

August 28, 2023

The Manager  
The Department of Corporate Services  
BSE Limited  
P. J. Towers  
Dalal Street, Mumbai - 400 001  
**Scrip Code - 540775**

The Manager  
The Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex  
Bandra (East), Mumbai - 400 051  
**Symbol - KHADIM**

Dear Sir / Madam,

**Subject: Annual Report for the financial year 2022-23 of Khadim India Limited (the "Company") in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')**

Pursuant to Regulation 34 of the Listing Regulations, please find enclosed herewith the Annual Report of the Company for the financial year 2022-23 along with the Notice convening the 42<sup>nd</sup> (Forty-Second) Annual General Meeting ('AGM') of the Members of the Company scheduled to be held on Thursday, September 21, 2023 at 11:30 a.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

The same is also available on the website of the Company at [www.khadims.com](http://www.khadims.com).

This is for your information and record.

Thanking you,

Yours faithfully,

For **Khadim India Limited**

**Company Secretary & Head - Legal**  
Membership No.: A21358

Encl: As above

KHADIM INDIA LIMITED

# KHADIM

ANNUAL  
REPORT  
2022-23



[www.khadims.com](http://www.khadims.com)





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### **NOTICE**



To know more about the Company, scan the QR Code



To view the Report online, log on to [www.khadims.com/annual-report](http://www.khadims.com/annual-report)

Embrace the spirit of

# 'AFFORDABLE FASHION FOR EVERYONE'

with Khadim, the home-grown footwear brand that resonates with every Indian.

Our essence lies in affordability, driving our purpose to offer trendy and vibrant footwear at irresistible prices, perfect for all occasions for all age groups. With a steadfast focus on economy and mass segments, we make fashion accessible to every family, setting us apart from other retail footwear players in India.

As we expand our retail presence and deepen market penetration, our stylish yet affordable footwear continues to WOW our customers, making us the preferred choice for families.

Step into our world, where fashion knows no boundaries!



## At a Glance

**Established in 1981, Khadim is one of India's largest branded footwear companies. We are a prime player in the affordable fashion segment, providing high-quality footwear for the entire family, suitable for all occasions.**

Our brand 'Khadim' has successfully positioned itself as a popular choice for fashionable footwear, offering style without the burden of a high price tag. Our products are available nationwide and particularly resonate with the growing aspirations of India's middle-class segment, who seek trendy and value-for-money footwear. With a vibrant collection that is regularly refreshed, we remain committed to delivering the best footwear experience for our valued customers.

## OUR VISION

**To be one of the largest and successful affordable fashion footwear brand in India for the entire family for every occasion**

## OUR MISSION

**Ensuring customer delight and stakeholders return by delivering quality products at an affordable price**





**Key Facts and Figures**

**2<sup>nd</sup>**

Largest footwear retailer in India\*

**One of the top 3**

Players in South India\*

**846**

Retail Stores

**765**

Employees

**60%**

Revenue contribution from tier 2 cities and beyond



**₹ 725 Million**

EBITDA in FY 2022-23,

**51.7%** 

year-on-year

**Largest presence**

in Eastern India\*

**Largest footwear**

retail franchise network in India

\* In terms of number of exclusive retail stores

**700**

Distributors

**76 Lakh**

Pairs Retail volume sales in FY 2022-23  
(vs. 70 lakh pairs in FY 2021-22)

**₹ 6,603 Million**

Revenue in FY 2022-23,

**11.7%** 

year-on-year

**₹ 175 Million**

PAT in FY 2022-23,

**171.1%** 

year-on-year





# Business Model

**Our two-pronged market reach strategy, with a focused approach towards the retail and distribution segments, puts us in a strong position to capitalise on the Indian footwear industry’s growth potential.**

Our Company operates through two distinct business verticals, Retail and Distribution, each with its predominantly own customer base, sales channels and product range. We have established growth and success in both segments, serving customers’ needs for affordable and quality footwear while also diversifying and de-risking our operations.

## Retail Segment

Under our retail business, we outsource the majority of our product requirements from a large network of vendors to offer a wide selection of designs, sizes and colors. These products are relatively more premium than those sold in our distribution business.

The products are sold through our extensive network of exclusive retail stores (company owned outlets and franchisees). We predominantly follow the asset-light model to expand our retail presence, with 74% of our outlets operating under the franchisee route, and the remaining under the company-owned and company-operated (COCO) format. The product mix in our stores is maintained according to the customer profile of a given market to ensure product relevance and customer satisfaction.

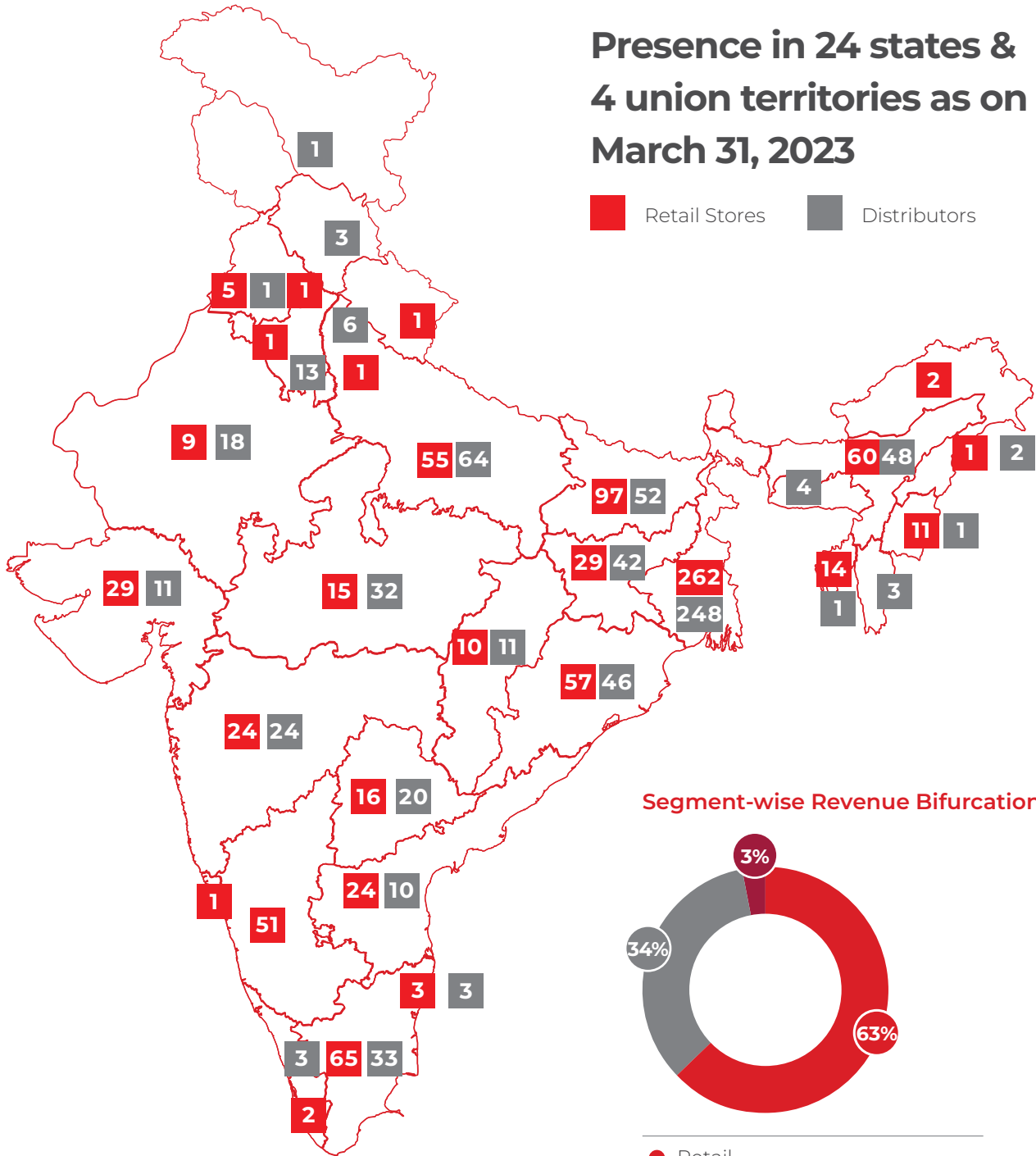
## Distribution Segment

Under our distribution business, we manufacture and supply footwear to distributors, who, in turn, supply them to MBOs (Multi-Brand Outlets) across the country. These products range from basic utility footwear to affordable premium footwear. With products being manufactured through a mix of in-house and contract manufacturing facilities, our distribution business has a highly scalable model at the front-end.

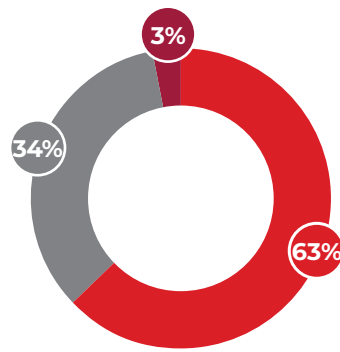
	RETAIL BUSINESS	DISTRIBUTION BUSINESS
<b>Reach</b>	846 Khadim’s exclusive branded outlets, as of March 31, 2023	700 distributors supplying to more than 30,000 MBOs across India, as of March 31, 2023
<b>Target Customers</b>	Middle & upper middle income customers in metros (incl. mini metros), Tier I - III cities	Lower- & middle-income customers in Tier I - III cities, who shop in MBOs
<b>Price and Products</b>	₹ 105 – ₹ 4,199  75% of our SKUs are below ₹ 1,000  Leather / non-leather sandals, slippers, boots, ballerinas, stilettos, moccasins, sports shoes and accessories*	₹ 75 – ₹ 999  83% of our SKUs are below ₹ 500  EVA, basic and premium Hawaai, PVC, PVC DIP and PU and Stuck On products
<b>Sourcing</b>	91% outsourced and smaller quantities of premium high quality products are self-manufactured	96% own manufacturing and 4% contract manufacturing facilities

\*Accessories include socks, shoe polishes, brushes, leather belts, wallets, laptop bags etc.

## Presence in 24 states & 4 union territories as on March 31, 2023



### Segment-wise Revenue Bifurcation



- Retail **63%**
- Distribution **34%**
- Others\* **3%**

\*Sales through e-commerce and institutional channels

Map not to scale.  
For illustrative purpose only.

# Our Brands

At Khadim, we believe that every step matters, and we take immense pride in accompanying our customers on their journey with our brands that seamlessly blend quality, style and affordability.

Khadim has established itself as a popular fashion footwear brand. Alongside our mother brand, Khadim, we have distinct sub-brands within both retail and distribution business. These sub-brands span various categories and price points, allowing us to comprehensively cater to the diverse footwear needs of a wide customer base. Our retail and distribution businesses combined have an addressable market size of approximately 85% of the total Indian footwear market potential.

## RETAIL BRANDS



Fashionable & casual footwear for the entire family



Handcrafted premium leather footwear for the working Man



Hi-fashion footwear for the young Man



Men's outdoor footwear



Athleisure footwear for All



Soft & Comfort footwear for Men & Women



Footwear for the working Woman



Hi-fashion footwear for young Girls and Women



Fashionable footwear for Kids



Fashionable footwear for young Girls

## ACCESSORIES



Cross Body Bag for Men



Laptop bag for Men



Portfolio Bag for Men



Wallet for Men



Clutch bag for Women



Sling bag for Women



Satchel bag for Women



Tote bag for Women



Backpack for Women



School Bag



Duffel Bag



Socks



Belts - Male



Belts - Female

## DISTRIBUTION BRANDS



Basic Hawaai



Premium Hawaai and Fabrication Chappals



PVC Footwear



DIP & PU Footwear



Athleisure sandal and shoes



Formal sandal and shoes



Footwear for Kids

# Business Strengths

**Empowered by a robust array of strengths, Khadim is well positioned to seize new opportunities, propel its performance and deliver greater stakeholder value.**

## Leading footwear brand

We are among India's leading footwear brands. We also command the largest presence in Eastern India and are one of the top three players in South India. This market leadership and brand salience, together with our accumulated industry experience of over six decades, puts us in a strong position to capitalise on the growing preference for branded products in India and drive sustained growth. Further, very few branded footwear players in India have the level of focus and popularity that we enjoy in the mass and economy segments.

## Diversified business model

With two distinct and successful business segments – retail and distribution - our operations are well-diversified, maximising our growth potential in India's footwear market. This approach also insulates us from over-reliance on any one segment, providing a robust foundation for sustained growth.



## Technology-enabled operations

We have seamlessly migrated our core ERP to a modern platform, yielding benefits like usability, integration, process control, data privacy and scalability. Cloud hosting saves on infrastructure costs with pay-as-you-use billing. The migration also empowers us with automation, efficient communication, collaboration tools, and continuous updates, optimising operations. Additionally, we have modernised our warehouse application with a contemporary WMS approach, optimising stock management and improving efficiency in various warehouse tasks.

### Extensive reach and presence

We have one of the largest footwear retail networks in India, with 846 Retail Outlets spread across 24 states and 4 union territories. Our distribution network is equally robust, featuring associations with 700 distributors who sell to more than 30,000 Multi-Brand Outlets (MBOs) across the country. This extensive geographical reach and penetration ensures that we can effectively cater to market demand nationwide.

### Efficient supply chain

We follow the Theory of Constraints (TOC) in our supply chain for both retail and distribution, which focuses on regular stock replenishment based on item movement. This ensures capital efficiency and lower levels of dead stock. State-of-the-art warehouses, a dedicated supply chain management team, and barcode machines at vendor premises ensure timely material sourcing, efficient delivery and streamlined logistics. This has led to faster inventory turnover and accelerated product supply.

### Robust design capabilities

Every product retailed or distributed by us is designed by our dedicated internal team of designers. To stay in line with market trends, our brand's design team conducts thorough market research, guiding the product design process accordingly. Once the designs are conceptualised, vendors are assigned to develop the products. Our design team remains constantly focused on understanding the latest domestic and global fashion trends, enabling the creation and growth of sub-brands, driving premiumisation, and effectively targeting and retaining aspirational customers.

### Strong quality focus

Committed to upholding quality, all raw materials used by our vendor partners undergo strict approval by our internal merchandising team. We maintain a meticulous approach by actively engaging with every vendor's production process, including procurement from nominated vendors, which ensures enhanced control and a steady supply. Our stringent **three-layer quality checks**, conducted by a dedicated team at vendors' production lines, after production, and before dispatch, minimise potential quality issues.

### Operational efficiency

We prioritise prudent cost management and sustainable growth. Our continuous efforts include negotiating rental expenditures to optimise fixed costs. We conduct regular cost benefit analyses for our own retail (COCO) outlets, resulting in the closure of loss-making stores and mitigating further losses. Rationalisation of inventory purchases, installation of a solar plant at our Panpur Factory, and relocating the factory to Serampore in close proximity to our warehouse are other ways in which we are driving cost efficiency.

### Asset-light business

We adopt an asset-light approach for growing our business. In our retail segment, we outsource 91% of our product requirements, avoiding heavy investments in capital-intensive manufacturing capabilities. Additionally, approximately 74% of our branded stores have been set up through the franchise route. In our distribution business, we maintain a healthy mix of in-house and contract manufacturing, enabling us to scale production efficiently in response to market demand.



### Experienced leadership

Our promoters have extensive experience in the footwear industry, and our management team comprises professionals with deep expertise in functional areas such as strategic planning, finance, business development, supply chain, procurement, sales, marketing & branding, and e-commerce. This diverse expertise empowers us to grow in a focused and strategic manner, with dedicated functional heads leading every operation.

# CMD's Message

Dear Shareholders,

It is my pleasure to reconnect with you and present the Company's Annual Report for the fiscal year 2022-23. Amidst a challenging environment characterised by sustained inflation, which particularly affected our target markets, I am pleased to report a healthy performance. Our success can be attributed to the strength of our brand, unwavering focus on portfolio enhancement, extended market reach, digital expansion, and customer-centric integrated communications. We remain focused on building on these strengths to drive long-term growth.



**Strong growth in our retail business of 25% was the key contributor to our overall revenue growth.**

## Macro environment

The operating environment presented a mix of positive developments and unexpected headwinds for the industry. As pandemic fears receded, economic activity in India picked up pace with supportive fiscal and monetary policies, increased public investment in infrastructure and a revival of private investment. Customer sentiments improved, leading to higher market demand, especially during the first festive season after two years without the shadow of the pandemic.

During the year, we witnessed some inflationary pressure on raw material prices, dealt with macroeconomic challenges and market volatility, however, we are confident in our ability to deliver strong performance and maintain our margins. The impact of inflation was most pronounced in the mass and economy categories and in Tier II & Tier III cities – our key markets.

## Performance review

Against this backdrop, we achieved a creditable business

performance. Revenue for FY 2022-23 reached ₹ 6,603 million, reflecting a healthy year-on-year growth of 11.7%. The strong growth in our retail business of 25% was the key contributor to our overall revenue growth, while our distribution vertical saw a degrowth of 6%.

Additionally, our gross margin showed significant improvement, rising to 41.9%, an increase of 470 basis points from 37.2% in FY 2021-22. EBITDA for the year stood at ₹ 725 million, significantly

higher than the ₹ 478 million recorded in FY 2021-22. The retail and distribution gross margins for the year stood at 53% and 34.9%, respectively, which are fairly similar to the previous year. These figures demonstrate our success in driving cost efficiencies and pursuing brand premiumisation.

### Management changes

During the year, there has been a change in our leadership. Mr. Rittick Roy Burman, Whole-Time Director, has been entrusted to lead the day-to-day operations and executive leadership. Mr. Rittick Roy Burman has been a positive contributor to the Company for more than 10 years, and with his comprehensive understanding of the business, I am confident that he would be able to steer the Company through the next stage of development and growth.

### Employee focus

At the heart of our success lies a dedicated team. We place great emphasis on fostering employee engagement and building a resilient workforce. Through targeted leadership development programs and internal training, we continuously upskill our team, ensuring they are well equipped to meet the needs of our growing business. Talent retention and recognition are central to our employee-centric approach, valuing and rewarding their contributions. We understand that a motivated and engaged team leads to exceptional performance and customer satisfaction. As we move forward, we remain committed to nurturing a culture of collaboration and empowerment, enabling our employees to thrive and contribute significantly to the Company's growth.

### Operational Strategy & Business Outlook

Efficiency gains contributed significantly to our performance. State-of-the-art warehouses

ensured operational excellence, while relocating our factory near the new distribution warehouse facilitated streamlined processes. Embracing technology across our operations enabled us to automate and optimise functions, further enhancing our cost efficiencies.

While inflation remains a concern in the short-term, the medium and long-term drivers of the organised retail footwear industry remain robust. Favourable factors such as increased discretionary income, a growing middle class, and a shift towards branded products, along with more women joining the workforce, will drive industry growth. The rising aspirations of customers in Tier II cities and beyond present exciting opportunities for businesses targeting these markets. Furthermore, the digital boom and e-commerce expansion offer avenues for nationwide customer outreach and market expansion.

At Khadim, we are poised to capitalise on these positive market trends. In our distribution segment, we will focus on offering competitive-priced footwear to drive volume sales, while product re-engineering will be a key area to maintain margins in this price-sensitive segment. In the retail segment, we will continue to offer vibrant and trendy footwear at attractive price points, while also pursuing premiumisation in our sub-brands to enhance margins. Our strategic focus will be on launching more premium products in metros, mini metros and Tier I cities to drive sales and margins.

Effective from July 01, 2023, the footwear industry has been included under the purview of the Bureau of Indian Standards (BIS) to ensure quality standards and safeguard customer rights. Our manufacturing facilities are well-equipped with testing laboratories and we do not foresee any disruptions due to

## ₹ 6,603 Million

Revenue for FY 2022-23

## 53% and 34.9%

Retail & Distribution Gross Margins for FY 2022-23

this regulatory development. We are actively collaborating with our vendors to guide them through the BIS registration process and product testing to comply with the guidelines.

### Acknowledgement

In conclusion, I express my heartfelt appreciation to the entire team at Khadim for their dedication and hard work. I am also grateful to our valued customers, business partners, shareholders and the wider community for their continued trust in our Company. Additionally, I extend my thanks to our esteemed Board of Directors for their invaluable counsel and guidance throughout our journey.

As we move forward, Khadim remains steadfast in its purpose to provide 'Affordable Fashion for Everyone' and create superior value for all stakeholders. Together, we will continue to chart a successful course and achieve new milestones.

Regards,

**Siddhartha Roy Burman**  
Chairman & Managing Director



# Whole-time Director's Message

Dear Shareholders,

This is my maiden communication to you on the backdrop of ensuing Annual General Meeting.



