

IN THE NATURE OF ABRIDGED PROSPECTUS-MEMORANDUM CONTAINING SALIENT FEATURES OF THE RED HERRING PROSPECTUS

This is an abridged prospectus containing salient features of the Red Herring Prospectus of Shree Karni Fabcom Limited (the “Company”) dated February 26, 2024 filed with the Registrar of Companies, Gujrat at Ahmedabad (the “RHP” or “Red Herring Prospectus”). You are encouraged to read greater details available in the RHP available at www.skflindia.com. Unless otherwise specified all capitalised terms used herein and not specifically defined bear the same meaning as ascribed to them in the RHP.

THIS ABRIDGED PROSPECTUS CONSISTS OF BID CUM APPLICATION FORM ALONG WITH INSTRUCTIONS AND 8 PAGES OF ABRIDGED PROSPECTUS. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.



(Please scan this QR code to view the RHP)



SHREE KARNI FABCOM LIMITED

CIN : U47820GJ2023PLC140106; Date of Incorporation: April 11, 2023

Registered Office	Corporate Office	Contact Person	Email and Telephone	Website
Plot 188,189,190, Block No. 314, Rajhans Texpa, Village Baleshvar, Taluka Palsana, Surat - 394 317, Gujarat, India.	-	Jyoti Chitlangiya, Company Secretary and Compliance Officer	Telephone: +91 262 235 0900; E-mail: shreekarni@skflindia.com	www.skflindia.com

THE PROMOTERS OF OUR COMPANY: MANOJ KUMAR KARNANI, RADHE SHYAM DAGA, RAJIV LAKHOTIA AND RAJ KUMAR AGARWAL

Details of Issue to Public

Type of Issue	Fresh Issue Size	OFS Size	Issue Size	Issue Under	Share Reservation			
					QIB	NII	RII	Market Maker
Fresh Issue	Upto 18,72,000 Equity Shares aggregating up to ₹[•] lakhs	NIL	Upto 18,72,000 Equity Shares aggregating up to ₹[•] lakhs	This issue is being made in terms of Regulation 229(2) of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended.	Not more than 8,88,600 Equity Shares up to ₹ [•] lakhs	Not less than 2,67,000 Equity Shares up to ₹ [•] lakhs	Not less than 6,22,800 Equity Shares up to ₹ [•] lakhs	93,600 Equity Shares up to ₹ [•] lakhs

These equity shares are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited (“NSE”) and OFS: Offer for sale

Details of OFS by Promoter(s)/ Promoter Group/ Other Selling Shareholders: NIL

Price Band, Minimum Bid Lot & Indicative Timelines	
Price Band	₹ 220 to ₹ 227 per Equity Share of Face Value of ₹ 10/- each
Minimum Bid Lot Size	600 Equity Shares
Anchor Investor Portion Offer Opens/Closes	Tuesday, March 5, 2024
Bid/Issue Open On	Wednesday, March 6, 2024
Bid/Issue Closes On	Monday, March 11, 2024
Finalization of Basis of Allotment with the Designated Stock Exchange	On or before Tuesday, March 12, 2024
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account *	On or before Wednesday, March 13, 2024
Credit of Equity Shares to Demat accounts of Allottees	On or before Wednesday, March 13, 2024
Commencement of trading of the Equity Shares on the Stock Exchange	On or before Thursday, March 14, 2024

***In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100/- per day for the entire duration of delay exceeding four Working Days from the Bid/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.*

Details of WACA of all shares transacted over the trailing eighteen months from the date of RHP

Period	Weighted Average Cost of Acquisition (in ₹)	Upper End of the Price Band is ‘X’ times the WACA	Range of acquisition Price Lowest Price- Highest Price (in ₹)
Trailing Eighteen Months from the date of RHP	7.58	29.96	Lowest Price- Nil* Highest Price- 147.00

WACA: Weighted Average Cost of Acquisition has been calculated on fully diluted basis for the trailing eighteen months from the date of Red Herring Prospectus.

