



SHREE KARNI FABCOM LIMITED

TECHNICAL TEXTILE & COATED FABRIC

(Formerly known as Shree Karni Fabcom LLP)

Press Release

H1 FY'26 Financial Performance (In Lakhs)

Particulars	For half year ended			For the year ended	
	H1 FY'26	H1 FY'25	YOY Growth%	H2 FY'25	FY25
Revenue from Operations	10,706.37	7,607.59	40.73	8,963.44	16,571.03
Other Income	129.26	111.65	15.77	66.25	177.90
Total Revenue (I+II)	10,835.63	7,719.24	40.37	9,029.69	16,748.93
Expenses					
Cost of materials consumed	8148.39	6307.15		8167.19	14474.34
Changes in inventories	433.98	-346.07		-1158.48	-1504.55
Employee benefits	540.28	431.09		142.89	573.98
Other expenses	497.14	466.28		219.75	686.03
EBITDA	1086.57	749.13	45.05	1592.10	2341.23
EBITDA %	10.15%	9.85%		17.76%	14.13%
Finance costs	141.31	83.51		134.76	218.27
Depreciation and amortisation	246.76	118.96		132.67	251.63
Profit/(Loss) before Tax	827.76	658.31	25.74	1390.92	2049.23
Tax Expense	210.79	171.61		367.00	538.61
Profit After Tax	616.98	486.71	26.77	1023.92	1510.62
Net margin%	5.76%	6.40%		11.42%	9.12%
Earning Per Equity Share	8.54	6.88	24.02	14.48	21.36

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.

The first half of FY26 has been a period of strategic progress, with solid revenue growth and improved operational capacity demonstrating our resilience and adaptability. The increase in depreciation marks the successful completion and activation of our new dyeing house—a strategic investment that enhances both our capabilities and competitiveness.

Despite industry-wide tariff pressures, our proactive market diversification and innovation efforts have allowed us to maintain robust order volumes. While margins are temporarily affected by essential investments in human talent and R&D for high end products, these initiatives position us strongly to capture future opportunities in premium segments. Our comprehensive capex program is now complete, allowing us to redirect focus from investment build-up to execution and value delivery as these novel products gain market traction. The second half of the year has historically been stronger for us, and with our extended facility now being operational, we are well-equipped to scale and accelerate growth. We are confident that margins will recover swiftly, unlocking new levels of performance and shareholder value.

Integration & Value Addition

A key differentiator of our model is end-to-end integration after we procure yarn, right from dyeing and coating to 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 higher margins.





SHREE KARNI FABCOM LIMITED

TECHNICAL TEXTILE & COATED FABRIC

(Formerly known as Shree Karni Fabcom LLP)

Margin Levers

Margin expansion is built into our strategy. The backward integration into dyeing will start delivering benefits as it started few months ago, and as we increase the share of **value-added categories** — such as defence fabrics, fireproof textiles, and premium finished goods. Beyond cost savings, the key margin driver is **mix improvement and pricing power** derived from solving critical customer needs.

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 profitability is 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.

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 pricing in the industry.

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.