**The Company is evolving with changing consumer demand, market trend and bringing in diversified product portfolio under the primary brand and as well as under the sub brands across categories of men, ladies, kids and athleisure.**

## **Business Overview**

During the years, the business of your Company gained great momentum and recorded healthy performance as people started resuming normalcy in their daily schedule. However, there was some inflationary pressure on raw material prices which had impacted the business. Our deep understanding of the market and of consumer behaviour, helped the Company to stand tall and stay afloat throughout the year. This indicates the consumer's trust in the brand and its products, tenacity of partners and resilience of your Company to ensure that products and product



services stay relevant, resonant and accessible to consumers across India.

### Boosting Our Competitive Edge

With our long-term vision to become one-stop destination for affordable fashion footwear for the entire family and to grow steadily, we continue to focus on expanding our retail footprints, portfolio augmentation, premiumisation of sub brands, digital penetration and customer-focused integrated communication approach. These continues to be our important elements to move forward with conviction and be resilient to keep flourishing in the market.

The Company is evolving with changing consumer demand, market trend and bringing in diversified product portfolio under the primary brand and as well as under the sub brands across categories of men, ladies, kids and athleisure. To keep up to the expectation of the consumer demand, Company has invested in augmenting the in-house design team and has been vigilant towards the vendor partnership and their deliverables. Thus, the Company has been successful in its effort to drive product premiumisation and create an edge for the brand in the market and elevate itself as the first choice of the consumers in the affordable fashion footwear category. This remains the Company's focus area to stay abreast in the retail segment and maintain its leadership in the category.

The Company has witnessed huge demand of athleisure footwear during the year under report. To be part of the growth story in this category, Company has invested in creating functional, trendy and well-designed athleisure products across all demographics, to offer consumers a sense of belonging and satisfaction.

### Strengthening Our Business Segments

The retail sector has a promising long-term prospect backed by evolving consumer behaviour, rising of affordability and increasing awareness level of fashion owing to social media exposure and penetration of brand beyond metros and mini metros.

With its consumer-first approach, the Company planned to be present at the convenience of its patrons. All the new stores are



### The Company achieved new feats by foraying into Transit Retail, one of the booming segment in the retail industry.

opened in very strategic points in terms of locations/markets to attract consumers' attention. During the year, Company expanded significantly across demographics and opened 91 new retail touchpoints taking the store counts to 846 pan India.

The Company achieved new feats by foraying into Transit Retail, one of the booming segment in the retail industry. The Company spread its wings in two major



# Whole-time Director's Message



**E-commerce is a growing segment for the Company. Along with our store networks, we are focusing on ecommerce channel as well to increase our consumer base. We have partnered with various leading market places like Amazon, Flipkart, Myntra etc.**

locations in Kolkata – **One in Netaji Subhas Chandra Bose International Airport and another in Sealdah Railway Station.**

The **First Flagship Airport** store in the domestic departure terminal at Netaji Subhas Chandra Bose International Airport, has been a special part of the organisation's strategic growth plan of retail expansion as the brand has witnessed substantial demand for its products across the markets in India.

The Company marked its presence with its **First transit retail store** in **Sealdah Station**, one of India's busiest railway station connecting the suburbs

with Kolkata and reaches out to larger demographic of consumers.

With these new stores, the Company has achieved significant milestone for the brand to further raise brand awareness and engage with travelling consumer base offering them an enhanced footwear shopping experience.

The Company has been successful in catering to the aspirational nature of the consumers across geographical locations (metros, mini metros, Tier II & Tier III cities) by premiumising the product portfolio across sub brands available at pocket-friendly price.

The strong network of 700 distributors helps the Company to achieve deeper market penetration especially in the Tier II & Tier III locations. We operate through these large distribution network to cater to our consumers who shops in MBOs and prefers to buy our branded, stylish products at affordable price points. Though the Company has witnessed little sluggish business from this segment during the year under report, to maintain steady growth, we are focusing aggressively to increase volume.

## **E-commerce**

E-commerce is a growing segment for the Company. Along with our store networks, we are focusing on e-commerce channel as well to increase our consumer base. We have partnered with various leading market places like Amazon, Flipkart, Myntra etc. to widen our product offerings along with enhancing the reach of our own platform [www.khadims.com](http://www.khadims.com). To promote them further, the

Company is deploying focused marketing tools to achieve desired outcome.

### Omni-Channel Service

The Company has already aligned its business with Omni-channel services in its effort to offer holistic customer services. To capitalise on the technology-enabled opportunity, the Company has successfully implemented Omni-Channel services by smooth integration of its store network and augmented customer service through a comprehensive retail tech ecosystem provided by specialised platforms. At the same time, the Company is also working on adding the serviceability of their ecommerce orders which will help to improve the timelines adding to the customers' delight, reduces logistic costs and improves efficiency in managing working capital.

### Brand Marketing

During the year, the Company invested in various focused marketing initiatives to reinforce its consumer connect approach that aids in consumer engagement and resonates with brand image. Our marketing investments are all ROI focused backed by data analytics and provides insights on consumer behaviour.

This year, we have initiated region focused campaigns starting with "Cholche Khadim Cholbe Khadim" for West Bengal. The campaign with one simple, succinct message "Cholche Khadim Cholbe Khadim" is a creation of all the unique brand slogans of Khadim over the years



and showcases the six decades old legacy of our brand that resonates with the indelible love of our consumers. Going ahead, the Company plans to create more such similar campaigns with an intent to present a unique experience and connect to the audience across generations.

### Growth Strategy

In the past year, together we have achieved significant progress and I believe that going forward we will achieve greater milestones. As we continue to strengthen our competitive edge, we are equipped to capitalise on the future profitable growth. While our focus will remain on premiumising products under various sub-brands and expand our retail points in metros &

beyond, similarly the Company has started introducing products under the mother brand Khadim at lower price range to cater to the valued consumers. The mix of premium range and low price range products will aid in maintaining healthy growth level and help to tap consumers in all segments.

I would like to thank everyone for their support throughout the year and look forward to the year ahead.

Regards,

**Rittick Roy Burman**

Whole-time Director

# Segment Review – Retail

Various measures, such as our foray into transit retail, product premiumisation and enhanced e-commerce focus, among others, have further fortified our ability to connect with more customers and drive our retail performance.

## Expanding our store footprint

Store expansion is a vital element of our growth strategy for increasing retail sales. Our primary focus is on the franchisee-model, enabling us to grow in a capital-efficient manner. Further, our emphasis remains on driving store penetration in Tier II and Tier III cities.

During the year, we expanded our retail footprint with an aim to be present at the convenience of our customers. Hence, all new store launches have been very strategic in terms of locations/markets to attract customers' attention and sustain healthy business growth. We opened 91 new stores, of which 81 are in the franchisee format. Tier-wise, 47 new stores were opened in tier 3 cities, followed by 11 stores in tier 2 cities, 17 stores in tier I cities, and 16 in metro cities.

Another highlight of our store expansion was the foray into newer markets in the northern part of the country, thereby enabling customers residing there to purchase our products.



### Retail stores – Format wise

**630**

Franchise Stores

**216**

COCO Stores



### Foray into transit retail

A significant milestone in our store expansion was venturing into transit retail, a thriving segment in the industry. We strategically opened stores at Netaji Subhas Chandra Bose International Airport and Sealdah Railway Station in Kolkata, operating under the COCO format. These outlets are not only performing well, catering to a substantial customer base travelling through the airport and station, but are also actively contributing to brand promotion.

The airport retailing segment has evolved due to increased passenger traffic and early check-ins, making it a prudent move to capitalise on this ever-growing opportunity. Our flagship airport store has been instrumental in raising brand awareness and enhancing customer engagement. Additionally, the Sealdah store caters to a diverse demographic, addressing their evolving need for fashionable and affordable footwear. Located on the easily accessible ground floor at the Sealdah Station Complex, it has become a major success in bringing affordable fashion footwear closer to customers.

### Enhancing our athleisure portfolio

We revamped our sports footwear range to meet the rising demand in the athleisure category. The refreshed range offers vibrant, edgy and stylish products to resonate with the preferences of customers. This introduction has significantly boosted our revenue in the athleisure segment, which now contributes 16-20% of our total retail turnover, making it the second-largest category after our flagship brand, Khadim. We continue to prioritise the athleisure segment, confident that it will continue to grow with the strong presence of the Khadim brand and strategically located showrooms across markets.

### Strengthening our e-commerce business

E-commerce is a key focus area for us. We have established partnerships with major platforms to expand our product offerings and extended the reach of our own platform, [www.khadims.com](http://www.khadims.com). In FY 2022-23, our e-commerce revenue witnessed a growth of 12.02%, and we aim to sustain and further increase this growth through an enhanced stock management system for improved service efficiency.

As we strive to become an omni-channel brand, we are dedicated to providing a seamless customer experience. To achieve this vision, we have modernised our warehouse application with a modern WMS approach, optimising stock management and reducing turnaround times for outbound consignments through FIFO-based SKU location processes. This efficient system also helps in locating the SKU position within the warehouse very easily.



# Segment Review – Retail

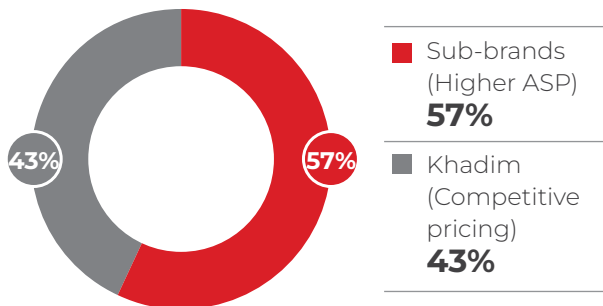
## Driving product premiumisation

We have successfully created a differentiating factor for our sub-brands, contributing to premiumisation across our product range. During the year, we revamped our product portfolio to cater to aspirational customers in metros, mini metros, and Tier II & Tier III cities. Notably, British Walker and Softouch were re-launched with new effects, offering more premium products.

To drive product premiumisation, we also enhanced our in-house design capabilities and collaborated with new vendors. Additionally, we reimagined the designs of our accessories section, especially for the ladies bags, back-packs, men’s wallets & belts. The growing sales of our sub-brands, surpassing our mother brand Khadim in sales contribution, underscores our success in driving product premiumisation within the gamut of affordability.



## Brand-wise retail contribution



## Enhancing our in-store experience

Over the past couple of years, we have made significant investments in revamping our stores’ overall image. This comprehensive effort includes uniform enhancements in ambience, in-store colour schemes, store lighting, product displays, in-store communication systems, and employees’ dress code. These ongoing initiatives span across all our stores pan India, ensuring a delightful shopping experience for our valued customers. While we refurbish existing stores, all new store openings adhere to the new format, reflecting our commitment to providing a consistent and upgraded shopping environment.

### Launching the unique Shoe Protection Program

We introduced the Shoe Protection Program during the year across 100+ of our retail stores, making it the first-of-its-kind in the retail shoe industry. This product insurance initiative has been warmly received by our customers, providing them with exceptional post-sale benefits and enhancing their overall shopping experience. We are proud to offer this innovative service that reinforces our commitment to customer satisfaction and sets us apart in the footwear retail market.



### Embracing new-age strategies for network expansion

To expand our network across India and collaborate with franchise partners for wider reach, we adopted new-age strategies to generate potential leads. These included lead generation campaigns on Meta platforms in local vernacular languages, promotional WhatsApp campaigns to pan India retailers and brokers with referral commission offers, and collaborations with influencers to promote our franchise business on YouTube. These initiatives proved successful in generating prospective partnership opportunities, leading to the opening of stores pan India.



### Setting up new infrastructure

We have established a state-of-the-art pre-engineered building (PEB) warehouse in Panchla, West Bengal, covering 1.7 lakh sq.ft, to meet the demands of our growing retail business. The warehouse is equipped with vertically automated goods lifting facilities, ensuring efficient inventory storage and retrieval. With ample day-light utilisation in half of the warehouse area, energy efficiency is enhanced.

This Grade A warehouse is strategically located with easy access to the national highway, allowing smooth movement of consignments throughout the day. The modern racking system enables us to store over 35 lakh units of inventory efficiently. We have also implemented good insulation systems to control the temperature inside the warehouse effectively.

To ensure the safety and security of our people and operations, the warehouse is equipped with CCTV surveillance, emergency medical support and fire-fighting systems. Following the industry standards, the warehouse is designed in a "U-shaped" layout, optimising operational efficiency. Additionally, we have plans to introduce more facilities like "Shoot" for easy stock movement in the near future.



# Segment Review – Distribution

**Our focus was on strengthening our distributor partnerships to effectively reach customers in smaller towns and cities. Simultaneously, substantial investments were made in our production and warehousing facilities to drive enhanced performance.**

## Strengthening distributor network

We continued to strengthen our distributor network to deepen our brand penetration across the country. During the year, we added 73 new distributors as our channel partners. This has further enhanced our ability to make our products available at more MBOs closer to customers and boost sales.

## Scaling up our warehouse

We have established a state-of-the-art warehouse, spread over 1.5 lakh sq.ft., at Sreerampore, West Bengal, to function as the central Distribution Center (DC) for the distribution segment. This year, this Distribution Center was scaled up to facilitate more business through semi-automated facilities. Small cubes are being used in transportation to convert small consignments into FTL (Full Truckload) consignment, ensuring improved and timely delivery. The entire warehouse operation is now performed through scanners, minimising the possibility of manual errors and maintaining an almost error-free warehousing system.

## Shifting factory to Sreerampore

The shifting of our factory from Kasba to Sreerampore (within the same state of West Bengal) has been a pivotal step in optimising our manufacturing activities. With this relocation, we have achieved a centralised utility system, reducing raw material and work-in-progress movement. The co-location of warehousing and manufacturing facilities allows for minimised finished goods storing and shifting time, ensuring convenience and efficiency. Moreover, the implementation of an automated material handling facility and the installation of machines at the same location enable us to readily produce a wide variety of products in the shortest time span possible. This consolidation has significantly improved our production processes and streamlined our operations.

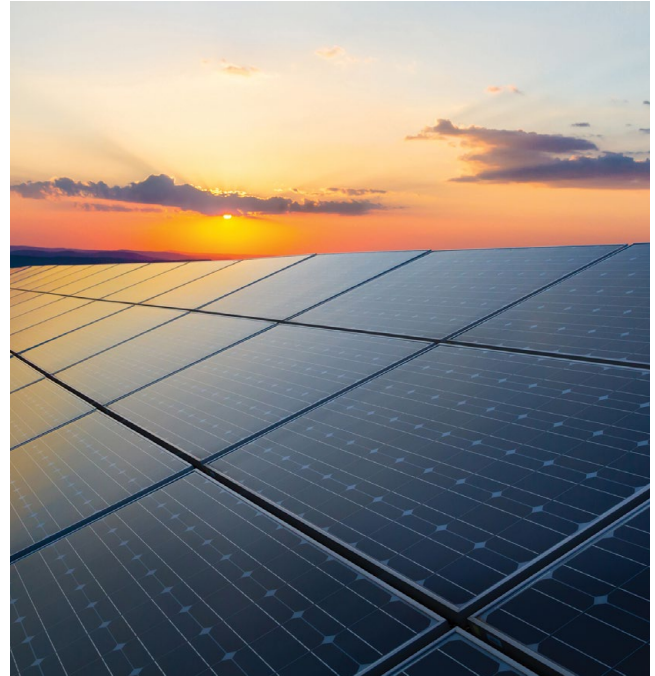


### Launching new products

We continued to launch new products at lower price points to drive volume sales. Additionally, we expanded our offerings with new formal shoe models at higher price points, ranging from ₹799 to ₹899, targeting a segment with limited competition. These products have generated considerable interest in the e-commerce space, which we aim to capitalise on.

### Driving production efficiencies

During the year, we faced challenges with increasing raw material prices, particularly in the mass and economy categories. Limited discretionary income in these segments made it difficult to pass on the raw material cost increase to customers. Despite these constraints, we strategically implemented production efficiencies to mitigate the impact on margins.



Additionally, the installation of a solar plant at our Panpur factory, significantly lowered our electricity costs, and the relocation of our factory from Kasba to Sreerampore, where our new warehouse is located, reduced our transportation costs. These measures contributed to our overall cost management efforts.

### Driving offline branding for distribution partners

As a company, we take pride in our robust nationwide distribution network. To bolster our portfolio and enhance brand recognition, we have introduced several sub-brands like Kalypso, Wash n Wear, Fliers, FitNxt, Dunford, and Pugo under the Khadim umbrella. To drive growth and support our distribution partners, we continued to provide comprehensive branding support across India.

# Brand Marketing

**Fostering meaningful bonds with our valued customers and reinforcing our brand image, our marketing initiatives encompass diverse and focused strategies like celebrity endorsements, digital campaigns, festive engagement, and exciting promotions.**

## Association with brand ambassador

Our continued association with leading Indian cricket player Shardul Thakur as the brand ambassador for Khadim enabled us to capitalise on his popularity amongst our target audience. Running the captivating campaign "It's Wow, It's Khadim" featuring him, we highlighted our trendy products, refreshed in-store experience and affordable prices. The celebrity-endorsed campaign received widespread promotion across digital platforms. It also extended to retail segments, customer touchpoints, social media initiatives and distribution channels. As a result, it made a significant impact on our brand image and audience engagement.



## Engagement of regional YouTubers for Durga Puja campaign

In our process of reinventing and connecting with audiences across generations, Khadim took a new approach for the Durga Puja campaign. For the first time, we collaborated with immensely popular YouTubers from West Bengal: Kiran Dutta (The Bong Guy) and Indrani Biswas (Wonder Munna). Durga Puja is the biggest festival in the Eastern part of the country, particularly in West Bengal, our largest market. The campaign was created in the local language, ensuring a better connection with our audiences.

The campaign was designed to align with our goal of becoming the first choice footwear brand for the entire family. It showcased our trinity offering of affordable pricing, refreshed in-store experience, and fashionable products to the target audience, perfectly echoing the "It's Wow, It's Khadim" proposition.

To leverage the engagement with these YouTubers, we organised the #WOWPujoContest. Customers participated by clicking a picture with any Khadim product at the nearest store, posting it on Facebook and Instagram, and tagging us and the YouTubers using the hashtags #WOWPujoContest and #ItsWOWitsKhadim.



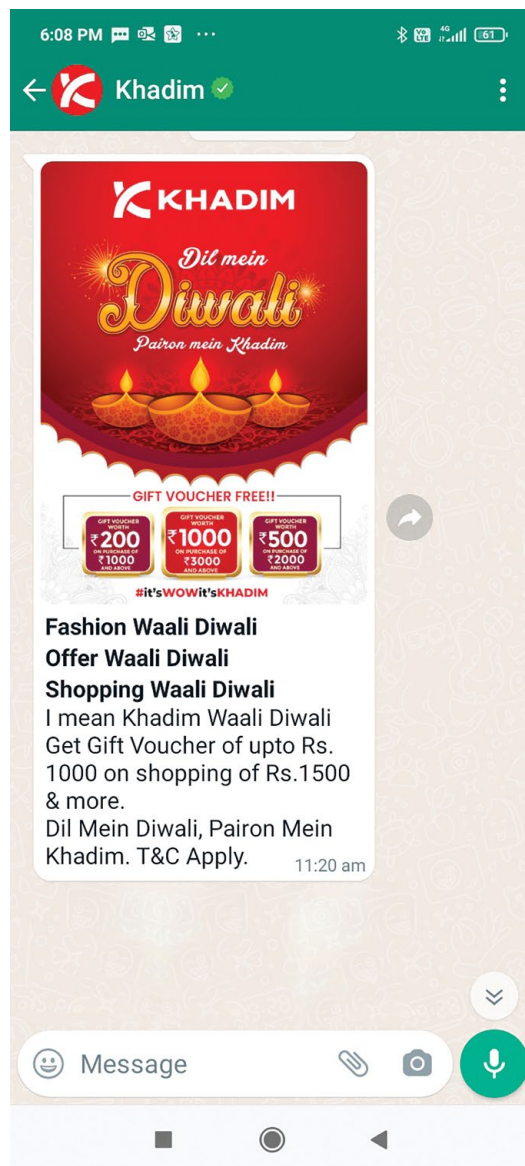
### Durga Puja branding

We came up with a unique initiative to showcase our Durga Puja collection. Giant cut-outs of our collection were installed in prominent cities known for celebrating Durga Puja with great fervor. Over 250 such cut-outs were strategically placed across West Bengal and in the cities of Agartala, Guwahati and Silchar, significantly enhancing brand visibility during the festive season.