* Bonus Issue

RISKS IN RELATION TO THE FIRST OFFER

The face value of the Equity Shares is ₹ 10.00 each. The Floor Price, Cap Price and Issue Price as determined by our Company, in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building process, as stated under “Basis for Issue Price” on page 96 of the Red Herring Prospectus should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after Listing.

GENERAL RISKS

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Red Herring Prospectus. Specific attention of the investors is invited of the section titled “Risk Factors” beginning on Page No. 29 of the Red Herring Prospectus and on page 8 of this Abridged Prospectus.

PROCEDURE

You may obtain a physical copy of the Bid-cum-Application Form and the RHP from the stock exchange, syndicate members, Registrar to the Issue, Depository participants, Stock brokers, Underwriters, Banker to the Offer, Investors’ Associations or Self Certified Syndicate Banks. If you wish to know about processes and procedures applicable to this offer, you may request for a copy of the RHP and/or the General Information Document (GID) from the BRLM or download it from the websites of the Stock Exchange i.e. www.nseindia.com; the BRLM www.horizonmanagement.in and the Company i.e. www.skflindia.com.

PRICE INFORMATION OF BRLM- HORIZON MANAGEMENT PRIVATE LIMITED

Sr. No.	Issue Name	Issue size (₹ In Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, +/- % change in closing benchmark]- 30 th calendar days from listing*	+/- % change in Price on closing price, +/- % change in closing benchmark]- 90 th calendar days from listing*	+/- % change in Price on closing price, +/- % change in closing benchmark]- 180 th calendar days from listing*
1.	Cosmic CRF Limited	57.21	314	June 30, 2023	251.20	3.54%	2.80%	77.58%
2.	Baba Food Processing (India) Limited	32.88	76	November 15, 2023	76.00	(11.58)	7.66%	NA

Name of BRLM and contact details (telephone and email id) of BRLM	Horizon Management Private Limited Tel: +91 33 4600 0607 Email: smeipo@horizon.net.co Contact Person: Manav Goenka
Name of the Market Maker	MLB Stock Broking Private Limited
Name of Registrar to the Issue and contact details (telephone and email id)	MAS Services Limited T-34, 2 nd Floor, Okhla Industrial Area, Phase-II New Delhi- 110 020 Telephone: +91 112 638 7281/83 Facsimile: +91 112 638 7384 E-mail: ipo@masserv.com Investor grievance: investor@masserv.com SEBI Registration No.: INR000000049 Contact Person: N. C. Pal
Name of Statutory Auditor	Baid Agarwal Singhi & Co., Chartered Accountants
Name of Credit Rating Agency and the rating or grading obtained, if any	NA
Name of Debenture trustee, if any.	NA
Self-Certified Syndicate Banks	(a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40

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Non Syndicate Registered Brokers	The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the Stock Exchange, at NSE Limited at www.nseindia.com as updated from time to time.
Details regarding website address(es)/ link(s) from which the investor can obtain list of registrar to offer and share transfer agents, depository participants and stock brokers who can accept application from investor (as applicable)	https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes

PROMOTERS OF THE ISSUER COMPANY

Sr. No.	Name	Individual/Trust	Experience & Educational Qualification
1.	Manoj Kumar Karnani	Individual	Manoj Kumar Karnani, aged 48 years, is a Promoter and Whole-time Director of our Company. He does not hold any education qualification. He used to work as an independent agent providing custom clearance consultancy to businesses engaged in import and export of goods. He is well versed with custom laws and have more than 20 years of experience in import and export handling. His role is to deal with customs department for the company.
2.	Rajiv Lakhota	Individual	Rajiv Lakhota, aged 42 years, is one of the Promoters of our Company. He is the Managing Director of our Company. He attended University of Calcutta to pursue a bachelor's degree in commerce. He is presently heading the customer development considering the changing need of the industry and has played a key role in the growth and development of the company. He has an experience of 16 years in the textile industry and is head of sales department.
3.	Radhe Shyam Daga	Individual	Radhe Shyam Daga, aged 65 years, is one of the Promoters of our company. He is the Whole-time Director of our Company. He does not hold any education qualification. 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.
4.	Raj Kumar Agarwal	Individual	Raj Kumar Agarwal, aged 39 years, is a Promoter and Whole-time Director of our Company. He attended Capital University to pursue bachelor's degree in commerce. He is well versed with Chinese market and understands Chinese language and has good knowledge of local market in China. He spends most of his time in China and is presently supervising all Chinese procurement for the Company which includes the sourcing of raw materials, machine parts, finished and semi-finished goods. He has an experience of 15 years in the textile industry.

