade receivables	3,716.50	3,728.04	(11.54)	Please see note below
	Trade Payble	1,340.09	1,383.22	(43.13)	
	Stock	3,344.90	3,447.83	(102.93)	
	Total Revenue	2,872.00	2,871.36	0.64	
Quarter	Particulars	Amount as per Statement Provided to bank (A)	Amount as per book (B)	Difference (A-B)	Reason
Q2	Trade receivables	4,585.40	4,585.43	(0.03)	Please see note below
	Trade Payble	2,212.80	2,230.52	(17.72)	
	Stock	3,539.10	3,529.88	9.22	
	Total Revenue	7,614.50	7,614.44	0.06	
Quarter	Particulars	Amount as per Statement Provided to bank (A)	Amount as per book (B)	Difference (A-B)	Reason
Q3	Trade receivables	4,490.20	4,490.08	0.12	Please see note below
	Trade Payble	2,299.70	2,298.25	1.45	
	Stock	4,401.50	4,349.49	52.01	
	Total Revenue	11,370.40	11,370.36	0.04	
Quarter	Particulars	Amount as per Statement Provided to bank (A)	Amount as per book (B)	Difference (A-B)	Reason
Q4	Trade receivables	5,093.80	5,098.24	(4.44)	Please see note below
	Trade Payble	2,672.40	2,673.27	(0.87)	
	Stock	4,427.10	4,687.55	(260.45)	
	Total Revenue	16,554.50	16,554.49	0.01	
Note					
Primarily due to non availability of credit notes and debit notes at the time of submitting statement to the bank and also due to inclusion of certain costs forming part of the inventory.					

**SHREE KARNI FABCOM LIMITED**

Notes forming part of the Consolidated financial statements as at 31st March, 2025 (Continued)

(Currency: Rs. In lakhs)

**42. Ratio Analysis**

Ratio	Numerator	Denominator	Current Period as on 31.04.2025	Previous Period as on 31.04.2024	Variance %	Remarks
Current ratio (in times)	Total current assets	Total current liabilities	1.14	1.42	-19.48	Due to substantial increase in Trade payables
Debt-equity ratio (in times)	Debt consists of borrowings and lease liabilities	Total Equity	1.24	1.17	6.32	The increase is primarily attributable to a rise in short term borrowings in the current year.
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	2.99	1.78	68.21	Due to increase in earnings and reduction in interest expense along with principal repayment.
Return on equity ratio	Profit for the year less Preference dividend (if any)	Average totalequity	0.20	0.32	-38.19	Substantial increase in depreciation, employee benefit expenses and other expenses during the year
Inventory turnover ratio (in times)	Revenue from operations	Average Inventory	3.83	3.74	2.44	
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	3.94	4.06	-3.00	
Trade payables turnover ratio (in times)	Cost of Purchases	Average trade payables	6.72	4.41	52.32	Due to substantial increase in Trade payables
Net Capital turnover ratio (in times)	Revenue from operations	Average working capital(ie. Total current assets less total current liabilities	6.99	5.28	32.52	Due to substantial increase in Trade payables
Net profit ratio (in %)	Profit for the year	Revenue from operations	9.05	10.73	-15.71	
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities+ Deferred tax liabilities	29.06	33.69	-13.76	

Note: While Calculation Total Equity, Share application money pending allotment and Share warrant money pending allotment has not been considered.

**Note 43 - Other Statutory Information**

- 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
- The company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami Property.
- 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.
- The company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- The company has not traded or invested in Crypto currency or Virtual currency during the financial year.
- 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:
  - 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,
- 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:
  - 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.
- 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.
- 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.

**Note - 44**

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

For and on behalf of the Board  
SHREE KARNI FABCOM LIMITED  
(Formerly known as Shree Karni Fabcom LLP)  
(CIN : L47820GJ2023PLC140106)

Rajiv Lakhota  
Managing Director  
DIN: 02939190

Manoj Kumar Karnani  
Director  
DIN: 08156230

(Dhruv Narayan Agarwal)  
Partner  
Membership No.: 306940  
Place : Kolkata  
Date: 29th Day of May, 2025  
UDIN: 25306940BMJBBN1650

Dhiraj RamKishor Vaishnav  
Company Secretary

Arbind Kumar Lahoty  
CFO



**PROFITABILITY IS NOT AN  
OUTCOME, IT IS DESIGNED INTO  
OUR MODEL.**