### Deployment of personalised marketing channels

To communicate directly with customers and grab their attention, we transitioned from mass messaging to WhatsApp Marketing. This tool enables us to share comprehensive information, such as new launches, offers and sales, through individual messages. Customers receive product images, promo codes and website links in one message, facilitating interaction and regular communication. WhatsApp's wide usage ensures our brand messages reach the target audience, leading to improved conversion rates and increased sales. This approach has been effective in building and strengthening relationships with our customers.



# Brand Marketing

## New campaign with regional tagline

We recently launched a new campaign with a regional tagline “Cholche Khadim Cholbe Khadim”, showcasing our brand legacy that resonates with the indelible love of our customers. The campaign features all the unique brand slogans used by Khadim over the years, aiming to connect with the audience across generations. Widely acclaimed for offering affordable fashion footwear, Khadim focuses on capturing an emotional connect with customers through these catchy slogans. With over six decades of experience in the Indian footwear industry, we aimed to reassure our users that the brand continues to be rooted in providing affordable footwear for the entire family. The new campaign was amplified through integrated promotions across various media.



## Adaptation of Multiple New-Age Strategies to Enhance Network Expansion

In order to carry on with the expansion pan India and to join hands with franchise partners to widen their reach, the Company explored the following to generate potential leads:

- Lead Generation Campaign on Meta in vernacular local languages.
- Promotional WhatsApp Campaign to Pan India retailers.
- Promotional WhatsApp Campaign to Pan India Brokers offering referral commission.
- Collaborated with multiple influencers to promote our Franchise Business on YouTube. Like FranchiseBatao ( Dr. Ashish Aggarwal )

These have helped to generate prospective partnership opportunities to open stores pan India.



### Digital marketing

Engaging with our customers goes beyond mere marketing at Khadim; it's about creating delightful moments. From crafting engaging campaigns for festivals and special occasions to sparking conversations on unique days, we connect with our audience on a deeper level. Our social media initiatives go beyond promotion – they are experiences that resonate with the desires and aspirations of our young and dynamic audience. With every click, like, and share, we strengthen our brand presence and build meaningful relationships with our valued customers.



### 'Khadim Near Me' initiative

We continued our 'Khadim Near Me' activities in various housing complexes and our registered office building. These initiatives not only generate revenue but also serve as a platform for promoting our brand and products, bringing them closer to our valued customers.



### Redefining the offline branding for Distribution Network

The Company currently has a strong network of 700 distribution partners Pan India. Under the Khadim brand, it has introduced various sub-brands – Kalypso, Wash n Wear, Fliers, FitNxt, Dunford and Pugo in the Distribution segment to strengthen the portfolio. To further grow the business along with the partners, the Company has been helping the partners with various branding supports pan India.



# Human Resources

**We stride towards excellence on the strength of our people. Emphasising personal growth, professional development and team camaraderie, our empowering work environment drives our collective success.**

At Khadim, we firmly believe that our workforce is our greatest asset. Our commitment lies in investing in them and providing them opportunities to realise their full potential. We have scaled up our employee engagement initiatives conducted in partnership with various external partners. Through focused leadership development programs and internal training sessions, we aim to upskill our team. Additionally, we are recruiting the right talent who can fit into our work environment and culture.

## Ensuring employee wellness

Employee welfare has always been central to our Human Resource (HR) management philosophy. During FY 2022-23, we enhanced employees' wellness activities in collaboration with various external partners. Yoga sessions, dental health camps, cardiology camps, nutrition & lifestyle sessions, stress management sessions, work-life balance sessions, women's health talks, lungs check-up camps, diet management sessions, wellness programs on managing osteoporosis, general health check-up camps and programs on managing self were among the initiatives undertaken for promoting employee wellbeing.



## Enabling learning and development

Special leadership development programs and internal training sessions were conducted for the professional development of our teams.



Training programs on financial planning, negotiation skills, basic & advanced Excel, and Tax Deducted at Source (TDS) & Tax Collected at Source (TCS) were organised to upgrade employees' skills. Our training initiatives at Khadim are designed to develop personal skills essential for present job performance and to prepare employees for future growth.

## Promoting employee engagement

We believe that employee connection creates a culture within an organisation that provides a true sense of belonging and promotes progressive ideas and innovation to drive business growth. Many festivals like New Year, Bengali New Year, Durga Puja, Diwali, Retail Employee's Day, Women's Day, etc. are celebrated at our office to build cross-team engagement and team cohesion.



An event was held on World Photography Day to acknowledge the art and skill of photography possessed by the employees. A picnic and cricket tournament were also organised during the year to rejuvenate the employees and strengthen the bonding amongst themselves, contributing to a positive organisational culture.



# Corporate Social Responsibility

Making a positive impact on society is at the heart of our Corporate Social Responsibility (CSR) initiatives. Partnering with Green for Life Foundation and Udayan Care, we prioritised environmental sustainability and empowered deserving individuals.



## Tree Plantation and Nurturance Project

In association with Green for Life Foundation, we embarked on a tree plantation and nurturance project at Green Zone, Rajarhat, Action Area - I, Kolkata. The project aimed to contribute to the conservation of the environment and enhance green cover in the city.

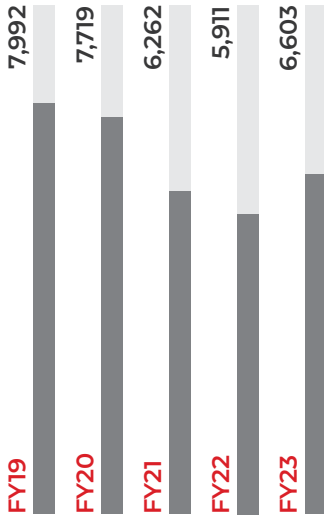
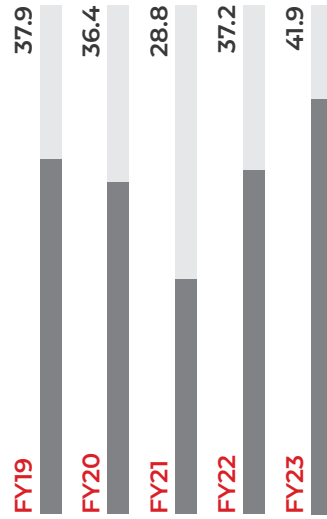
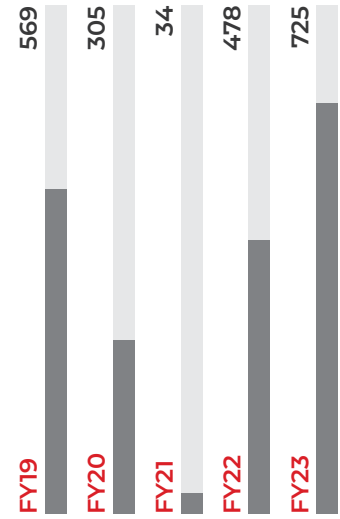
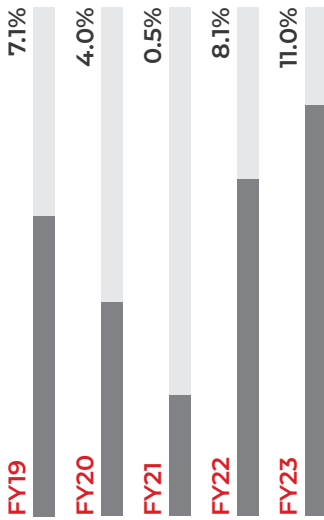
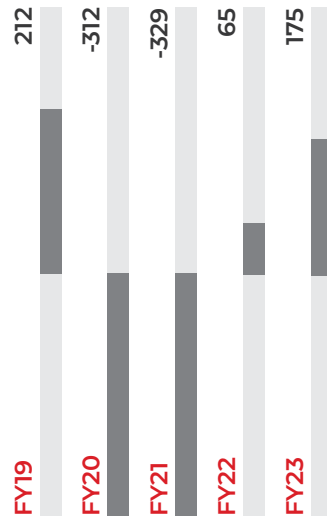
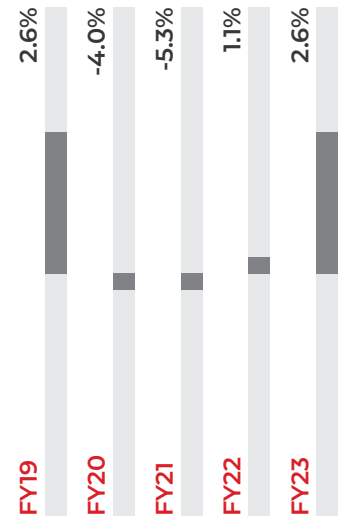


## Academic Excellence and Personality Development Program

Partnering with Udayan Care, we conducted the Academic Excellence and Personality Development Program. This program supported talented girls from weaker socio-economic backgrounds, providing them with opportunities to excel academically and develop their personalities. Our goal was to empower these young girls, transforming them into confident and dignified women.



# Financial Performance

**Revenue (in ₹ million)**

**Revenue Gross Margin (%)**

**EBITDA (in ₹ million)**

**EBITDA Margin (%)**

**PAT (in ₹ million)**

**PAT Margin (%)**


# Board of Directors



## Mr. Siddhartha Roy Burman

### Chairman & Managing Director

He has been associated with the Company since its incorporation and has over 40 years of experience in the footwear industry. He is at the helm of overall strategic decision-making of the Company and provides leadership to all operations.

He holds a Bachelor's Degree in Commerce from the University of Calcutta.



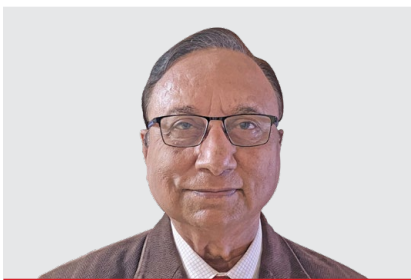
## Mr. Rittick Roy Burman

### Whole-time Director

He has been appointed as a Whole-time Director with effect from November 2019.

Prior to his appointment as a Whole-time Director, he held various roles within the organisation for a tenure of three years. Notably, he served as the Head – Merchandising & New Initiatives, overseeing the long-term strategy of the organisation and driving new ventures and initiatives. His diverse experience across different departments has provided him with a comprehensive understanding of the business.

He holds a Bachelor's Degree in Commerce from the University of Calcutta. He is also a Management Graduate from University of California, Berkeley.



## Dr. Indra Nath Chatterjee

### Independent Director

He has been associated with the Company since 2006 and has 43 years of experience in multi-national corporations, public sector undertakings and educational institutions.

Prior to joining our Company, he had been associated with Hinduja Group as Group President, Jindal Drilling & Industries Limited as Director, Oil and Natural Gas Corporation Limited as Director (Finance) and Indian Oil Corporation Limited as Nominee Director. Further, he had also been associated with Tata Engineering and Locomotive Company Limited (currently known as Tata Motors Limited), Indian Airlines, Kamani Services Private Limited, Calcutta Business School, IFFCO-Tokio General Insurance Company Limited and Pioneer Insurance Services Limited.

He holds a Post-Graduate Diploma in Management from the Indian Institute of Management, Calcutta and a Doctorate in Management from Symbiosis International University. He is a Fellow Member of the Institute of Company Secretaries of India and a Fellow Member of the Institute of Cost Accountants of India. He attended an Advanced Executive Program at Kellogg Graduate School of Business, Chicago, USA.

## Board of Directors

**Prof. (Dr.) Surabhi Banerjee****Independent Director**

She joined the Company as an Independent Director in May 2017.

Prior to joining our Company, she was associated as Vice Chancellor with Central University of Orissa, University of Gour Banga and Netaji Subhas State Open University.

She has 38 years of experience as an academican and holds a Master's Degree in Arts from the University of Leeds and a Doctorate in English from University of Calcutta.

**Mr. Alok Chauthmal Churiwala****Independent Director**

He joined the Company as an Independent Director in May 2018.

He is a third generation stockbroker and an angel investor with a rich experience of over 25 years in the Indian Capital Markets. As the driving force behind Churiwala Securities Private Limited (CSPL), his focus and vision enabled the company to establish itself as a prominent and respected player in the industry. He has been instrumental in starting the CDSL and NSE operations of the Churiwala Group. He also played a key role for the CSPL's tie-up with Larsen & Toubro and Trade.com for their internet venture (Ltrade.com).

He holds a Bachelor's Degree in Commerce from H.R. College of Commerce & Economics, Mumbai. He also holds a Diploma in Securities Law from the Government Law College, Mumbai and has completed executive learning programs from IIM, Ahmedabad & Indian School of Business, Hyderabad.

**Mr. Ritoban Roy Burman****Non-Executive, Non-Independent Director**

He was appointed as a Non-Executive, Non-Independent Director of the Company in December 2017.

He joined the Company in 2013 as Manager-Marketing and served in this capacity till November 2017. During this period, he gained good exposure in various aspects of footwear marketing. Since then he has been an integral part of our organisation, contributing his valuable expertise across different facets of the business.

He holds a Bachelor's Degree in Mass Communication from St. Xavier's College, Kolkata.

# Leadership Team



## **Mr. Indrajit Chaudhuri**

### **Chief Financial Officer**

He was elevated to the position of CFO from General Manager - Commercial and Strategic Planning with effect from April 01, 2018. He joined the Company in May 2007.

He has an experience of over 22 years in finance & accounts, taxation and strategic planning. He is responsible for the finance, accounts, taxation and treasury management and overall financial control. Additionally, he is also responsible for the legal and secretarial, information technology and general administration verticals.

Prior to joining the Company, he was associated with M/s P. G. Shah and Co., Chartered Accountants.

He is a Fellow Member of the Institute of Chartered Accountants of India and also holds a Master's Degree in Commerce from the University of Calcutta.



## **Mr. Abhijit Dan**

### **Company Secretary & Head - Legal**

He joined the Company as CS & Head – Legal in May 2015.

He has more than 22 years of experience in secretarial and legal affairs and is responsible for the overall secretarial and legal functions of the Company.

Prior to joining the Company, he was associated with MCPI Private Limited (Formerly, Mitsubishi Chemical Corp. PTA India Private Limited), Emami Infrastructure Limited and Burnpur Cement Limited.

He holds a Bachelor's Degree in Economics from the University of Calcutta. He is an Associate Member of the Institute of Company Secretaries of India and also holds a Bachelor's Degree in Law.



## **Mr. Tapas Ghosh**

### **General Manager - Sales & Business Development**

He joined the Company in April 1997 and has more than 27 years of experience in strategic planning, accounts, IT, business development and sales.

He is responsible for the retail (COCO / FRM) business of the Company.

He holds a Bachelor's Degree in Commerce from University of Calcutta.

# Leadership Team

**Mr. Aranya Ray****General Manager - Supply Chain Management**

He joined the Company in August 2005 and has an overall 23 years of experience in supply chain, buying and merchandising.

He is responsible for supply chain, logistics, procurement and merchandising in the Company.

Prior to joining the Company, he was associated with companies like ICI India Limited and ITC Limited.

He holds a Master's Degree in Business Administration from Sikkim Manipal University and a Master's Degree in Science (M.Sc. - Physics) from the University of Calcutta.

**Mr. Kaushik Dutta****Assistant General Manager - Sales**

He joined the Company in March 2007 and has about 19 years of experience in the field of retail sales and marketing in footwear domain.

He leads the Franchise (EBO / BO) Retail vertical along with E-commerce business of the Company.

He was associated with Pantaloons Retail India Limited prior to joining the Company.

He has done PGCBM from XLRI Jamshedpur and holds a Bachelor's Degree in Science from the University of Calcutta.

# Corporate Information

## Board of Directors

<b>Mr. Siddhartha Roy Burman</b>	Chairman & Managing Director
<b>Mr. Rittick Roy Burman</b>	Whole-time Director
<b>Dr. Indra Nath Chatterjee</b>	Independent Director
<b>Prof. (Dr.) Surabhi Banerjee</b>	Independent Director
<b>Mr. Alok Chauthmal Churiwala</b>	Independent Director
<b>Mr. Ritoban Roy Burman</b>	Non-Executive, Non-Independent Director

## Chief Financial Officer

Mr. Indrajit Chaudhuri

## Company Secretary & Head-Legal (Compliance Officer)

Mr. Abhijit Dan

## Statutory Auditors

M/s. Ray & Ray

Chartered Accountants, Kolkata

## Secretarial Auditors

M/s. BKG & Company

Company Secretaries, Kolkata

## Bankers

State Bank of India

Axis Bank Limited

ICICI Bank Limited

Bank of India

Central Bank of India

Union Bank of India

## Registrar and Share Transfer Agent

M/s. Link Intime India Private Limited

C-101, 247 Park,

Lal Bahadur Shastri Marg,

Vikhroli (West), Mumbai – 400 083

**Email:** mumbai@linkintime.co.in

**Website:** www.linkintime.co.in

**Tel:** +91 22 49186000

**Fax:** +91 22 49186060

## Registered Office

7<sup>th</sup> Floor, Tower C, DLF IT Park

08 Major Arterial Road

Block - AF

New Town (Rajarhat), Kolkata – 700 156

West Bengal, India

**CIN:** L19129WB1981PLC034337

**Email:** compliance@khadims.com

**Website:** www.khadims.com

**Phone:** +91 33 40090501

**Fax:** +91 33 40090500

## Board Committees

### Audit Committee

Dr. Indra Nath Chatterjee Chairman

Prof. (Dr.) Surabhi Banerjee Member

Mr. Alok Chauthmal Churiwala Member

### Nomination & Remuneration Committee

Dr. Indra Nath Chatterjee Chairman

Prof. (Dr.) Surabhi Banerjee Member

Mr. Alok Chauthmal Churiwala Member

### Corporate Social Responsibility (CSR) Committee

Prof. (Dr.) Surabhi Banerjee Chairperson

Mr. Siddhartha Roy Burman Member

Mr. Ritoban Roy Burman Member

### Stakeholders' Relationship Committee

Prof. (Dr.) Surabhi Banerjee Chairperson

Mr. Siddhartha Roy Burman Member

Mr. Ritoban Roy Burman Member

# Management Discussion & Analysis

The footwear industry in India is poised for robust growth in the coming years



# Management Discussion & Analysis

## Industry Structure and Developments

The global footwear market is estimated to record a revenue of US\$ 398.40 billion in 2023 and grow at a Compound Annual Growth Rate (CAGR) of 3.47% during 2023-2028. The enormous growth of the footwear market is also attributed to changing lifestyles, increase in health awareness, and changing fashion trends.

The organised retail sector in India has experienced phenomenal growth, primarily due to economic growth, favourable demographics, increase in disposable income, urbanisation, growth of rural consumption, popularity of digital payment and changing consumer preferences.

Footwear is one of the largest retail segments in India. The Indian footwear industry has evolved in the last few years in line with changing demographics, new players and formats, and the growth of the organised retail sector. The Indian footwear market is projected to grow at a CAGR of 15% to 17% from ₹ 920 - ₹ 950 billion in FY 2021-22 to reach ₹ 1,380 - ₹ 1,450 billion by FY 2024-25. The organised footwear segment has been growing at a faster rate and its market share is estimated to grow from 30.6% in FY 2019-20 to 36%-40% by FY 2024-25 and will reach ₹ 530 - ₹ 550 billion by FY 2024-25. The major growth drivers are the shift in perception of footwear from being a utilitarian product to a fashion accessory, rising demand for branded footwear, double income households and digital penetration. Further, the expansion of exclusive brand outlets in Tier II and small towns and increased share of e-retail are also propelling the growth of the organised footwear sector.

The footwear sector in India is now de-licensed and de-reserved and the government has allowed 100% FDI through the automatic route for this sector. Campaigns such as 'Make in India' and 'Self-reliant India' will boost domestic manufacturing and increase the competitiveness of Indian manufacturers in the global market. These initiatives are beneficial for the Indian footwear industry.

The footwear industry in India is poised for robust growth in the coming years. A shift in consumer preference towards fashionable and premium products is expected to boost the demand for higher ASP (average selling price) segments in the footwear industry. CRISIL Research expects the ASP to grow from ~₹ 415 - ₹ 430 in FY 2022 to ₹ 490 - ₹ 515 in FY 2025 at a CAGR of 5-7%. Further, the sports and athleisure (S&A) segment in the footwear market in India is growing rapidly. The demand for sports and athleisure footwear is expected to increase due to a heightened focus on health and fitness globally.



## Company Overview

Khadim India Limited (also referred to as 'Khadim' or 'the Company') is one of the leading footwear brands in India with a legacy of over six decades. It is the second largest footwear retailer in India in terms of number of exclusive retail stores operating under the 'Khadim' brand, with the largest presence in East India and one of the top three players in South India. The Company has the largest footwear retail franchise network in India which contributes to Khadim's success and brand equity.

The Company has established an identity as an 'affordable fashion' brand and "Affordable fashion for everyone" remains at the core of its business objective. Its wide range of footwear caters to the entire family for all occasions. The Company operates through 846 retail stores and 700 distributors in 24 States and 4 Union Territories as on March 31, 2023.