BUSINESS OVERVIEW AND STRATEGY

Business Overview: Our 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 our Company was converted into a public limited company and consequently the name of our 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.

We are engaged in the business of manufacturing of Technical Textile for the luggage, medical arch support, chairs, shoes and apparels industry. We specialize in Woven Fabrics, Knitted Fabrics, Coated Fabrics, 100% polyester and recycled polyester fabric. We procure yarn, resin, acrylic and coating chemicals to manufacture specialized technical textile and sell them to various luggage, medical arch support, chairs, shoes and apparels manufacturers and other textile intermediaries. The fabric manufactured by us also has diverse applications for luggage, roofing, agriculture net, vehicle covers, tents, armed forces fabric, sports-kits, chairs, medical arch support, umbrella and rain coats amongst others. Our manufacturing unit is equipped with automated machines for manufacturing of specialized technical textile with installed capacity of 70,000 meters per day for weaving, 90,000 kilos per month for knitting, 50,000 meters per day for poly acrylic and polyurethane coating, 15,000 meters per day for PVC / 8,000 meters per day for EVA lamination and 40,000 meters per day heat embossing. We market and sell under our brand 'SKFL'.

Financial Snapshot of our Company as per Restated Financial Information is as under:
(Amount in ₹ Lakhs)


Particulars	For the period ended			
	November 30, 2023*	March 31, 2023	March 31, 2022	March 31, 2021*
Revenue from operations	7,572.22	12,694.65	8,357.36	3,287.42
Total Revenue	7,599.48	12,704.05	8,365.18	3,289.86
EBITDA ⁽¹⁾	1,440.27	1,519.16	828.14	380.51
EBITDA Margin %	19.02%	11.97%	9.91%	11.57%
PAT ⁽²⁾	813.83	555.25	514.84	153.48
PAT Margin %	10.75%	4.37%	6.16%	4.67%

* Not annualised for the three months period ended November 30, 2023.

Note:

1. EBITDA Margin = (Restated profit before tax + Finance Cost + Depreciation and amortization expense)/ Total Revenue;
2. PAT Margin = PAT/ Total Revenue

Intellectual Property, if any: As on date of this Red Herring Prospectus, our Company has registered the following trademarks:

Sr No.	Original Trademark Name	Filed Trademark Name	Registration No.	Current Status
1		SKFL	5512689	Registered

Market Share: Not available

Client profile or Industries served: The knitted fabrics manufactured by us have been used by contract manufacturers of renowned brands in luggage, shoes and apparels industry.

Manufacturing plant, if any: Block No 314 Plot No 193, 194 and 195 Rajhans Texpa NH -8 Palsana, Surat - 394317

Employee Strength: As on November 30, 2023, the Company had a workforce of 39 permanent employees.

