



A Y & COMPANY

505, Fifth Floor, ARG Corporate Park
Gopal Bari, Ajmer Road, Jaipur (Raj.)
TEL NO. - +91-9649687300,

Email: info@aycompany.co.in

To,

**The Board of Directors,
Karnika Industries Limited**
6&6/1, Gurgola Ghat Road, P.O. Salkia, Howrah,
Howrah, West Bengal-711106, India.

Dear Sir(s),

Sub: Proposed Initial Public Offer (IPO) of Karnika Industries Limited on Emerge Platform of National Stock Exchange of India Limited (“NSE EMERGE”)

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of various verticals in comparison to our peers. The KPIs disclosed below have been approved by a resolution of our Audit Committee dated June 26, 2023 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Draft Prospectus.

Key Performance Indicators of our Company.

| Key Financial Performance | (Rs in lakhs) | | | |
|--|-------------------|-------------------|-------------------|-------------------|
| | March 31, 2023 | April 12, 2022 | March 31, 2022 | March 31, 2021 |
| Revenue from Operations ⁽¹⁾ | 12459.24 | 636.71 | 9880.93 | 4746.41 |
| EBITDA ⁽²⁾ | 1664.41 | 38.64 | 972.25 | 242.69 |
| EBITDA Margin ⁽³⁾ | 13.36 | 6.07 | 9.84 | 5.11 |
| PAT | 826.74 | 25.67 | 454.01 | 81.61 |
| PAT Margin ⁽⁴⁾ | 6.64 | 4.03 | 4.59 | 1.72 |

Explanation for KPI metrics

| Key Financial Performance | Explanations |
|---------------------------|--|
| Financial KPIs | |
| Revenue from Operations | Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business |
| EBITDA | EBITDA provides information regarding the operational efficiency of the business |
| EBITDA Margin | EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business |
| PAT | Profit after tax provides information regarding the overall profitability of the business |
| PAT Margin | PAT Margin (%) is an indicator of the overall profitability and financial performance of our business. |

Sincerely,

For M/s A Y & Co.
Chartered Accountants
FRN: 020829C


Arpit Gupta
Partner

M. No. 421544
UDIN: 23421544BGSQDE9361



Place: Kolkata
Date: June 26, 2023