# Management Discussion & Analysis

Khadim has a two-pronged business model – Retail and Distribution, each with its predominantly own customer base, sale channels and product range. The Company’s retail business operates through exclusive retail stores (company-owned outlets and franchisees) catering to middle and upper middle income consumers in metros and Tier I - Tier III cities, who primarily shop in high street stores and malls. Its distribution business operates through a wide network of distributors catering to lower and middle income consumers in metros and Tier I - Tier III cities, who primarily shop in multi-brand outlets (MBO).

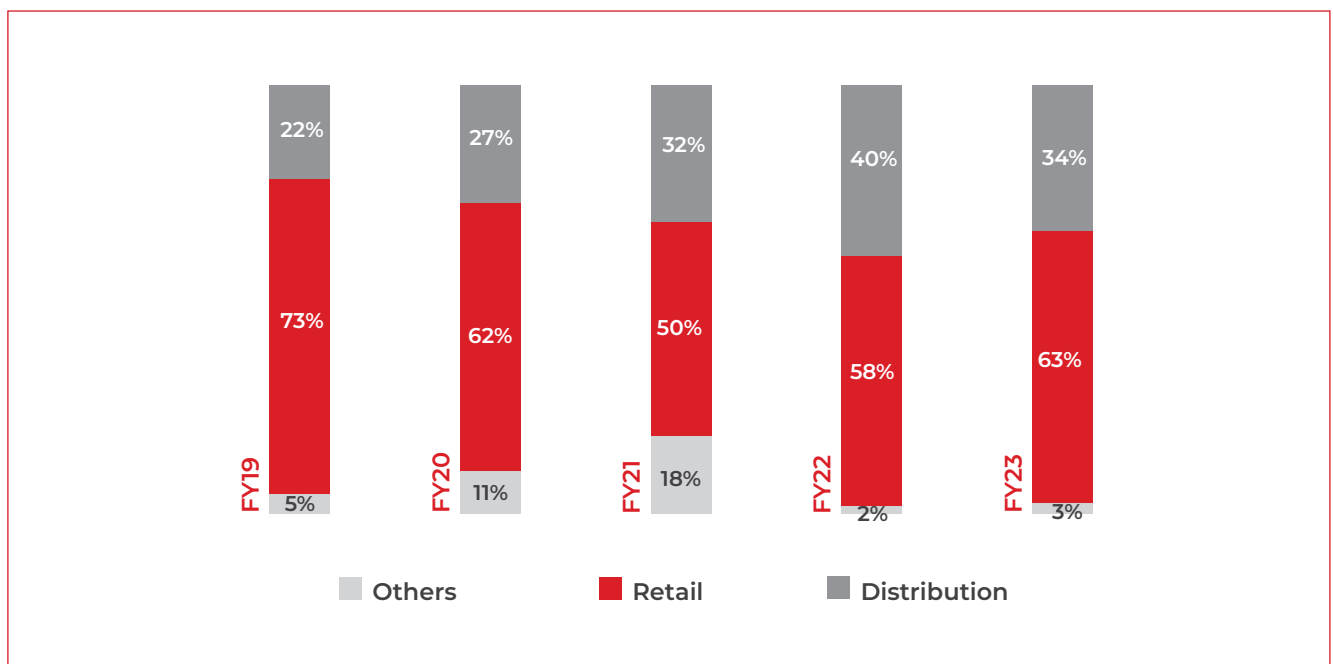
According to CRISIL Research, ~55.80% of the footwear industry lies in the Mass category (ASP ≤ ₹ 500) and 26.6% lies in the economy range (₹ 501 – ₹ 1,000). Khadim successfully caters to both categories through its retail and distribution businesses. 58% - 60% of the Company’s retail sales come from Tier II - Tier III markets wherein 75% - 80% of its SKUs are below ₹ 1,000. ~80% of its distribution sales come from Tier II - Tier III markets wherein 85% of the SKUs are below ₹ 500.

The Company follows an asset-light model with a focus on the expansion of its store network across India, premiumisation and optimum capacity utilisation for sustainable growth. The expansion of store presence across geographies via a franchisee partner network is an integral part of its growth strategy. Khadim has always believed in designing its product in line with the latest domestic and global fashion trends. It consistently invests in research and development to remain abreast with emerging trends and update its product portfolio by enhancing design skills. Khadim’s strong design capabilities have enabled it to create and grow sub-brands, drive premiumisation and target and retain aspirational customers.

## Operational & Financial Highlights

In the financial year 2022-23, the net sales for the Company increased to ₹ 6,602.64 million as against ₹ 5,910.80 million in the previous year, marking a rise of 11.70%. The operating EBITDA increased to ₹ 725.24 million as against ₹ 478.04 million in the previous year, up by 51.71%. The operating EBITDA margin increased to 10.98% of net sales as against 8.09% in FY 2021-22. Profit Before Tax was ₹ 225.71 million as against Profit Before tax of ₹ 77.73 million in the preceding year, recording a growth of 190.40%. The Profit After Tax for FY 2022-23 was ₹ 175.07 million compared to Profit After Tax of ₹ 64.59 million in FY 2021-22, showing a growth of 171.06%. The gross margin for retail and distribution were 53% and 34.90% respectively.

## Revenues - Segment-Wise

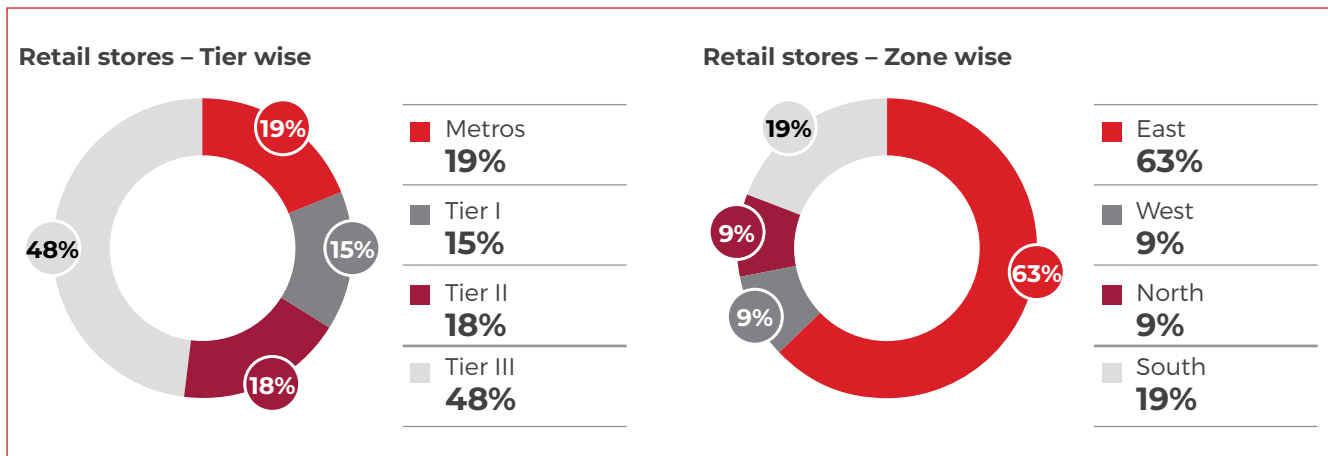


# Management Discussion & Analysis

## Retail Business

The Company's retail business has a widespread presence across 24 states and 4 Union Territories under the brand name "Khadim" as on March 31, 2023. The asset-light model expansion strategy of the brand continued to strengthen its retail presence in Tier II & III cities. The retail segment caters to middle and upper-middle income consumers in metros (including mini metros) and Tier I - III cities.

The Company expanded its retail footprint by opening 91 retail stores in FY 2022-23. As of March 31, 2023, the total number of Khadim's retail stores stood at 846 including Company Owned Company Operated stores (COCO), Franchise Stores (BO/EBO) and Franchisee Run and Managed stores (FRM). As part of the asset-light model, 74% of the retail presence is through the franchise route and 91% of the product manufacturing is outsourced through the Company's vendor network.



The Company offers a wide product range of footwear across various categories and price points ranging between ₹ 105 and ₹ 4,199 across the mother brand "Khadim" and sub-brands 'Pro', 'Lazard', 'Softouch', 'Cleo', 'British Walkers', 'Turk', 'Sharon', 'Bonito' and 'Adrianna' to cater to customers of different age groups. The product range consists of leather/non-leather sandals, slippers, boots, ballerinas, stilettos, moccasins, sports shoes and accessories (socks, shoe polishes, brushes, leather belts, wallets, laptop bags, etc.)

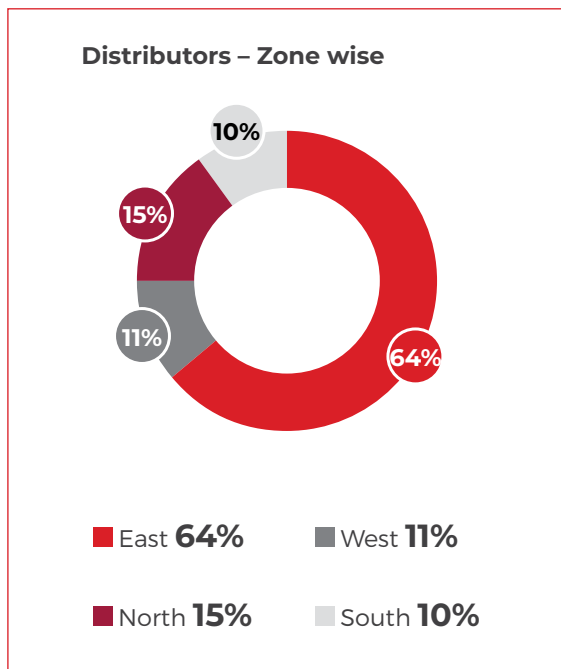


# Management Discussion & Analysis

The premiumisation of products within the spectrum of affordable fashion through various sub-brands has led to an increase in ASP and higher gross margin. Khadim has adopted the trinity approach of revamped product range which is trendy and vibrant, redesigned and refreshed in-store experience and reinforcement of the affordable price points to provide a better retail experience to the customers.

## Distribution Business

The Company's distribution segment provides branded and affordable footwear in the Mass footwear category. Khadim's distribution business operates through a wide network of distributors catering to lower and middle-income consumers in metros and Tier I - III cities, who primarily shop in MBOs. The Company has an extensive distribution network base of 700 distributors (447 in the East, 78 in the West, 106 in the North and 69 in the South) as of March 31, 2023.



The Company sells trendy products ranging in price from ₹ 75 to ₹ 999. The product range consists of EVA, basic and premium Hawaai, PVC, PVC DIP, PU, Stuck On products, etc. under the mother brand "Khadim" and sub-brands Kalypso, Wash n' Wear, Fliers, FitNxt, Dunford, Pugo each having a targeted end user. The various sub-brands help to achieve premiumisation in this business. The Company's Distribution business follows a highly scalable model on the front-end with a mix of in-house and contract manufacturing. Khadim manufactures 97% of the products to have better control on quality, supply and cost. It aims to be a family brand in this business segment by expanding its product line.



# Management Discussion & Analysis

## Marketing and Branding

Khadim is an established, home-grown brand that caters to customers across all age groups and for all occasions. It offers fashionable footwear at affordable prices for the masses. It carries a powerful legacy and the brand has always moved with time while staying true to its roots. The Company's unique trinity offering of refreshed in-store experience, affordable pricing, and fashionable range of products deliver a delightful WOW experience to consumers. The Company continues to reinforce its consumer connect approach through various focused marketing initiatives that aid in consumer engagement and resonate with brand image. It consistently makes the necessary investments in digital marketing, curating content that connects with young audiences and being active on social media channels to attract target audiences.

During FY 2022-23, the Company boosted its marketing initiatives to increase brand visibility. It has launched well-crafted social media campaigns that connect with the desires and aspirations of the younger audience. The Company continues its association with leading Indian cricketer Shardul Thakur as its Brand Ambassador to capitalise on his popularity and to target young consumers, especially Gen Z and millennials. "It'sWowIt'sKhadim" campaign featuring Shardul Thakur highlights the Company's offering of new fashionable range of products at affordable price points and the refreshed in-store ambience provides the consumers a delightful shopping experience. The Company also collaborated with two immensely popular YouTubers of West Bengal, Kiran Dutta (The Bong Guy) and Indrani Biswas (Wonder Munna) to create a "Never Before Campaign" in West Bengal just before Durga Puja in the local language to connect with the audience more efficiently. Further, the Company showcased its Durga Puja collection through an unique initiative in prominent cities where Durga Puja is celebrated with great fervour. Giant cut-outs of Khadim's Durga Puja collections were installed at strategic locations in and around West Bengal, Tripura and Assam. This helped to increase the brand visibility during the festive season.



The Company initiated multiple Social Media campaigns during the year. It switched to WhatsApp marketing over mass messaging with the aim to communicate directly with the consumers and attract their attention. It helped the brand to reach out to individual consumers with comprehensive information on new launches, offers, sale, etc., and to share product images, promo codes and link to the website in one single message. This initiative helped the brand to deliver its message directly to the target audience, boost the conversion rates generating sales and establish long-term relationships with the consumers.

The Company also adopted multiple new-age strategies to expand its network across the country and collaborated with franchise partners. The Company explored various strategies such as lead generation campaign on Meta in vernacular languages and promotional WhatsApp campaign to pan-India retailers and brokers with referral commission. The Company also tied-up with influencers such as FranchiseBatao (Dr. Ashish Aggarwal) on YouTube to promote its franchise business. Further, the Company continued 'Khadim Near Me' activities at various housing complexes and registered office building of Khadim to promote the brand and its products as well as to generate revenue.

# Management Discussion & Analysis

## Outlook

The Company is optimistic to deliver strong growth going ahead. It is well positioned to capitalise on the growth of the organised footwear retail segment, expanding middle class, and their surging aspirations and spending.

Khadim believes in the philosophy of 'affordable fashion' for everyone. It has always strived to provide affordable footwear for the entire family for every occasion. It continues to launch new products at pocket-friendly prices to drive sales volume. It also introduced a variety of athleisure products across all demographics to cater to surging demand for athleisure footwear.

The Company is focused to maximise revenue potential through all channels. With its vision to be an omni-channel brand, it is focused on enhancing its omni-channel facility to provide a seamless customer experience. E-commerce is a key focus area for Khadim. It has partnered with major e-commerce platforms including Amazon, Flipkart and Myntra and enhanced the reach of its own platform [www.khadims.com](http://www.khadims.com) to widen its product offerings and improve its services to increase consumer base. The Company continues its Customer Relationship Management (CRM) program to improve its customer service relationships, assist in customer retention and drive sales growth.

The Company is focusing on premiumisation, product innovation, and demand traction to improve margins and boost growth in the coming years. It will continue with the expansion of stores at various strategic locations across India to strengthen its retail presence and deepen its reach beyond Tier II & Tier III cities. Its brand presence and product range enable it to address ~85% of the total Indian footwear market potential through its retail and distribution business. The Company targets to enter into new markets through Company Owned Company Operated outlets (COCO) and further augment presence in such markets through franchisees once the brand is well established. It aims to penetrate existing markets in Eastern and Southern India and capitalise on retail brand recall and target markets in West and North India.

## Key Ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company complies with the requirement to provide details of key financial ratios along with detailed explanations thereon in case of a change of 25% or more compared to the previous financial year. The key financial ratios are depicted below:

Sl. No.	Ratios	FY 2023	FY 2022	Change (YoY)	Reason
1	Debtors Turnover Ratio	0.28	0.23	23.50%	NA
2	Inventory Turnover Ratio	0.27	0.28	-3.82%	NA
3	Interest Coverage Ratio	1.78	1.34	32.40%	The increase was mainly on account of a higher operating margin
4	Current Ratio	1.35	1.22	10.85%	
5	Debt Equity Ratio	0.53	0.61	-13.35%	
6	Operating Profit Margin	10.98%	8.09%	35.81%	The increase was mainly on account of higher gross margins and cost-control measures
7	Net Profit Margin	2.65%	1.09%	142.66%	The improvement is largely due to higher profits on account of general improvement in retail business due to the reduced impact of the pandemic
8	Return on Net Worth	8.66%	3.50%	147.30%	Higher net profits resulted in improved return on net worth

# Management Discussion & Analysis

## Opportunities

India's annual per capita consumption of footwear in 2019 was approximately 1.9 pairs, which is lower compared to the global average of 3.2 pairs. This indicates significant potential for growth in the future. Indian footwear consumption in terms of volume is projected to grow at a CAGR of 8-10% between FY 2022-25 with total footwear consumption estimated to reach ~2.9 billion pairs by FY 2024-25. The Indian footwear market is well-positioned to achieve healthy growth in the coming years, aided by a growing young and working population, increasing aspirations and affordability, growing popularity of e-commerce, the impact of social media and exposure of global fashion trends among others. Footwear is one of the biggest order volume contributors to the overall e-commerce industry. Indian consumers are more receptive to buying footwear online, which will further boost the demand for footwear.

With a clear growth strategy in place, the Company is confident in its trajectory and remains steadfast in expanding its business. Buoyed by India's projected rapid growth and its strong presence in the domestic market, Khadim is geared to capitalise on the unfolding opportunities in the footwear retail sector and further accelerate its growth momentum.

## Risk, Threats, Concerns and Mitigation

- 1) **Higher inflation and subdued demand:** Persistent inflationary pressure and the rising cost of living may impact consumer sentiment and reduce spending on non-essential products, which may impact the demand for footwear.

**Mitigation:** The Company prioritises the evaluation and enhancement of its product portfolio with a prime focus on cost-effectiveness. It focuses to provide customers with a wider variety of products at varied price points. The Company also offers discounts and promotions periodically to attract customers and incentivise them to buy its products.

- 2) **Fast-changing trends:** The Company is sensitive to fast-changing consumer trends and the inability to respond to customer expectations can adversely impact the business.



**Mitigation:** The Company consistently upgrades its product portfolio with innovative designs based on extensive research into emerging trends and customer aspirations. Its wide range of brands and robust product portfolio offers a great variety of options to customers. Moreover, the Company focuses on digital campaigns for brand building and growing customer interest in the brand and its products.

- 3) **GST Rate hike:** The GST rate hike from 5% to 12% on footwear priced below ₹ 1,000 impacted the footwear industry. An increase in GST rates would lead to higher costs of products for the end consumers and could impact the customers' buying ability and sentiment, leading to the cancellation or postponement of purchase decisions or the selection of a product with a lower value.

**Mitigation:** The Company is committed to offer quality products at affordable prices to cater to the needs of price-sensitive consumers.

# Management Discussion & Analysis



4) **Competition risk:** Footwear retailing is a highly competitive and fragmented space with a large number of unorganised retailers and organised players who have similar product lines leading to pressure on margins. The situation is further aggravated by the competition from national and international organised retailers.

**Mitigation:** The Company's value proposition lies in its being a family store and its wide product portfolio which gives it a competitive advantage. Additionally, the Company has been working to expand its market presence by bolstering its retail presence and distribution network, in addition to expanding its franchise network to further strengthen its market penetration.

## Human Resources

The Company believes that robust Human Resource Management ensures success through high performance and customer-centric culture with happy and value-oriented employees. The Company's HR strategy and plans are deeply rooted in its organisational goals. It emphasises on the overall development of its employees. Hence, training of the employees is aimed at systematic development of knowledge, skills, aptitude and teamwork. Training is designed for the development of personal skills necessary for the performance of the present job and to prepare them for future growth. Internal process in the Company in terms of recruitment has been maintained as per laid down process and business requirement. The Company has taken various initiatives to enhance the engagement and commitment of employees.

The Company is focused on delivering specific initiatives to recruit, retain and develop the highest quality people regardless of race, gender, religion, age, culture, sexual orientation, disability or background. In addition, the Company has partnered with the National Apprenticeship Promotion Scheme of the Government of India to help young people to get into apprenticeships to enhance their practical skills required to tackle everyday work challenges in the business world.

As on March 31, 2023, there were 765 permanent employees (including 17 female employees) on the rolls of the Company.



# Management Discussion & Analysis

## Internal Control Systems and Their Adequacy

The Company has a robust and dynamic Internal Financial Controls (IFC) framework which commensurate with the size, scale, and complexity of the Company's operations. The Company's internal financial control framework is in line with the requirements of the Companies Act, 2013. The Company has laid down Standard Operating Procedures (SOPs) and policies to guide and standardise the business operations. All the Business heads are responsible to ensure compliance with these policies and procedures. The Code of Conduct for Senior Management and Employees of the Company ("Code of Conduct") commits the Management to financial and accounting policies, systems and processes. The Corporate Governance Policies and the Code of Conduct stand widely communicated across the Company at all times.