BOARD OF DIRECTORS

Sr. No.	Name	Designation	Experience & Educational Qualification	Other Directorships
1.	Rajiv Lakhota	Managing Director	Rajiv Lakhota, aged 42 years, is one of the Promoters of our Company. He is the Managing Director of our Company. He attended University of Calcutta to pursue a bachelor's degree in commerce. He is presently heading the customer development considering the changing need of the industry and has played a key role in the growth and development of the company. He has an experience of 16 years in the textile industry and is head of sales department.	Indian Companies / LLPs : <ul style="list-style-type: none"> • Paropkar Estate Private Limited • Shree Karni Artha LLP Foreign Companies NIL
2.	Radhe Shyam Daga	Whole-Time Director and Chief Financial Officer	Radhe Shyam Daga, aged 65 years, is one of the Promoters of our company. He is the Whole-time Director of our Company. He does not hold any education qualification. 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.	Indian Companies / LLPs : <ul style="list-style-type: none"> • IKG Technical Textiles LLP (as nominee of the Company) • Textron Fabtech LLP (as nominee of the Company) Foreign Companies : NIL
3.	Manoj Kumar Karnani	Whole-time Director	Manoj Kumar Karnani, aged 48 years, is a Promoter and Whole-time Director of our Company. He does not hold any education qualification. He used to work as an independent agent providing custom clearance consultancy to businesses engaged in import and export of goods. He is well versed with custom laws and have more than 20 years of experience in import and export handling. His role is to deal with customs department for the company.	Indian Companies / LLPs : <ul style="list-style-type: none"> • Nakoda Hair Accessories Private Limited • DP Global Impex Private Limited • Lizo India Automobiles LLP Foreign Companies : NIL

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4.	Raj Kumar Agarwal	Whole-time Director	Raj Kumar Agarwal, aged 39 years, is a Promoter and Whole-time Director of our Company. He attended Capital University to pursue bachelor's degree in commerce. He is well versed with Chinese market and understands Chinese language and has good knowledge of local market in China. He spends most of his time in China and is presently supervising all Chinese procurement for the Company which includes the sourcing of raw materials, machine parts, finished and semi-finished goods. He has an experience of 15 years in the textile industry.	Indian Companies / LLPs NIL Foreign Companies <ul style="list-style-type: none"> Yiwu Qie Er Wo Trading Co Limited, China Bright Future Export (Hong Kong) Company Canzghou Sikai Steel Pipe Company
5.	Rashmi Bihani	Independent Director	Rashmi Bihani, aged 42 years, is an Independent Director of our Company. She is an fellow member of the Institute of Chartered Accountants of India and holds a certificate of practice issued by the Institute of Chartered Accountant of India. She is having more than 15 years of experience in the field of accounting, audit and taxation.	Indian Companies / LLPs <ul style="list-style-type: none"> Sri Gopal Investments Ventures Limited Greenchip Trexim Pvt. Ltd Ellenbarrie Chemicals Allied Pvt. Ltd. DreamlightPlaza Private Limited. Birla Tyres Limited RBGJ Advisors Private Limited BRC Financial Private Limited Sumras ES Properti LLP Sumras Trading LLP Foreign Companies NIL
6.	Swati Singhania	Independent Director	Swati Singhania, aged 40 years, is an Independent Director of our Company. She has passed final examination held by the Institute of Chartered Accountants of India. She is the proprietor at M/s. S Singhania & Associates. She is having more than 10 years of experience.	NIL
7	Sriyans Lunia	Independent Director	Sriyans Lunia, aged 31 years, is an Independent Director of our Company. He holds bachelor's degree in commerce from University of Calcutta. He also have cleared Group I of integrated professional competence examination of the Institute of Chartered Accountants of India and foundation program examination of the Institute of Company Secretaries of India. In the past he was associated with Genpact India Private Limited in the capacity of credit verification officer and currently working with Symbiosis Assistance Private Limited in the capacity of account manager. He is having working Experience of around 8 years in the field of accounting, finance, taxation and legal matters.	Indian Companies / LLPs <ul style="list-style-type: none"> Euphoria Infotech (India) Limited Veritaas Advertising Limited Foreign Companies NIL

OBJECTS OF THE ISSUE
Details of means of finance –
(₹ in lakhs)

Sr. No.	Particulars	Total estimated cost	Amount which will be financed from Net Proceeds ⁽¹⁾	Estimated Utilisation of Net Proceeds
				Financial Year 2024-25
1.	Funding the capital expenditure setting up a dyeing unit in Navsari District, Surat, Gujarat	3,070.48	3,070.48	3,070.48
2.	Funding the purchase of new machinery proposed to be installed at our new unit proposed to be set up for manufacturing bags in Palsana, Surat, Gujarat, with an intent to expand our product portfolio	186.82	186.82	186.82
3.	Funding working capital requirements of our Company	500.00	500.00	500.00
4.	General corporate purposes ⁽¹⁾	[.]	[.]	[.]
Total		[.]	[.]	[.]

⁽¹⁾To be finalised upon determination of Issue Price. The amount shall not exceed 25% of the gross proceeds of the Issue

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Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/rights issue, if any, of the Company in the preceding 10 years- Not Applicable

Name of monitoring agency, if any- Not Applicable

Terms of Issuance of Convertible Security, if any- Not Applicable

Shareholding Pattern:

Sr. No.	Particulars	Pre Issue number of shares	% Holding of Pre issue
1.	Promoter and Promoter Group	50,00,000	96.16
2.	Public	2,00,000	3.84
	Total	52,00,000	100.00

RESTATED CONSOLIDATED AUDITED FINANCIAL

(₹ in lakhs)

Particulars	November 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Total income from operations (Net)	7,572.22	12,694.65	8,357.36	3,287.42
Net Profit/(Loss) before tax and extraordinary items	1,091.73	850.93	525.60	168.29
Net Profit / (Loss) after tax and extraordinary items	813.44	555.25	514.84	153.48
Equity Share Capital	520.00	100.00	100.00	100.00
Reserves and Surplus	1,392.17	2,502.24	1,221.61	571.23
Net worth	1,912.17	2,602.24	1,321.61	671.23
Basic earnings per share (₹)	23.80	11.10	51.48	15.35
Diluted earnings per share (₹)	23.80	11.10	51.48	15.35
Return on net worth (%)	42.56%	21.34%	38.96%	22.87%
Net asset value per share (₹)	36.77	260.22	132.16	67.12

^ Calculated after given effect of Bonus Shares. * Calculated based on partners' fixed capital.

INTERNAL RISK FACTORS**Business Risks/Company Specific Risk:**

- 1) We cannot assure you that the proposed manufacturing units for dyeing of fabrics and the unit for manufacturing bags will become operational as scheduled, or at all, or operate as efficiently as planned. If we are unable to commission our new manufacturing unit in a timely manner or without cost overruns, it may adversely affect our business, results of operations and financial condition.
- 2) As on date we have not obtained any of the approvals, clearances and permissions as may be required from the relevant authorities for the proposed manufacturing units. In the event we are unable to obtain such approvals and permits, our business, results of operations, cash flows and financial condition could be adversely affected.
- 3) Our expansion into new product categories and an increase in the number of products offered by us may expose us to new challenges and more risks.
- 4) Our Company has a very limited operating history of dyeing operations, which will make it difficult for the investors to evaluate our historical performance or future prospects.
- 5) We cannot assure that we shall be able to utilize our proposed manufacturing units to their full capacity or up to an optimum capacity, and non-utilisation of the same may lead to loss of profits or can result in losses, and may adversely affect our business, results of operations and financial condition.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved
Company						
By the Company	1 (Not quantifiable)	-	-	-	-	Not quantifiable
Against the Company	-	-	-	-	-	-
Directors						
By our Directors	-	-	-	-	-	-
Against the Directors	-	-	-	-	-	-
Promoters						
By Promoters	-	-	-	-	-	-
Against promoters	-	-	-	-	-	-

ANY OTHER IMPORTANT INFORMATION AS PER BRLM / ISSUER COMPANY- NIL

DECLARATION BY THE COMPANY

We, the undersigned, hereby certify and declare that all the relevant provisions of the Companies Act, 2013 and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations issued there under, as the case may be. We further certify that all statements in the Red Herring Prospectus are true and correct.