The scope and authority of the Internal Audit function is defined in the Internal Audit Charter which is approved by the Audit Committee of the Company. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee. The Internal Auditor develops an annual audit plan based on the current risk profile of the business activities of the Company and the same is approved by the Audit Committee, which also reviews compliance to the plan. The Internal Audit team under the guidance and supervision of the Internal Auditor monitors and evaluates the efficacy and adequacy of internal control systems, its compliance with operating systems, accounting procedures, and policies at all locations of the Company. Based on the report of the Internal Auditor, process owners undertake corrective action(s) in their respective area(s) and thereby strengthen the internal controls of the Company.

Significant audit observations and corrective action(s) thereon are presented to the Audit Committee. The Audit Committee at its meetings reviews the reports submitted by the Internal Auditor.



## Cautionary Statement

The Management Discussion and Analysis may contain some 'forward-looking statements' regarding anticipated future developments, financial performance, and operational outcomes of Khadim India Limited. These 'forward-looking statements' by their very nature involve assumptions from the Company and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements will not prove to be accurate. Readers are cautioned not to put undue reliance on forward-looking statements as multiple factors could lead to assumptions, actual future outcomes, and events to differ materially from those expressed in the forward-looking statements. Hence, this document is subject to the disclaimer and qualified in its entirety by the assumptions, limitations, and risk factors included in the Management Discussion and Analysis of Khadim Annual Report for FY 2022-23.



# Board's Report

The Directors are pleased to present the 42<sup>nd</sup> Annual Report on the business and operations of Khadim India Limited ("the Company") together with the Audited Financial Statements for the financial year ended March 31, 2023.

## Financial Highlights

The Financial Highlights are set out below:

(In ₹ million)

Particulars	Consolidated		Standalone	
	2022-23	2021-22	2022-23	2021-22
Revenue from Operations	6,602.64	5,910.80	6,602.64	5,910.80
Other Income	174.76	162.75	174.75	162.75
<b>Total Income</b>	<b>6,777.40</b>	<b>6,073.55</b>	<b>6,777.39</b>	<b>6,073.55</b>
Less: Expenditure	5,877.70	5,432.97	5,877.40	5,432.76
<b>Profit before Depreciation, Interest and Tax</b>	<b>899.70</b>	<b>640.58</b>	<b>899.99</b>	<b>640.79</b>
Depreciation	383.71	335.81	383.71	335.81
Interest	290.57	227.25	290.57	227.25
<b>Profit / (Loss) before Tax</b>	<b>225.42</b>	<b>77.52</b>	<b>225.71</b>	<b>77.73</b>
Provision for Taxation				
- Current and deferred Tax	50.64	13.14	50.64	13.14
<b>Profit / (Loss) for the year after Tax</b>	<b>174.78</b>	<b>64.38</b>	<b>175.07</b>	<b>64.59</b>

## Dividend

Considering the inadequacy of profits during the financial year ended March 31, 2023, the Board of Directors of the Company has not proposed any dividend on equity shares.

## General Reserve

No amount has been transferred to the General Reserve for the financial year ended March 31, 2023.

## Operations and State of Company's Affairs

On a standalone basis, the revenue generated from operations for the financial year 2022-23 stood at ₹ 6,602.64 million, which was higher by 11.70% compared to the previous financial year 2021-22. The profit after tax for the year is ₹ 175.07 million in comparison to profit after tax of ₹ 64.59 million for the previous financial year.

The details of Company's affairs has been included in the Management Discussion and Analysis Report, forming part of this report.

## Internal Controls

The details in regard to Internal Financial Controls and its adequacy are included in the Management Discussion & Analysis Report, which is a part of this Report.

## Employee Stock Option Plan

There has been no material change in the Employee Stock Option Plan 2017 ("ESOP 2017") during the year under report. Disclosures with respect to ESOP 2017 as required under relevant Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are available in the Notes to the Financial Statements.

Approval of the members by way of a Special Resolution had been obtained on May 07, 2021 (vide Postal Ballot Notice dated March 25, 2021) for formulation and implementation of Khadim Employee Stock Option Plan 2021 ("ESOP 2021"). However, no options have been granted post approval.

# Board's Report

The certificate from M/s. BKG & Company, Company Secretaries (Firm Registration No. S2004WB868500), Secretarial Auditor of the Company, with respect to the implementation of the Company's ESOP 2017 and ESOP 2021 would be available for inspection by the shareholders during the Annual General Meeting. A copy of the same will also be available for inspection at the registered office of the Company.

## Share Capital

The Authorized Share Capital of your Company is ₹ 60,00,00,000/- divided into 6,00,00,000 Equity Shares of face value of ₹ 10/- each.

The Issued, Subscribed and Paid-up Share Capital of your Company is ₹ 17,96,96,140/- divided into 1,79,69,614 Equity Shares of face value of ₹ 10/- each.

There is no change in the Issued, Subscribed and Paid-up Share Capital of the Company during the year under review.

## Change(s) in the nature of the business

There has been no change(s) of business of the Company or in the nature of business carried on by the Company during the financial year under review.

## Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of the report

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the financial statements relate and the date on which this Report has been signed.

## Significant and material orders passed by the regulators / courts / tribunals impacting the going concern status and the Company's operations in future

During the year under review, no significant and material orders have been passed by the regulators / courts / tribunals that may impact the going concern status and the operations of the Company in future.

## Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016

During the year under review, no Corporate Insolvency Resolution application was made or proceeding was initiated, by / against the Company under the provisions of the Insolvency and Bankruptcy Code, 2016 (as amended). Further, no application or proceeding by / against the Company under the provisions of the Insolvency and Bankruptcy Code, 2016 (as amended) is pending as on March 31, 2023.

## Subsidiaries, Joint Ventures and Associate Companies

The Company has a wholly owned subsidiary in Bangladesh in the name of Khadim Shoe Bangladesh Limited. There are no other associate or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013.

Pursuant to the provisions of Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of financial statements of the Company's subsidiary in Form No. AOC-1 is attached to the financial statements of the Company.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiary company, are available on the website of the Company [www.khadims.com](http://www.khadims.com) at the link <https://www.khadims.com/subsidiary-financial-khadim>.

# Board's Report

## Deposits

The Company has not accepted any deposit from public within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 and as such, no unclaimed / unpaid matured deposits or interest thereon was due as on March 31, 2023.

## Corporate Social Responsibility

In accordance with the provisions of Section 135 of the Companies Act, 2013, your Company has duly constituted a CSR Committee and the Company's policy on CSR is available on the Company's website [www.khadims.com](http://www.khadims.com).

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII thereof and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company did not fall under the purview of undertaking CSR activities during the financial year 2022-23, as the average net profit of the three immediately preceding financial years was negative.

The Annual Report on CSR for the financial year ended March 31, 2023 along with the composition of CSR Committee is marked as Annexure - I and forms part of this Report.

## Risk Management

The Company's Risk Management Policy recognizes that risk is an integral part of any business and the Company is committed to manage the risk in a proactive and efficient manner.

## Vigil Mechanism / Whistle Blower Policy

The Company has a Vigil Mechanism / Whistle Blower policy and it has established adequate vigil mechanism for its employees and directors to report concern about unethical practice. No person has been denied access to the Chairman of the Audit Committee. The latest Vigil Mechanism / Whistle Blower Policy is available at <https://www.khadims.com/policy-on-vigil-mechanism/>.

## Directors and Key Managerial Personnel

Your Company's Board is duly constituted in compliance with the requirement of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Independent Directors have confirmed that they meet with the criteria of independence as required under sub section 7 of Section 149 of the Companies Act, 2013 and Regulation 25(8) of the Listing Regulations.

The Board is also of the opinion that Independent Directors meet with the criteria of independence under sub section 6 of Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations.

There has been no change in the circumstances affecting their status as Independent Directors of the Company.

All the Independent Directors have registered themselves / renewed their registration pursuant to the Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019.

The Board confirms that the Independent Directors also meet the criteria of integrity, expertise and experience (including the proficiency) in terms of Rule 8(5)(iia) of the Companies (Accounts) Rules, 2014.

Following re-appointment of Directors had been made during the year:

- i. Pursuant to Section 152(6) of the Companies Act, 2013, Mr. Rittick Roy Burman (DIN: 08537366), Whole-time Director, retired by rotation and re-appointed at the AGM held on September 23, 2022. The Members of the Company at the said AGM also approved the re-appointment of Mr. Rittick Roy Burman as a Whole-time Director ("Key Managerial Personnel") of the Company, for a further period of 3 (Three) years with effect from November 08, 2022 till November 07, 2025 (both days inclusive).

# Board's Report

- ii. The Members of the Company at AGM held on September 23, 2022 approved the re-appointment of Mr. Alok Chauthmal Churiwala (DIN: 02043221) as an Independent Director of the Company for second term of 5 (Five) consecutive years commencing from May 11, 2023 to May 10, 2028.

Mr. Ritoban Roy Burman (DIN: 08020765), Non-Executive Non-Independent Director of the Company, retires by rotation at the ensuing Annual General Meeting, and being eligible, offered himself for re-appointment. Your Directors recommend his re-appointment at the ensuing Annual General Meeting.

Mr. Siddhartha Roy Burman (DIN: 00043715) was appointed by the Members at the 38<sup>th</sup> Annual General Meeting held on August 08, 2019 for a term of 5 (Five) consecutive years from April 01, 2019 till March 31, 2024. The said tenure will expire due to efflux of time. On the recommendation of Nomination and Remuneration Committee, the Board at its Meeting held on May 23, 2023 had approved the re-appointment of Mr. Siddhartha Roy Burman for a further period of 3 (Three) consecutive years, commencing from April 01, 2024 till March 31, 2027, subject to the approval of the Members at the ensuing Annual General Meeting.

The brief profile of Mr. Ritoban Roy Burman and Mr. Siddhartha Roy Burman and other relevant information under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings with respect to Director seeking re-appointment have been provided in the Notice convening Annual General Meeting.

## Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Act, the **Key Managerial Personnel** of the Company as on March 31, 2023 are:

- a) Mr. Siddhartha Roy Burman, Chairman & Managing Director;
- b) Mr. Rittick Roy Burman, Whole-time Director;
- c) Mr. Indrajit Chaudhuri, Chief Financial Officer; and
- d) Mr. Abhijit Dan, Company Secretary & Head-Legal

Ms. Namrata Ashok Chotrani had resigned from the position of Chief Executive Officer (CEO) of the Company effective March 23, 2023 (COB).

## Familiarisation Programme for Independent Directors

The Company has put in place an Induction and Familiarisation Programme for Independent Directors of the Company. The details of such Familiarization Programme are mentioned in the Report on Corporate Governance, which forms part of this Annual Report and the same is available at the link <https://www.khadims.com/familiarization-programme-independent-director/>

## Separate Meeting of Independent Directors

In terms of requirements of Schedule IV of the Companies Act, 2013 and the Listing Regulations, the meetings of Independent Directors were separately held on November 14, 2022 and March 24, 2023 during the year under report.

## Company's Policy on Appointment and Remuneration of Directors

The Company has been following a policy namely "Nomination and Remuneration Policy" with respect to appointment and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel. The appointment of Directors, KMP and Senior Management Personnel is subject to the recommendation of the Nomination and Remuneration Committee (NRC).

# Board's Report

Based on the recommendation of the NRC, the remuneration of Executive Director comprises of Basic Salary, Perquisites, Allowances and Commission in accordance with the provisions of the Companies Act, 2013. The remuneration of Non-Executive Directors comprises of sitting fees and commission in accordance with the provisions of Companies Act, 2013.

## **Nomination and Remuneration Policy**

The Nomination and Remuneration Policy of the Company is in conformity with the requirement of Section 178 (3) of the Companies Act, 2013 and Listing Regulations. The objectives and key features of this Policy are:

1. Formulate the criteria for determining qualifications, competencies, positive attributes and independence of the Directors, Key Managerial Personnel (KMP) and Senior Management Personnel and recommend to the Board, a policy relating to the remuneration of Directors, Key Managerial Personnel and other employees.
- 1A. For every appointment of an Independent Director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. Use the services of an external agencies, if required;
  - b. Consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. Consider the time commitments of the candidates.
2. Devising a policy on Board diversity;
3. Identifying persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management;
4. Directors' induction and continued updation as and when required of their roles, responsibilities and liabilities;
5. Formulation of criteria for performance evaluation of the Board, its Committees and Directors including Independent Directors / Non-Executive Directors;
6. Aligning the remuneration of Executive Directors, Key Managerial Personnel and Senior Management Personnel with the Company's financial position, industrial trends, remuneration paid by peer companies etc.; and
7. Recommend to the Board all the remuneration in whatever form, payable to the Senior Management.

## **The guiding principles of the Policy are:**

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The aforesaid Nomination and Remuneration Policy has been uploaded on the website of your Company [www.khadims.com](http://www.khadims.com) and is available at the link <https://www.khadims.com/policy-on-nomination-remuneration-committee/>

# Board's Report

## Meetings of the Board

During the year, 6 (Six) meetings of the Board were held. The details of meetings of the Board held during the financial year 2022-23 have been provided in the Corporate Governance Report which forms part of the Report.

## Audit Committee

The details pertaining to the composition of the Audit Committee are included in the Corporate Governance Report which is a part of this Report.

## Extract of Annual Return

In accordance with Section 92(3) and 134(3)(a) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Annual Return as on March 31, 2023 is available on the Company's website [www.khadims.com](http://www.khadims.com) at <https://www.khadims.com/mgt-9>.

## Particulars of contracts and arrangement with Related Parties

All transactions entered by the Company with Related Parties during the financial year 2022-23 as defined under Section 2(76) of the Companies Act, 2013 read with the Companies (Specification of Definitions Details) Rules, 2014 were held in the Ordinary Course of Business and at Arm's Length pricing basis. There were no materially significant transactions with Related Parties during the financial year 2022-23, which were in conflict with the interest of the Company. Suitable disclosures as required under Ind AS-24 have been made in the Notes to the financial statements.

Accordingly, the disclosure in Form AOC-2, pursuant to section 134(3)(h) of the Companies Act, 2013, read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not required. The policy on Related Party Transactions can be accessed on the website of the Company [www.khadims.com](http://www.khadims.com).

## Secretarial Standards

The Company has devised adequate systems to ensure compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and such systems are operating effectively.

## Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013 ("the Act"), your Directors to the best of their knowledge and ability confirm that:

- a) in the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the Profit of the Company for the year ended on that date;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the 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) proper internal financial controls are followed by the Company and that such financial controls are adequate and are operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the financial year ended March 31, 2023.

# Board's Report

## Reporting of Fraud by Auditors

During the year under review, the Statutory Auditors and Secretarial Auditors have not reported, any incident of fraud committed in your Company by its Officers or Employees, to the Audit Committee and / or to the Board under Section 143(12) of the Companies Act, 2013 details of which needs to be mentioned in this Report.

## Auditors

M/s. Ray & Ray, Chartered Accountants (Firm Registration No.: 301072E) was appointed by the Members of the Company at the 40th Annual General Meeting as Statutory Auditors of the Company for a term of 5 (Five) consecutive years commencing from the conclusion of the Annual General Meeting held on September 28, 2021 till the conclusion of the 45th Annual General Meeting to be held in the financial year 2026-27.

The Auditors' Report on the Annual Accounts of the Company forms part of the Annual Report of the Company. The Auditors' Report does not contain any qualification, reservation or adverse remark or disclaimer.

## Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with relevant Rules made thereunder, the Company had re- appointed M/s. BKG & Company, Company Secretaries, represented by its Partner, Mr. Binod Kumar Gupta (ACS No. 12965, C. P. No. 3242), to conduct the Secretarial Audit for the financial year 2023-24.

The Secretarial Audit Report for the financial year ended March 31, 2023 is annexed herewith and marked as Annexure - II to this report.

The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

## Cost Auditors

Although the Company is not coming under the purview of compulsory cost audit as per the Companies Act, 2013, your Company would avail the services of the Cost Auditor for the financial year 2023-24.

## Disclosure as required under Rule 8(5)(xii) of the Companies (Accounts) Rules, 2014

The disclosure as per Rule 8(5)(xii) of the Companies (Accounts) Rules, 2014, as amended, is not applicable to the Company.

## Particulars of Loans, Investments and Guarantees

During the financial year 2022-23, the Company has not made any investment, has not given any loans, has not provided any guarantees, has not provided any security in connection with any loan, has not acquired securities by way of subscription, purchase or otherwise, in excess of the thresholds provided in Section 186 of the Companies Act, 2013.

## Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are given in Annexure-III, forming part of this Report.

## Managerial Remuneration, Particulars of Employees and related disclosure

Details of remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as Annexure-IV and V respectively.

## Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

Your Company firmly believes in providing a safe, supportive and harassment free workplace for each and every individual working for the Company through various interventions and practices and has zero tolerance for sexual harassment at workplace. It is the continuous endeavour of the management of the Company to create and

# Board's Report

provide an environment to all its employees that is free from discrimination and harassment including sexual harassment. The Company has adopted a policy on Prevention of Sexual Harassment at Workplace. An Internal Complaint Committee (ICC) with requisite number of representatives is in place to redress complaints relating to sexual harassment, if any. The Policy is gender neutral. All employees (permanent, contractual, temporary and trainees) are covered under this Policy.

The Policy under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed there under is available in the website of the Company at [www.khadims.com](http://www.khadims.com).

No complaints relating to the sexual harassment had been received during the year under report.

## Annual Performance Evaluation of the Directors

In terms of the provisions of the Companies Act, 2013 read with Rules issued there under and the Listing Regulations, based on the criteria such as number of Board and Committee meetings attended during the year, contributions to the decision making and relevant expertise to the Board etc., the Board of Directors has carried out the annual performance evaluation of the entire Board, Committees and all the Directors based on the criteria laid down by the Nomination and Remuneration Committee.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, the Chairman of the Company and the Board as a whole was evaluated.

## Corporate Governance

A Report on Corporate Governance along with a Certificate from the Statutory Auditors confirming of corporate governance requirements as stipulated under Listing Regulations is enclosed as Annexure - VI and forms part of this Report. The said report also contains a certificate from a Practising Company Secretary confirming that none of the Board of Directors of the Company has been debarred or disqualified from being appointed or continuing as a Director of the Company as prescribed under Listing Regulations.

## Management Discussion and Analysis Report

Management Discussion and Analysis Report for the financial year under review, as stipulated under Regulation 34 of the Listing Regulations is presented in a separate section forming a part of this Report.

## Cautionary Statement

Statements in the Annual Report, including those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

## Acknowledgement

Your Directors would like to express their sincere appreciation and gratitude for the cooperation and assistance received from the financial institution, banks, merchant bankers, legal consultants, registrar, government authorities, customers and vendors during the year under review and look forward for the long-term future with confidence, optimisms and full of opportunities.

Your Directors also acknowledge the continued support received from investors and shareholders and the confidence reposed by them.

Your Directors place on record their deep sense of appreciation for the continuous hard work, dedication, contribution and commitment by executives, staffs and workers at all levels of the Company.

For and on behalf of the Board of Directors

**Siddhartha Roy Burman**  
Chairman & Managing Director  
DIN: 00043715

Place: Kolkata  
Date: May 23, 2023



# Annexure – I

## Annual Report on Corporate Social Responsibility (CSR) Activities for the financial year ended March 31, 2023

[Pursuant to Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

### 1. Brief outline on CSR Policy of the Company:

The CSR Policy of your Company elucidates the responsibilities of the CSR Committee for achieving the Company's CSR goals. The main objective of CSR Policy is to lay down guidelines for CSR activities of the Company and undertake various social initiatives that complement corporate mandate and benefit the community at large.

### 2. Composition of CSR Committee:

The composition of CSR Committee and details of attendance of the members during the year 2022-23 are as under:

Sl. No.	Name	Designation & Category
1.	Prof. (Dr.) Surabhi Banerjee	Chairperson, Independent Director
2.	Mr. Siddhartha Roy Burman	Member, Chairman & Managing Director
3.	Mr. Ritoban Roy Burman	Member, Non-Executive Non-Independent Director
4.	Mr. Abhijit Dan	Secretary, Company Secretary & Head - Legal

No meeting of the CSR Committee was held during the financial year.

### 3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the company.

Composition of CSR Committee	<a href="https://www.khadims.com/corporate-social-responsibility-committee">https://www.khadims.com/corporate-social-responsibility-committee</a>
CSR Policy	<a href="https://www.khadims.com/policy-on-csr">https://www.khadims.com/policy-on-csr</a>
CSR projects	<a href="https://www.khadims.com/corporate-social-responsibility">https://www.khadims.com/corporate-social-responsibility</a>

### 4. Provide the executive summary along with web-link(s) 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: Not Applicable

5. a.	Average net profit of the company as per Section 135(5)	: ₹-213.96million
b.	Two percent of average net profit of the Company as per Section 135(5)	: Nil*
c.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	: Nil
d.	Amount required to be set off for the financial year, if any	: Nil
e.	Total CSR obligation for the financial year (b + c - d)	: Nil

\*Since the average net profit of the three immediately preceding financial years was negative.

6. a.	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	: Nil
b.	Amount spent in Administrative overheads	: Nil
c.	Amount spent on Impact Assessment, if applicable	: Nil
d.	Total amount spent for the financial year (a+b+c).	: Nil
e.	CSR amount spent or unspent for the financial year:	

Total amount spent for the financial year (₹ in million)	Amount Unspent (In ₹ million)				
	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	Date of transfer	Name of the Fund	Amount	Date of transfer
Nil	Not applicable		Not applicable		

# Annexure – I

f. Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹ million)
(i)	Two percent of average net profit of the Company as per Section 135(5)	Nil*
(ii)	Total amount spent for the financial year	Nil
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NA
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil**

\*Since the average net profit of the three immediately preceding financial years was negative.

\*\* Total amount available for set off in the succeeding financial years is ₹ 0.53 million which includes ₹ 0.12 million and ₹ 0.41 million carried forward amount of the previous financial years i.e., 2020-21 and 2021-22 respectively.

## 7. 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 ₹)	Balance Amount in Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the financial year (in ₹)	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5), if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
Not Applicable								

## 8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes / No

If yes, enter the number of Capital assets created / acquired: NA

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the financial year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity / Authority / beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office / Municipal Corporation / Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

## 9. 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

Place: Kolkata

Date: May 23, 2023

**Siddhartha Roy Burman**

Chairman & Managing Director

DIN: 00043715

**Surabhi Banerjee**

Chairperson, CSR Committee

DIN: 07829304

# Annexure – II

FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023

[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,  
**KHADIM INDIA LIMITED**  
7th Floor, Tower C, DLF IT Park,  
08 Major Arterial Road,  
Block-AF, New Town (Rajarhat),  
Kolkata, 24 Parganas North-700156

We have conducted the Secretarial Audit in respect of compliance with applicable statutory provisions and the adherence to good corporate practices by **M/s. Khadim India Limited (CIN-L19129WB1981PLC034337)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our 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 authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023, 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.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2023 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. The 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 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, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - *(Not applicable to the Company during the Audit Period)*;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - e) 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 to the extent of securities issued;

## Annexure – II

- f) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - *(Not applicable to the Company during the Audit Period)*;
- g) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 - *(Not applicable to the Company during the Audit Period)*;
- vi. The Company is mainly engaged in the business of Footwear Industry and on examination of the relevant documents and records in pursuance thereof and as confirmed by the management, the following Quality Control Orders (QCOs) related to the footwear sector issued by the Department for Promotion of Industry & Internal Trade (DPIIT), Ministry of Commerce & Industry, Government of India are being applicable to Company:
  - a) Order dated October 27, 2020, called as “The Personal Protective Equipment – Footwear (Quality Control) Order, 2020” which has become effective from January 01, 2022.
  - b) “The Footwear made from Leather and other materials (Quality Control) Order, 2020” and “The Footwear made from all-Rubber and all Polymeric material and its components (Quality Control) Order, 2020”, which were to become applicable from July 01, 2022 - Rescinded, by Orders dated June 03, 2022.
  - c) Orders dated June 03, 2022, called as “the Footwear Made from Leather and Other Materials (Quality Control) Order, 2022” and “the Footwear made from all-Rubber and all Polymeric material and its components (Quality Control) Order, 2022” which are effective from July 01, 2023.

We have also examined compliance with the applicable clauses/Regulations of the following:

- Secretarial Standards as issued by The Institute of Company Secretaries of India.
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

### **We 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, approved and signed accordingly as the case may be.
- During the period under review, the Minutes of the Meetings held during the audit period did not reveal any dissenting member’s view. As confirmed by the Management, there were no dissenting views expressed by any of the members on any business transacted at the meetings held during the period under review.

**We further report that** 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 – II

**We further report that** during the audit period the Company had the following specific events:

1. The Members of the Company at the AGM held on September 23, 2022 approved the re-appointment of Mr. Rittick Roy Burman (DIN: 08537366) as Whole-time Director (“Key Managerial Personnel”) of the Company, for a further period of 3 (Three) years with effect from November 08, 2022 till November 07, 2025 (both days inclusive) and payment of minimum remuneration in the event of absence or inadequacy of profits in any financial year during the tenure of his re-appointment, subject to the applicable provisions of the Companies Act, 2013 read with rules made thereunder.
2. Mr. Alok Chauthmal Churiwala (DIN: 02043221) had been re-appointed as an Independent Director of the Company for second term of 5 (Five) consecutive years commencing from May 11, 2023 to May 10, 2028 by the Members of the Company at AGM held on September 23, 2022.

For **B K G & COMPANY**  
Company Secretaries  
(Firm’s Registration No. - S2004WB868500)

**(BINOD KUMAR GUPTA)**  
Partner  
(ACS-12965, C. P. No.- 3242)  
UDIN- A012965E000359916

Place: Kolkata  
Date: 23/05/2023

**Note: This Report is to be read with our letter of even date which is annexed as Annexure A, forms an integral part of this report.**

## Annexure – II

### ‘ANNEXURE A’

To,  
The Members,  
**Khadim India Limited**  
7th Floor, Tower C, DLF IT Park,  
08 Major Arterial Road,  
Block-AF, New Town (Rajarhat),  
Kolkata, 24 Parganas North-700156

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process 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. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We 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 procedure 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.

For **B K G & COMPANY**  
Company Secretaries  
(Firm's Registration No. - S2004WB868500)

**(BINOD KUMAR GUPTA)**  
Partner  
(ACS-12965, C. P. No.- 3242)  
UDIN- A012965E000359916

Place: Kolkata  
Date: 23/05/2023

## Annexure – III

**Information under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 (as amended) and forming part of the Directors Report for the year ended March 31, 2023**

### Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

#### A. CONSERVATION OF ENERGY

##### 1. The steps taken or impact on conservation of energy:

- a) Installation of 1000 kVAr heavy duty capacitor banks at Serampore Factory to maintain power factor at 0.98 an average to obtain maximum utilization of active power (KW) in respect of apparent power (KVA) and also maintaining the same in bulk supply areas to get rebate from the supply authority.
- b) Installation of energy efficiency lighting solution such as Light Emitting Diode (LED) in place of conventional higher energy consuming lights.
- c) Use of Translucent sheets along with natural air driven turbo vents on roof of the working shop to utilize daylight as well as natural air circulation in shop floor area.
- d) Use of Variable Frequency Drive (VFD) in motor operated conveyor for saving energy.
- e) Use of recycled water for cooling tower application at Serampore Factory.
- f) Installed wide range energy efficient Air compressors for reliable low, medium and high pressure application.
- g) Usage of high efficiency Infrared Heater (NR Lamp) for saving electrical power as well as operation time.
- h) Usage of Ridge Vent shed to utilize day light as well as natural air circulation in the floor area of Panpur factory.
- i) Campaign for awareness of energy saving at retail outlets & warehouses.

##### 2. Step taken by the Company for utilizing alternate sources of energy:

Installation of "Roof top solar power Plant" at Panpur Factory in OPEX model for generation of 850 kWp "Solar Energy" to operate renewable source of energy as well as saving per unit electricity cost.

##### 3. The capital investment on energy conservation equipment:

- i. Amount spent on energy efficient LED Lights was ₹ 3.54 million during the financial year 2022-23.
- ii. Amount spent on heavy-duty capacitor bank at Serampore Factory was ₹ 1.30 million during the financial year 2022-23.

#### B. TECHNOLOGY ABSORPTION:

1. Efforts made towards technology absorption	2. Benefits derived like product improvement, cost reduction, product development or import substitution
a. Installation of the friction less powder coated Aluminium pipeline [in place of the conventional Galvanised Iron (GI) make pipeline] for construction of the air net loop, for supply of compressed air to machines at Serampore plant.	a. i. This is the upgraded modern technology & design, which is used in new factory of the Company situated at Serampore, resulting in friction-less, uniform high-pressure compressed air supply, to each and every point in factory.  ii. Any machine can be operated / stopped at any time without disturbing the airflow supply to other running machine.

## Annexure – III

1. Efforts made towards technology absorption	2. Benefits derived like product improvement, cost reduction, product development or import substitution
b. Utilization of the gravitational force for cooling water in closed loop circulation through a common header system	b. i. Energy has been saved by lifting the cooling tower basin & utilising the gravitational force thus omitting the intermediary storage underground tank.  ii. The pipeline layout has been designed following the Zero Liquid Discharge (ZLD) manufacturing process.  iii. Any machine can be operated / stopped at any time without disturbing the water flow of other running machine.
c. Installation of capacitor bank 1000 kVAR at Serampore factory	c. Rebate in Electricity bill.

### 3. 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:  
The Company has not used any imported technology during last three financial years. Hence, the prescribed details are not applicable.
- b. the year of import - Not Applicable
- c. whether the technology been fully absorbed - Not Applicable
- d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof - Not Applicable

### 4. The expenditure incurred on Research and Development:

The total expenditure incurred during the financial year 2022-23 was ₹ 1.86 million.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year 2022-23, the foreign exchange earnings of the Company was ₹ 3.32 million as against ₹ 1.42 million in the previous year. The expenditure in foreign exchange during the financial year 2022-23 was ₹ 471.79 million as compared to ₹ 710.53 million in the previous year.

For and on behalf of the Board of Directors

**Siddhartha Roy Burman**  
Chairman & Managing Director  
DIN: 00043715

Place: Kolkata  
Date: May 23, 2023



## Annexure – IV

### Information as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended)

1. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23:

Name of Director(s)	Designation	Total Remuneration (in ₹ million)	Ratio of Remuneration of each director(s) to median remuneration of employees
Mr. Siddhartha Roy Burman	Chairman & Managing Director	34.77	112.16
Mr. Rittick Roy Burman	Whole - time Director	2.97	9.58

**Notes:**

- Median remuneration for the financial year 2022-23 is ₹ 0.31 million per annum.
  - The remuneration to the Chairman & Managing Director and Whole-time Director is within the overall limits approved by the shareholders of the Company.
  - The Non-Executive Directors are entitled to commission and / or sitting fees as per the provisions of the Companies Act, 2013. The Board of Directors have proposed to pay commission to all the Independent Directors of the Company on the basis of the recommendation of the Nomination and Remuneration Committee, subject to approval of the Members of the Company. Hence, the ratio of remuneration and percentage change is not considered. The details of remuneration of the Non-Executive Directors have been provided in the Corporate Governance Report.
2. The percentage increase / decrease in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager during the financial year 2022-23:

Name of Director(s) / Key Managerial Personnel(s)	Designation	Remuneration (in ₹ million)		Increase / Decrease in Percentage
		2022-23	2021-22	
Mr. Siddhartha Roy Burman	Chairman & Managing Director	34.77	26.52	31.11%
Mr. Rittick Roy Burman	Whole - time Director	2.97	2.27	30.84%
Ms. Namrata Ashok Chotrani*	Chief Executive Officer	7.91	6.31	25.36%
Mr. Indrajit Chaudhuri	Chief Financial Officer	4.50	3.45	30.43%
Mr. Abhijit Dan	Company Secretary & Head - Legal	2.76	2.29	20.52%

\*Resigned w.e.f. March 23, 2023 (COB).

3. The Percentage increase in the median remuneration of the employees in the financial year 2022-23:

Median remuneration of employees per annum	Remuneration (in ₹ million)		Increase / Decrease in Percentage
	2022-23	2021-22	
	0.31	0.28	10.71%

- There were 765 permanent employees on the rolls of the Company as on March 31, 2023.
- The Average percentile increase already made in the salaries of employees of the Company other than the managerial personnel in the last financial year was 20% whereas the increase in managerial remuneration was 31%.
- It is hereby affirmed that the Remuneration paid to all the Directors, Key Managerial Personnel, Senior Managerial Personnel and other employees of the Company during the financial year ended March 31, 2023, were as per the Nomination and Remuneration Policy of the Company.

For and on behalf of the Board of Directors

**Siddhartha Roy Burman**  
Chairman & Managing Director  
DIN: 00043715

Place: Kolkata  
Date: May 23, 2023

# Annexure – V

## Statement of Particulars of Employees pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2023

Top 10 Employees including employees employed throughout the financial year 2022-23 and was in receipt of remuneration, aggregating not less than ₹ 1,02,00,000/- per annum

Sl. No.	Name	Designation	Qualification	Experience -No. of years including previous employment	Remuneration (in ₹ million)	Nature of employment, whether contractual or otherwise	Date of commencement of employment	Age (in years)	The last employment held by such employee before joining the Company	The percentage of equity shares held	Whether any such employee is a relative of any Director or Manager of the Company
1	Siddhartha Roy Burman	Chairman & Managing Director	B.Com	40	34.77	Contractual	25-09-1990	61	N.A.	8.1535	Father of Mr. Ritoban Roy Burman, Director (Non -Executive, Non-Independent Director) and Mr. Rittick Roy Burman (Whole-time Director)
2	Namrata Ashok Chotrani*	Chief Executive Officer	B.Com, MBA	14	7.91	Permanent	01-11-2019	37	Fairwinds Pvt. Ltd.	0.7994	-
3	Aranya Ray	GM - Supply Chain Management	M.Sc, MBA	23	5.08	Permanent	13-08-2005	49	ITC Ltd.	0.0456	-
4	Indrajit Chaudhuri	Chief Financial Officer	M.Com, CA	22	4.50	Permanent	26-05-2007	49	P. G. Shah and Co.	0.2059	-
5	Tapas Ghosh	GM - Sales and Business Development	B.Com	27	4.17	Permanent	01-04-1997	52	N.A.	0.0421	-
6	Baban Jee Jha	DGM - Production	B.Sc., PGDRI	26	3.56	Permanent	16-02-2022	50	Balaji Industries Pvt. Ltd.	0.0009	-
7	Roshan Jaiswal	DGM - Internal Audit & Risk Management	B.Com, CA	13	3.59	Permanent	19-04-2022	39	Shyam Steel Industries Ltd.	-	-
8	Rajib Banerjee	DGM - Retail Operations & Business Development	B.Com, PGDM	26	3.14	Permanent	09-12-1999	48	IFB Finance Ltd.	0.0014	-
9	Rittick Roy Burman	Whole-time Director	B.Com, Management Graduate	12	2.97	Contractual	23-09-2010	31	-	0.0264	Son of Mr. Siddhartha Roy Burman (Chairman & Managing Director) and brother of Mr. Ritoban Roy Burman, Director (Non- Executive, Non-Independent Director)
10	Kaliprasad Majumder	DGM - Systems	B.Sc. (Hons), MCA, MBA	30	2.92	Permanent	01-06-2002	53	Matrix Infosystems Ltd.	-	-

### Note:

\* Ms. Namrata Ashok Chotrani, Chief Executive Officer, resigned with effect from March 23, 2023 (COB).

For and on behalf of the Board of Directors

**Siddhartha Roy Burman**  
Chairman & Managing Director  
DIN: 00043715

Place: Kolkata  
Date: May 23, 2023

## Annexure – VI

### Report on Corporate Governance

#### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Our philosophy of Corporate Governance is founded on the pillars of fairness, accountability, disclosures and transparency, equal treatment to all the stakeholders and social responsibility. Your Company believes that Corporate Governance extends beyond corporate laws. Its fundamental objective is not merely to fulfil legal requirements, but also the adherence to systems and procedures, ensuring the commitment of the Board of Directors in managing the Company's affairs in a transparent manner to maximize the long-term value of the stakeholders at large.

Your Company has adopted an appropriate Corporate Governance framework to ensure timely and accurate disclosure on all material matters including the financial position, performance, ownership and governance of the Company.

Your Company's policies and practices relating to the Corporate Governance are discussed in the following sections viz.:

#### 2. BOARD OF DIRECTORS

##### Composition

The Board of Directors of your Company has an optimum combination of Executive and Non-Executive Directors to have a balanced Board Structure. The Board has six Directors (including one Woman Director), out of which two are Executive Directors, one is Non - Executive, Non- Independent Director and three are Non-Executive, Independent Directors of the Company.

The Chairman of the Board of Directors of your Company is an Executive Director and Promoter of the Company.

The Board has adequate mix of skills, expertise and competencies for running the business of the Company. The following chart specifies the same:

Name of Director	Designation / Category	Operations	Management	Administration	Sales and Marketing	Finance	Law
Mr. Siddhartha Roy Burman	Chairman & Managing Director	√	√	√	√	-	-
Mr. Rittick Roy Burman	Whole-time Director	√	√	-	√	-	-
Dr. Indra Nath Chatterjee	Non-Executive Independent Director	√	√	√	-	√	√
Prof. (Dr.) Surabhi Banerjee	Non-Executive Independent Director	-	√	√	-	√	-
Mr. Alok Chauthmal Churiwala	Non-Executive Independent Director	-	√	√	√	√	√
Mr. Ritoban Roy Burman	Non-Executive Non-Independent Director	-	-	-	√	-	-

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Composition of the Board, details of other directorships, committee positions are given below:

Name	Directors Identification Number (DIN)	Category of Directors	Relationship with other Directors	No. of Directorships held (including Khadim India Limited)*	No. of Membership/ Chairpersonship in Board Committees (including Khadim India Limited)@	
					Member	Chairperson
Mr. Siddhartha Roy Burman	00043715	Promoter (Executive - Chairman & Managing Director)	Father of Mr. Ritoban Roy Burman and Mr. Rittick Roy Burman	1	1	-
Mr. Rittick Roy Burman	08537366	Promoter Group (Whole-time Director)	Son of Mr. Siddhartha Roy Burman and brother of Mr. Ritoban Roy Burman	1	-	-
Dr. Indra Nath Chatterjee	00122677	Non-Executive, Independent Director	None	1	1	1
Prof. (Dr.) Surabhi Banerjee	07829304	Non-Executive, Independent Director	None	1	2	1
Mr. Alok Chauthmal Churiwala	02043221	Non-Executive, Independent Director	None	1	1	-
Mr. Ritoban Roy Burman	08020765	Promoter Group, Non-Executive, Non- Independent Director	Son of Mr. Siddhartha Roy Burman and brother of Mr. Rittick Roy Burman	1	1	-

### Notes:

\*Number of Directorships held excludes Directorships in Private Limited Companies, Foreign Companies, High Value Debt Listed Entities, Companies under Section 8 of the Companies Act, 2013 (earlier Section 25 of the Companies Act, 1956) and Alternate directorships.

@ Only covers Membership / Chairpersonship of Audit Committee and Stakeholders' Relationship Committee of Listed and Unlisted Public Limited Companies.

None of the Directors on the Board is a member of more than 10 Board Committees and a Chairman of more than 5 such Committees, across all Companies in which he / she is a Director.

None of the Directors holds directorships in more than 20 Companies and more than 10 Public Companies pursuant to the provisions of the Companies Act, 2013.

Except in Khadim India Limited, none of the Directors holds Directorship in any other listed company.

**The Board of Directors met 6 (Six) times during the year under review. The date of the Board Meetings and attendance thereat are furnished hereunder:**

Sl. No.	Date of Board Meeting	No. of Directors Present
i.	May 25, 2022	6
ii.	August 06, 2022	6
iii.	November 14, 2022	6
iv.	December 26, 2022	6
v.	February 13, 2023	6
vi.	March 24, 2023	6

## Annexure – VI

In accordance with the relaxations granted by MCA and SEBI due to Covid - 19 Pandemic, all Board Meetings in the financial year 2022-23 were held through VC / OAVM.

### Attendance of individual Directors at the Board Meetings and last AGM:

Name of Director	No. of Board Meetings Attended	Attendance at last AGM held on September 23, 2022
Mr. Siddhartha Roy Burman	6	Yes
Mr. Rittick Roy Burman	6	Yes
Dr. Indra Nath Chatterjee	6	Yes
Prof. (Dr.) Surabhi Banerjee	6	Yes
Mr. Ritoban Roy Burman	6	Yes
Mr. Alok Chauthmal Churiwala	6	Yes

### Number of Shares and Convertible instruments held by Non- Executive Directors:

As on March 31, 2023, none of the Non-Executive Directors hold any Share / Convertible instruments in the Company.

### Independent Directors:

The Independent Directors fulfil the criteria of independence, which are given under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and are Independent of the Management of the Company.

All the Independent Directors have given declaration of independence as per the requirements of the Companies Act, 2013 and the Listing Regulations. The draft letter of appointment of Independent Directors is available on the website of the Company [www.khadims.com](http://www.khadims.com) and is available at the link <https://www.khadims.com/khadims-terms-and-conditions>.

During the year under review, meetings of Independent Directors of the Company, as per the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the Listing Regulations, were held on November 14, 2022 and March 24, 2023.

### Familiarization Programme:

Pursuant to the provision of Regulation 25(7) of the Listing Regulations, the Company has in place Familiarization Programme for Independent Directors to familiarize them about the Company and their role, rights and responsibilities in the Company. The details of Familiarization Programme imparted during the financial year 2022- 23, are uploaded on the website of the Company and can be accessed through web-link <https://www.khadims.com/familiarization-programme-independent-director>.

### 3. COMMITTEES OF THE BOARD

Your Company's Board of Directors has constituted the following Statutory Committees to comply the requirements under the Companies Act, 2013 and the Listing Regulations, viz.:

- I. Audit Committee;
- II. Nomination and Remuneration Committee;
- III. Stakeholders' Relationship Committee; and
- IV. Corporate Social Responsibility Committee.

The Chairman of the Board, in consultation with the Company Secretary and the respective Chairman of these Committees, determines the frequency of the meetings of these Committees. The recommendations of the Committees are submitted to the Board for their approval.

## Annexure – VI

In accordance with the relaxations granted by MCA and SEBI due to Covid - 19 Pandemic, all Statutory Committee Meetings in the financial year 2022-23 were held through VC / OAVM.

The Board of Directors has also adopted the following policies in line with the requirement of the Listing Regulations and the Companies Act, 2013:

- a) Whistle Blower Policy (Vigil mechanism);
- b) Policy on Evaluation of performances of Board of Directors;
- c) Nomination and Remuneration Policy;
- d) Risk Management Policy;
- e) Corporate Social Responsibility Policy;
- f) Policy on Diversity of Board of Directors;
- g) Policy on Succession Planning for the Board and Senior Management;
- h) Policy on Disclosure of Material Events / Information;
- i) Policy for Preservation of Documents and Archival;
- j) Policy on Familiarisation Programme of Independent Directors;
- k) Policy on Related Party Transactions;
- l) Policy on Determination of Material Subsidiary; and
- m) Dividend Distribution Policy.

### I. Audit Committee

The Composition of the Audit Committee as on March 31, 2023, consists of following members viz.

1. Dr. Indra Nath Chatterjee - Chairman
2. Prof. (Dr.) Surabhi Banerjee - Member
3. Mr. Alok Chauthmal Churiwala - Member

The Company Secretary acts as the Secretary to the Committee.

#### **The terms of reference of Audit Committee are as follows:**

- a. Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommending to the Board, the appointment, re-appointment, and replacement, remuneration, and terms of appointment of the statutory auditor and the fixation of audit fee;
- c. Review and monitor the auditor's independence and performance and the effectiveness of audit process;
- d. Approval of payments to the statutory auditors for any other services rendered by statutory auditors;
- e. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

## Annexure – VI

1. Matters required to be stated in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013;
  2. Changes, if any, in accounting policies and practices and reasons for the same;
  3. Major accounting entries involving estimates based on the exercise of judgment by management;
  4. Significant adjustments made in the financial statements arising out of audit findings;
  5. Compliance with listing and other legal requirements relating to financial statements;
  6. Disclosure of any related party transactions; and
  7. Qualifications and modified opinions in the draft audit report.
- f. Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
  - g. Scrutiny of inter-corporate loans and investments;
  - h. Valuation of undertakings or assets of our Company, wherever it is necessary;
  - i. Evaluation of internal financial controls and risk management systems;
  - j. Approval or any subsequent modification of transactions of our Company with related parties;
  - k. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - l. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
  - m. Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;
  - n. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - o. Discussion with internal auditors on any significant findings and follow up thereon;
  - p. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - q. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - r. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - s. Approval of appointment of the Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

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- t. Reviewing the functioning of the whistle blower mechanism, in case the same is existing;
- u. Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and other applicable laws;
- v. To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;
- w. Overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of the employees and directors, who used the vigil mechanism to report genuine concerns in appropriate and exceptional cases;
- x. Recommending to the Board of Directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
- y. Reviewing the utilization of loans and / or advances from investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments; and
- z. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The Company's Audit Committee met 5 (Five) times during the financial year ended March 31, 2023 viz. May 25, 2022, August 06, 2022, November 14, 2022, February 13, 2023 and March 24, 2023.

The following table presents the details of attendance at the Audit Committee meetings held during the year ended March 31, 2023:

Members	Designation & Category	No. of Meetings Attended
Dr. Indra Nath Chatterjee	Chairman, Non-Executive - Independent Director	5
Prof. (Dr.) Surabhi Banerjee	Member, Non-Executive - Independent Director	5
Mr. Alok Chauthmal Churiwala	Member, Non-Executive - Independent Director	5

### Notes:

The CFO and representatives of the Statutory Auditors and Internal Auditors are invitees to the Audit Committee Meetings and they attend the meetings. All the members of the Audit Committee have requisite accounting and financial management expertise.

Dr. Indra Nath Chatterjee, Chairman of the Audit Committee attended the previous Annual General Meeting held on September 23, 2022 and responded to the queries raised by the shareholders.

Yearly disclosure relating to SEBI (Prohibition of Insider Trading) Regulations, 2015 was placed before the Committee.

All the recommendations made by the Audit Committee were accepted by the Board of Directors.

## II. Nomination and Remuneration Committee

The Composition of the Nomination and Remuneration Committee as on March 31, 2023, consists of following members viz.

1. Dr. Indra Nath Chatterjee - Chairman
2. Prof. (Dr.) Surabhi Banerjee - Member
3. Mr. Alok Chauthmal Churiwala - Member



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The Company Secretary acts as the Secretary of the Committee.

**The terms of reference of Nomination and Remuneration Committee are as follows:**

- a. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b. Formulation of criteria for evaluation of independent directors and the Board;
- c. Devising a policy on Board diversity;
- d. Identify persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- e. Analysing, monitoring and reviewing various human resource and compensation matters;
- f. Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- g. Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- h. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- i. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- j. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - i. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or
  - ii. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
- k. Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- l. Perform such other activities as may be delegated by the Board of Directors and / or are statutorily prescribed under any law to be attended to by such committee;
- m. Recommend to the Board, all remuneration, in whatever form, payable to senior management; and
- n. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

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1. Use the services of an external agencies, if required;
2. Consider candidates from a wide range of backgrounds, having due regard to diversity; and
3. Consider the time commitments of the candidates.

### Nomination and Remuneration Policy

The Company has formulated a Nomination and Remuneration policy in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations and in order to harmonize the aspirations of human resources consistent with the goals of the Company which inter alia includes Company's policy on Board Diversity, selection, appointment and remuneration of Directors, criteria for determining qualifications, positive attributes, independence of a Director and criteria for performance evaluation of the Directors.

### Composition and attendance at Nomination and Remuneration Committee Meetings:

The Company's Nomination and Remuneration Committee met 2 (Two) times during the financial year ended March 31, 2023 viz. May 25, 2022 and March 24, 2023.

The following table presents the details of attendance at the Nomination & Remuneration Committee meetings held during the year ended March 31, 2023:

Members	Designation & Category	No. of Meetings attended
Dr. Indra Nath Chatterjee	Chairman, Non-Executive - Independent Director	2
Prof. (Dr.) Surabhi Banerjee	Member, Non-Executive - Independent Director	2
Mr. Alok Chauthmal Churiwala	Member, Non-Executive - Independent Director	2

### Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board of Directors has carried out the annual performance evaluation of the entire Board, Committees and all the Directors based on the criteria laid down by the Nomination and Remuneration Committee.

The performance of the Board and individual Directors was evaluated by the Board seeking inputs from all the Directors. The criteria for performance evaluation of the Board included aspects like Board composition and structure, effectiveness of Board processes, information and functioning etc. The criteria for performance evaluation of Committees of the Board included aspects like composition of Committees, effectiveness of Committee meetings etc. The criteria for performance evaluation of the individual Directors included aspects on contribution to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc.

### Remuneration to Non-Executive Directors for the financial Year 2022-23:

The Non-Executive Directors of your Company are paid remuneration by way of sitting fees and Commission. Your Company paid Sitting Fees of ₹ 30,000 per meeting for attending meetings of the Board, Audit Committee, Nomination & Remuneration Committee, Meeting of Independent Directors and ₹ 15,000 per meeting for attending meetings of the Stakeholders' Relationship Committee and Risk Management Committee.

The travel expenses for attending meetings of the Board of Directors or a committee thereof, site visits and other Company related expenses are borne by the Company, from time to time.

The criteria of making payment to Non-Executive Directors are also placed on the website of the Company viz. [www.khadims.com](http://www.khadims.com).

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Details of remuneration paid / payable to the Non-Executive Directors for the financial year 2022-23 are as follows:

(In ₹ million)

Members	Designation & Category	Salary	Commission	Sitting Fees	Total
Dr. Indra Nath Chatterjee	Non-Executive - Independent Director	-	0.30	0.45	0.75
Prof. (Dr.) Surabhi Banerjee	Non-Executive - Independent Director	-	0.30	0.47	0.77
Mr. Alok Chauthmal Churiwala	Non-Executive - Independent Director	-	0.30	0.45	0.75
Mr. Ritoban Roy Burman	Non-Executive, Non-Independent Director	-	-	0.20	0.20

### Notes:

The remuneration paid to Non-Executive Directors includes commission and sitting fees paid towards attending the Board Meeting, Audit Committee Meeting, Nomination and Remuneration Committee Meetings and other Committee Meetings held during the year.

The commission of ₹ 0.30 million is payable to each of the Independent Directors subject to approval of the Members of the Company.

None of the Non-Executive Independent Directors hold any Equity Share of the Company. Further, there are no pecuniary relationships or transactions of the Non-Executive Directors with the Company, except those disclosed in the Annual Report.

The members of the Company by way of Postal Ballot on May 07, 2021 had approved **Khadim Employee Stock Option Plan 2021 ("ESOP 2021"/ "Plan")**. The Company has not granted any Employee Stock Option to its Non-Executive Directors under the said Plan. Hence, the disclosure of the same is not applicable.

### Remuneration paid to Executive Director

The remuneration of Executive Director(s) is decided by the Board of Directors / Recommendation of Nomination & Remuneration Committee as per the Company's remuneration policy and within the overall ceiling approved by the shareholders.

The remuneration paid to Mr. Siddhartha Roy Burman (Chairman & Managing Director) for the financial year 2022- 23 is ₹ 34.77 million inclusive of perquisites amounting to ₹ 1.51 million. There is no separate provision for payment of severance fees.

The remuneration paid to Mr. Rittick Roy Burman (Whole-time Director) for the financial year 2022-23 is ₹ 2.97 million. There is no separate provision for payment of severance fees.

Notice period is 3 Months as per terms of the appointment.

The Company has not granted any Employee Stock Option to its Executive Directors. Hence, the disclosure of the same is not applicable.

### III. Stakeholders' Relationship Committee

#### Composition and attendance at Stakeholders' Relationship Committee Meeting:

In compliance with Regulation 20 of the Listing Regulations, the Board has constituted the Stakeholders' Relationship Committee pursuant to a resolution of the Board dated June 01, 2017 inter alia, to consider and review the complaints received from shareholders. Detail of share transfers / transmissions, if any, approved by the Committee are placed at the Board Meetings from time to time.

The Composition of the Stakeholders' Relationship Committee as on March 31, 2023, consists of following members viz.

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1. Prof. (Dr.) Surabhi Banerjee - Chairperson
2. Mr. Siddhartha Roy Burman - Member
3. Mr. Ritoban Roy Burman - Member

Mr. Abhijit Dan, Company Secretary acts as the Secretary of the Committee and is the Compliance Officer of the Company.

During the year under review, one meeting of the Stakeholders' Relationship Committee was held on March 28, 2023. All the members of the Committee attended the said meeting.

Prof. (Dr.) Surabhi Banerjee, Chairperson of the Stakeholders' Relationship Committee attended the previous Annual General Meeting held on September 23, 2022.

**The brief terms of reference of the Stakeholders' Relationship Committee are as follows:**

- a) Resolving the grievances of the security holders of the listed entity including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.;
- b) Review of measures taken for effective exercise of voting rights by shareholders;
- c) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- d) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company; and
- e) Carrying out any other function as prescribed under the Listing Regulations, Companies Act, 2013 and the rules and regulations made thereunder, each as amended or other applicable law.

#### IV. Corporate Social Responsibility (CSR) Committee

The CSR Committee of the Board of Directors consists of following members viz.

1. Prof. (Dr.) Surabhi Banerjee - Chairperson
2. Mr. Siddhartha Roy Burman - Member
3. Mr. Ritoban Roy Burman - Member

The Company Secretary acts as the Secretary of the Committee

No meeting of the CSR Committee was held during the year.

**The brief terms of reference of the CSR Committee are as follows:**

- a) Formulating and recommending to the Board the corporate social responsibility policy of the Company, including any amendments thereto in accordance with Schedule VII of the Companies Act, 2013 and the rules made thereunder;
- b) Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;
- c) Recommending the amount of corporate social responsibility policy expenditure for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- d) Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required;
- e) Delegating responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

## Annexure – VI

- f) Reviewing and monitoring the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and
- g) Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company.

#### 4. SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralised web based complaints redressal system.

The salient features of this system are centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Your Company has been registered on SCORES and makes every effort to resolve all investor complaints received through SCORES or otherwise within the statutory time limit from the receipt of the complaint.

However, SEBI vide its Circular No. SEBI/HO/OIAE/IGRD/P/CIR/2022/0150 dated November 07, 2022 has mandated the investors to first take up their grievances for redressal with the Company, through their designated persons / officials who handle issues relating to compliance and redressal of investor grievances. In case, the Company fails to redress the complaint within the statutory timeline, the investor may then file his / her complaint in SCORES.

No Shares are lying in Demat Suspense Account / unclaimed suspense Account. Hence, the disclosure of the same is not applicable.

There was no shareholder complaints / requests pending at the beginning of the year. Also, no shareholder complaints / requests has been received during the year.

Exclusive e-mail id for Investor Grievances: [compliance@khadims.com](mailto:compliance@khadims.com).

#### 5. General Body meetings

##### i. Location and time, where last three Annual General Meetings (AGMs) were held:

Year	Venue	Date	Time	Special Resolutions passed
2021-22	Meeting held through VC/OAVM  (Pursuant to General Circular No. 20/2020 dated May 05, 2020 read with General Circular No. 14/2020 dated April 08, 2020, No. 17/2020 dated April 13, 2020 and No. 02/2021 dated January 13, 2021, No. 21/2021 dated December 14, 2021 and No. 02/2022 dated May 05, 2022 issued by the Ministry of Corporate Affairs (MCA) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and Circular Number SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by the Securities Exchange Board of India (SEBI), the listed Companies were allowed to hold AGM through VC / OAVM without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (as amended), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the aforesaid Circulars, the AGM of the Company was conducted through VC / OAVM.)	September 23, 2022	11:30 a.m.	<ul style="list-style-type: none"> <li>i. Re-appointment of Mr. Rittick Roy Burman (DIN: 08537366), as a Whole-time Director (“Key Managerial Personnel”) of the Company, for a further period of 3 (Three) years with effect from November 08, 2022 till November 07, 2025 (both days inclusive).</li> <li>ii. Re-appointment of Mr. Alok Chauthmal Churiwala (DIN: 02043221) as an Independent Director of the Company for second term of 5 (Five) consecutive years.</li> </ul>

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Year	Venue	Date	Time	Special Resolutions passed
2020-21	Meeting held through VC / OAVM  (Pursuant to General Circular No. 20/2020 dated May 05, 2020 read with General Circular No. 14/2020 dated April 08, 2020, No. 17/2020 dated April 13, 2020 and No. 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs (MCA) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities Exchange Board of India (SEBI), the listed Companies were allowed to hold AGM through VC / OAVM without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (as amended), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the aforesaid Circulars, the AGM of the Company was conducted through VC / OAVM.)	September 28, 2021	11:30 a.m.	<p>i. Payment of remuneration to Mr. Siddhartha Roy Burman (DIN: 00043715), Chairman &amp; Managing Director for a further period of 2 (Two) years of his remaining tenure w.e.f. April 01, 2022 to March 31, 2024.</p> <p>ii. Re-appointment of Prof. (Dr.) Surabhi Banerjee (DIN: 07829304) as an Independent Director of the Company for second term of 5 (Five) consecutive years.</p>
2019-20	Meeting held through VC / OAVM  (Pursuant to General Circular No. 20/2020 dated May 05, 2020 read with General Circular Numbers 14/2020 and 17/2020 dated April 08, 2020 and April 13, 2020 respectively issued by the Ministry of Corporate Affairs (MCA) and Circular Number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities Exchange Board of India (SEBI), the listed Companies were allowed to hold AGM through VC / OAVM without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (as amended), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the aforesaid Circulars, the AGM of the Company was conducted through VC / OAVM.)	September 23, 2020	11:30 a.m.	Appointment of Mr. Rittick Roy Burman as the Whole-time Director of the Company.

### ii. Details of special resolution passed through postal ballot:

There was no special resolution passed through postal ballot during the financial year 2022-23. Also, as at date, no Special Resolution is proposed to be passed through Postal Ballot.

## 6. Disclosures

### i) Statutory Compliance, Penalties / Strictures

The Company has complied with rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India and any other statutory authority relating to capital market.

No penalty or stricture has been imposed on the Company by the Stock Exchanges or SEBI on any matter related to the capital markets, during the last three years.

## Annexure – VI

### ii) Related Party Transactions

The Company has adopted the Related Party Transaction Policy, which is available on its website: [www.khadims.com](http://www.khadims.com) and can be accessed at web link: <https://www.khadims.com/policy-on-related-party-transaction>.

The details of all significant transactions with related parties are periodically placed before the Audit Committee. The Company has entered into related party transactions as set out in notes to accounts, which do not have potential conflict with the interests of the Company at large.

### iii) Subsidiary

The Company has one wholly-owned subsidiary i.e., Khadim Shoe Bangladesh Limited, in Bangladesh. The said wholly-owned subsidiary is not a material subsidiary as per Regulation 16 (c) and 24 of the Listing Regulations.

The financial statements and minutes of the said wholly-owned subsidiary are placed before the Board of Directors from time to time for its perusal and review.

Further, the Company has adopted a policy on material subsidiaries, which is available on the website of the Company [www.khadims.com](http://www.khadims.com) and can be accessed at web link: <https://www.khadims.com/policy-on-material-subsiary>.

### iv) Vigil Mechanism / Whistle Blower Policy

In line with Companies Act, 2013 and the Listing Regulations, the Company has formulated Vigil Mechanism / Whistle Blower Policy to report concerns about unethical behaviour, actual or suspected incidents of fraud or violation of Code of Conduct that could adversely impact the Company's operations, business performance and / or reputation, in a secure and confidential manner. The Company has also provided the complainant direct access to the Chairman of the Audit Committee. Further, no personnel has been denied access to the Audit Committee.

The Vigil Mechanism Policy has been placed on the website of the Company and web-link thereto is: <https://www.khadims.com/policy-on-vigil-mechanism>.

## 7. Compliance with Mandatory and Non-Mandatory Requirements

The Company has complied with all the mandatory requirements of the Listing Regulations, to the extent applicable.

### Non-Mandatory Requirements

Particulars	Status
<b>A. The Board</b> Non-Executive Chairperson may be entitled to maintain a chairperson's office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his / her duties	Not Applicable
<b>B. Shareholders' Right</b> A half-yearly declaration of financial performance including summary of significant events in last six-months, may be sent to each household of shareholders	Complied, as the Company's half-yearly results are published in leading English and Bengali newspaper and also uploaded on the website of the Company
<b>C. Modified opinion(s) in audit report</b> The listed entity may move towards a regime of financial statements with unmodified opinion	Complied, there are no qualification in the Audit Report

## Annexure – VI

Particulars	Status
<p><b>D. Separate posts of Chairperson and the Managing Director or the Chief Executive Officer</b></p> <p>The Chairman of the Company holds the position of Managing Director</p> <p>The listed entity may appoint separate persons to the post of the Chairperson and the Managing Director or the Chief Executive Officer, such that the Chairperson shall:</p> <p>a. be a non-executive director; and</p> <p>b. not be related to the Managing Director or the Chief Executive Officer as per the definition of the term “relative” defined under the Companies Act, 2013</p>	
<p><b>E. Reporting of internal auditor</b></p> <p>The internal auditor may report directly to the Audit Committee</p>	Complied

### 8. Non-Compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) of Part C of Schedule V of the Listing Regulations.

There are no non-compliances of any requirements of Corporate Governance Report of sub-paras (2) to (10) of Part C mentioned in Schedule V of the Listing Regulations.

9. The Company has complied with Corporate Governance Requirements specified in Regulation 17 to 27 to the extent applicable and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

10. In accordance with Regulation 26(6) (effective January 04, 2017) of the Listing Regulations, we hereby confirm that no employee including Key Managerial Personnel or Director or Promoter of the Company has entered into any agreement for himself / herself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

### 11. Disclosure of Accounting Treatment

The financial statements are prepared on accrual basis of accounting in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

### 12. Model Code of Conduct for Directors and Senior Management Team

The Company has adopted a Code of Conduct applicable to all its Directors and members of the Senior Management, which is in consonance with the requirements of the Listing Regulations. The said code is available on the website of the Company and can be accessed through web-link: [www.khadims.com/code-of-conduct](http://www.khadims.com/code-of-conduct).

All the Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct of the Company for the year ended March 31, 2023.

### Declaration by the Whole-time Director on Code of Conduct as required by Schedule V of the Listing Regulations

As required under Regulation 34(3) read with Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Directors of the Board and Senior Management Personnel of Khadim India Limited (the ‘Company’) have affirmed, compliance with provisions of the applicable Code of Conduct of the Company during the financial year ended 31<sup>st</sup> March, 2023.

For Khadim India Limited

Sd/-  
Rittick Roy Burman  
Whole-time Director



## Annexure – VI

### 13. Joint Certification on financial statements

In terms of requirement of Regulation 17(8) of the Listing Regulations, Mr. Rittick Roy Burman, Whole-time Director and Mr. Indrajit Chaudhuri, CFO of the Company have furnished certificate to the Board in the prescribed format certifying that financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs.

The certificate has been reviewed by the Audit Committee and taken on record by the Board at the meeting held on May 23, 2023.

### 14. Directors' Responsibility Statement

The draft Directors' Responsibility Statement signed by Mr. Siddhartha Roy Burman, Chairman & Managing Director which is included in the Board's Report for the financial year 2022-23 has been reviewed by the Audit Committee at its meeting held on May 23, 2023.

### 15. Reconciliation of Share Capital Audit Report

In terms of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, Reconciliation of Share Capital Audit is carried out on a quarterly basis by a Practicing Company Secretary with a view to reconcile the total admitted capital with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") and those held in physical form with the total issued, paid up and listed capital of the Company. The audit report, inter alia, confirms that the Register of Members is duly updated and that demat / remat requests were confirmed within stipulated time etc. The said report is also submitted to BSE Limited and National Stock Exchange of India Limited.

### 16. Risk Management Policy

The Company has in place Risk Management System which takes care of risk identification, assessment and mitigation. There are no risks, which in the opinion of the Board threaten the existence of the Company. Risk factors and its mitigation are covered extensively in the Management Discussion and Analysis Report forming part of this Board's Report.

### 17. Code for Prevention of Insider Trading

The Company has adopted a code of conduct to regulate, monitor and report trading by insiders for prevention of Insider Trading in the shares of the Company. The code, inter-alia, prohibits purchase / sale of shares of the Company by Directors and designated person while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

### 18. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part

During the year under review, the Company paid total fee (including out of pocket expenditure) of ₹ 2.29 million on a consolidated basis to M/s. Ray & Ray, Chartered Accountants (Firm Registration No. 301072E), Statutory Auditors of the Company, and Nurul Faruk Hasan & Co. (Deloitte Bangladesh), Chartered Accountants, Statutory Auditors of Khadim Shoe Bangladesh Limited, a wholly owned subsidiary company.

### 19. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a. Number of Complaints filed during the financial year - NIL
- b. Number of Complaints disposed of during the financial year - Not Applicable
- c. Number of Complaints pending as on end of the financial year - Not Applicable

## Annexure – VI

### 20. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations

Not Applicable, as the Company did not raise any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations.

### 21. Disclosure by listed entity and its subsidiaries of loans and advances in the nature of loans to firms / companies in which directors are interested by name and amount

Not Applicable, as the Company and its subsidiary did not provide any loans and advances in the nature of loans to firms / companies in which directors are interested.

### 22. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries

Not Applicable, as the Company does not have any material subsidiary.

### 23. Means of Communication

**Website:** The Company's website [www.khadims.com](http://www.khadims.com) contains, inter alia, the updated information pertaining to quarterly, half-yearly and annual financial results, annual reports, official press releases, the investor / analysts presentations, details of investor calls and meets, shareholding pattern, important announcements. The said information is available in a user friendly and downloadable form.

**Financial Results:** The quarterly, half-yearly and annual financial results of the Company are submitted to BSE Limited and National Stock Exchange of India Limited after approval of the Board of Directors of the Company. The results of the Company are published in one English daily newspaper (Business Standard) and one Bengali newspaper (Aajkal) within 48 hours of approval thereof.

**Annual Report:** Annual Report containing inter alia Financial Statement, Board's Report, Auditors' Report, Corporate Governance Report is circulated to the Members and others entitled thereto and is also available on website of the Company [www.khadims.com](http://www.khadims.com).

#### Uploading on NSE Electronic Application Processing System (NEAPS) / Digital Portal & BSE Listing Centre:

The quarterly results, quarterly compliances and all other corporate communications to the Stock Exchanges are filed electronically on NEAPS / Digital Portal for NSE and on BSE Listing Centre for BSE.

### 24. General Shareholder's information:

#### a. Annual General Meeting

##### Date, time and venue

The 42nd Annual General Meeting (AGM) of the Company will be held on Thursday, September 21, 2023 at 11:30 a.m. IST.

#### b. Financial Year

Financial Year is April 01 to March 31 of the following year.

Quarterly results will be declared as per the following tentative schedule:

Financial reporting for the quarter ending June 30, 2023 First fortnight of August, 2023

Financial reporting for the half year ending September 30, 2023 First fortnight of November, 2023

Financial reporting for the quarter ending December 31, 2023 First fortnight of February, 2024

Financial reporting for the year ending March 31, 2024 By the end of May, 2024

## Annexure – VI

c. Dates of Book Closure	Friday, September 15, 2023 till Thursday, September 23, 2023.
d. Record date for Dividend	NA
e. Dividend Payment Date	NA
f. Listing on Stock Exchanges & Payment of Listing Fees	<p>Your Company's shares are listed on:  <b>BSE Ltd.</b>                  (BSE) Floor 27, P. J. Towers, Dalal Street, Mumbai - 400 001</p> <p><b>National Stock Exchange of India Limited</b>                  Exchange Plaza, Bandra- Kurla Complex,                  Bandra (E), Mumbai - 400 051</p> <p>Your Company has paid the annual listing fee to both the exchanges.</p>
g. Stock Code	BSE Security Code: 540775; NSE: KHADIM; ISIN:INE834I01025
h. Registrars and Transfer Agents	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (W) Mumbai - 400083 Tel: +91 22 49186000   F: +91 22 49186060
i. Share Transfer System	<p>In terms of Regulation 40(1) of the Listing Regulations, as amended, transfer of securities have been effected only in dematerialized form with effect from January 24, 2022.</p> <p>Further, SEBI vide its circular dated January 25, 2022, mandated that all service requests for issue of duplicate certificate, claim from unclaimed suspense account, renewal / exchange of securities certificate, endorsement, subdivision / splitting / consolidation of certificate, transmission and transposition which were allowed in physical form should be processed in dematerialised form only. The necessary forms for the above request are available on the website of the Company at <a href="https://www.khadims.com/information-for-holders-of-physical-securities">https://www.khadims.com/information-for-holders-of-physical-securities</a>.</p> <p>However, there is no member holding shares in physical form as on the date of this report.</p> <p>Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.</p>

## Annexure – VI

<b>j. Address for Correspondence</b>	Mr. Abhijit Dan Company Secretary and Compliance Officer Khadim India Limited 7th Floor, Tower C, DLF IT Park 08 Major Arterial Road, Block AF New Town (Rajarhat) Kolkata - 700156 Tel: +91 - 33-40090501 Fax: +91 -33-40090500 E-mail: <a href="mailto:compliance@khadims.com">compliance@khadims.com</a>
<b>k. Dematerialization of Shares and Liquidity</b>	100% shares of your Company are held in the electronic mode as on March 31, 2023.
<b>l. Electronic Clearing Service (ECS)</b>	Members are requested to update their bank account details with their respective depository participants (for shares held in the electronic form) or write to the Company's Registrars and Transfer Agents M/s. Link Intime India Private Limited (for shares held in the physical form, if any).
<b>m. Investor Complaints to be addressed to</b>	Registrars and Transfer Agents or Mr. Abhijit Dan, Company Secretary, at the addresses mentioned earlier.
<b>n. Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, Conversion Date and likely impact on equity</b>	The Company has not issued any GDRs / ADRs / Warrants or any Convertible Instruments.
<b>o. Plant Locations</b>	<p><b>Panpur Factory</b> Khadim India Limited 25/1, 25/2 &amp; 25/3, Panpur Road, Mouza-Madral, P.O.- Narayanpur, P.S. Jagatdal, Dist.- 24 Parganas (N)-743126</p> <p><b>Serampore Factory</b> Plot No. 154, 157 &amp; 158 at Delhi Road, Mouza Belumilki, JI No. 11, P.O. Belumilki, P.S. Sreerampore, Hooghly, West Bengal - 712223</p>
<b>p. Details of Suspension of Securities from trading, if any</b>	Not applicable
<b>q. Commodity price risk or foreign exchange risk and hedging activities</b>	The Company does not have commodity price risk.  The details of foreign exchange exposures and hedging activities are provided in the Notes to the Financial Statements.
<b>r. List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad</b>	Not applicable, as the Company did not issue any debt instruments or any fixed deposit programme or any scheme or proposal involving mobilization of funds, in India or abroad.

## Annexure – VI

**s. Market Price Data: High and Low from April 01, 2022 to March 31, 2023 are mentioned below:**

[All prices in ₹]

Month	BSE		NSE	
	High	Low	High	Low
April, 2022	278.20	223.55	278.50	223.45
May, 2022	248.60	182.35	250.60	182.50
June, 2022	216.20	172.00	217.25	174.60
July, 2022	241.65	182.40	241.80	182.95
August, 2022	277.95	232.55	278.05	233.30
September, 2022	327.60	260.10	327.70	260.50
October, 2022	333.00	278.10	334.00	280.00
November, 2022	318.90	255.05	299.75	255.00
December, 2022	282.20	231.05	279.95	232.70
January, 2023	252.85	217.60	252.75	216.95
February, 2023	227.75	186.00	229.55	185.80
March, 2023	211.40	174.90	211.95	177.20

**t. Summary of Shareholding Pattern as on March 31, 2023**

Category of Shareholder	Number of Shareholders	Number of Shares held	Percentage of Shareholding
Promoter & Promoter Group	4	1,08,30,783	60.2728
Public	39,825	71,38,831	39.7272
<b>Total</b>	<b>39,829</b>	<b>1,79,69,614</b>	<b>100.00</b>

**u. Distribution of Shareholding as on March 31, 2023**

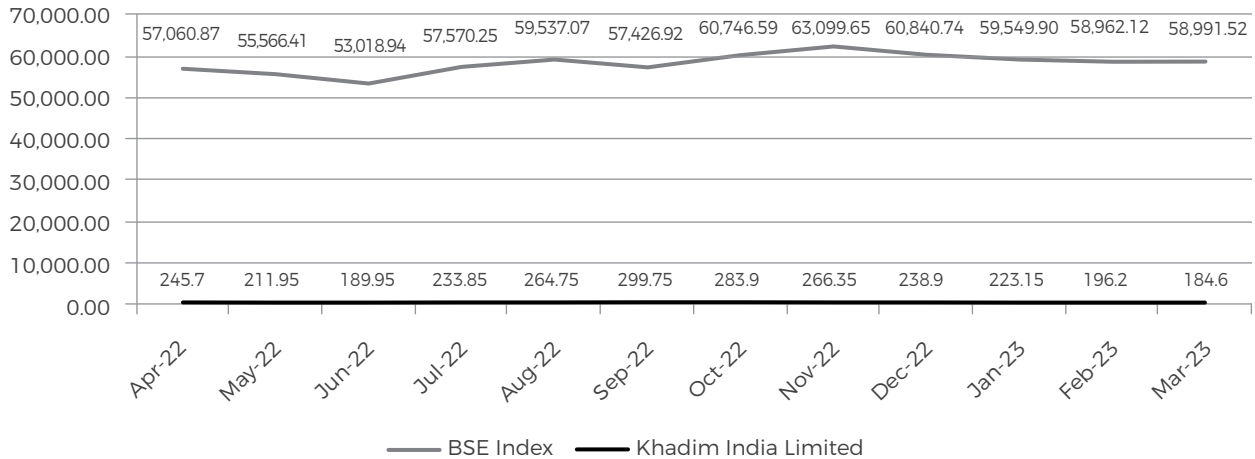
Category of Shareholder	Number of Shareholders	Number of Shares held	Percentage of Shareholding
1 - 500	38,727	15,45,511	8.60
501 - 1000	580	4,45,711	2.48
1001 - 2000	279	4,09,570	2.28
2001 - 3000	85	2,16,562	1.21
3001 - 4000	35	1,28,361	0.71
4001 - 5000	30	1,40,205	0.78
5001 - 10000	40	2,87,898	1.60
10001 and Above	53	1,47,95,796	82.34
<b>Total</b>	<b>39,829</b>	<b>1,79,69,614</b>	<b>100.00</b>

**v. Bifurcation of shares held in physical and demat form as on March 31, 2023**

Particulars	No. of Shares	Percentage (%)
Physical Shares (I)	0	0.00
Sub-Total	0	0.00
Demat Shares (II)		
NSDL (A)	1,43,78,652	80.02
CDSL (B)	35,90,962	19.98
Sub-Total (A+B)	1,79,69,614	100.00
<b>Total (I+II)</b>	<b>1,79,69,614</b>	<b>100.00</b>

## Annexure – VI

### w. PERFORMANCE IN COMPARISON TO BSE SENSEX



### USAGE OF ELECTRONIC PAYMENT MODES FOR MAKING CASH PAYMENTS TO THE INVESTORS

SEBI, through its Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013 has mandated the companies to use Reserve Bank of India (RBI) approved electronic payment modes such as ECS [LECS (Local ECS) / RECS (Regional ECS) / NECS (National ECS)], NEFT and others to pay members in cash.

Recognizing the spirit of the circular issued by the SEBI, Members whose shareholding is in the electronic mode are requested to promptly update change in bank details with the Depository through your Depository Participant for receiving dividends through electronic payment modes.

Members who hold shares in physical form, if any, are requested to promptly update change in bank details with the Company / Registrar and Transfer Agents, M/s. Link Intime India Pvt. Ltd. (Unit: Khadim India Limited) for receiving dividends through electronic payment modes.

The Company has also sent reminders to encash unpaid / unclaimed dividend amount as per records every year.

### GREEN INITIATIVE

Your Company is concerned about the environment and utilizes natural resources in a sustainable way. The Ministry of Corporate Affairs (MCA), Government of India, through its Circulars Nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, has allowed companies to send official documents to their shareholders electronically as a part of its green initiatives in corporate governance.

Recognizing the spirit of the aforesaid circular issued by the MCA and SEBI Circulars Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11, SEBI/HO/CFD/CMD2/CIR/P/2022/62 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated May 12, 2020, January 15, 2021, May 13, 2022 and January 05, 2023 respectively, Notice convening the General Meetings, Financial Statements, Board's Report, Auditor's Report and other documents are sent to the email address provided by the Shareholders with the relevant depositories.

To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company in case the shares are held by them in physical form, if any, to ensure that the Annual Report and other documents reach you on your preferred email.

For and on behalf of the Board of Directors

**Siddhartha Roy Burman**  
Chairman & Managing Director  
DIN: 00043715

Place: Kolkata  
Date: May 23, 2023

## Annexure – VI

# Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members of  
**Khadim India Limited**  
7th Floor, Tower C, DLF IT Park,  
08 Major Arterial Road, Block-AF, New Town (Rajarhat),  
Kolkata, 24 Parganas North-700156

We have examined the relevant registers, records, forms, returns and disclosures relating to the Directors of Khadim India Limited having CIN: L19129WB1981PLC034337 and having Registered Office at 7th Floor, Tower C, DLF IT Park, 08 Major Arterial Road, Block-AF, New Town (Rajarhat), Kolkata, 24 Parganas North-700156 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub Clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its Officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Siddhartha Roy Burman	00043715	April 01, 2005
2.	Mr. Rittick Roy Burman	08537366	November 08, 2019
3.	Mr. Indra Nath Chatterjee	00122677	September 29, 2014
4.	Ms. Surabhi Banerjee	07829304	May 25, 2017
5.	Mr. Alok Chauthmal Churiwala	02043221	May 11, 2018
6.	Mr. Ritoban Roy Burman	08020765	December 14, 2017

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For B K G & COMPANY  
Company Secretaries  
(Firm's Registration No. - S2004WB868500)

**(BINOD KUMAR GUPTA)**  
Partner  
(ACS-12965, C.P. No. - 3242)  
UDIN: A012965E000360004

Place: Kolkata  
Date: 23/05/2023

## Annexure – VI

# Corporate Governance Certificate

To  
The Members of  
**Khadim India Limited**

### INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter dated 10th March 2023.
2. We, Ray & Ray, Chartered Accountants, the Statutory Auditors of Khadim India Limited (the Company), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2023, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

### Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Report or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audit and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31 March, 2023.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

FOR RAY & RAY  
CHARTERED ACCOUNTANTS  
(Firm's Registration No. 301072E)

**Amitava Chowdhary**  
Partner  
(Membership No. 056060)  
UDIN: 23056060BCWPKJ1251

Date: 23 May 2023  
Place: Kolkata



# **FINANCIAL STATEMENTS**

# Independent Auditor's Report

To The Members of **Khadim India Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **Khadim India Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year ended on that date, a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

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 Indian Accounting Standards, prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, its profit, total comprehensive income, changes in equity and its cash flows for the year then ended on that date.

### Basis for Opinion

We conducted our audit of standalone financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements paragraph 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our 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 judgement, were of most significance in our audit of the standalone financial statements of the current period. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Revenue Recognition</b></p> <p>Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the Company performs its obligation to its customers, the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition is when the control over the same is transferred to the customer, which is upon delivery.</p> <p>The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.</p>	<p><b>Principal Audit Procedures</b></p> <p>In order to address the risk of misstatement related to timing of revenue recognition on sale to Wholesale customers, we have performed the following procedures:-</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures including:</p> <ul style="list-style-type: none"> <li>Assessing the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof.</li> </ul>

# Independent Auditor's Report

Sr. No.	Key Audit Matter	Auditor's Response
	<p>The Company operates through two different revenue streams - sale to Wholesale customers and Retail customers.</p> <p>The Retail revenues consist of small transactions under cash and carry model. Hence the likelihood of occurrence and magnitude of a potential misstatement arising out of revenue recognition before transfer of control is minimal.</p> <p>Accordingly, we focused our work on the risk of revenue being recognized before control is transferred in respect of its revenue from Wholesale customers.</p> <p>Refer Note 3.9 to the Standalone Financial Statements - Significant Accounting Policies.</p>	<ul style="list-style-type: none"> <li>● Evaluating the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls.</li> <li>● Evaluating the design and implementation of Company's controls in respect of revenue recognition. Testing the effectiveness of such controls over the timing of recognition of revenue at the year-end.</li> <li>● Testing the effectiveness of such controls over the timing of recognition of revenue at the year end.</li> <li>● Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the correct period.</li> <li>● Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.</li> </ul>

## Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's report including annexures to the Director's Report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS specified under Section 133 of the Act and other accounting principles generally accepted in India. 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 judgements 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

# Independent Auditor's Report

the accounting records relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatements, 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 the Board of Directors either intend to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities 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 financial statements.

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

- 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.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.
- 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in planning the scope of our audit work and in evaluating the results of our work; and to evaluate the effect of any identified misstatements in the standalone financial statements.

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.

# Independent Auditor's Report

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required under Section 143(3) of the Act, based on our audit, we report to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the accompanying standalone financial statements.
  - 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - 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 has disclosed the impact of pending litigations on its financial position in Note 36 of the standalone financial statements.
    - 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 that are required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2023.

# 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 person(s) or entity(ies), including foreign entities ("the 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 ("the 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 that no funds (which are material either individually or in the aggregate) 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 performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ended 31st March 2023.
- vi. As proviso to Rule 3(1) of the Companies (Account) Rules, 2014 is applicable for the Company only with effect from 1st April, 2023, reporting under Rule 11(g) of the Companies (Audit & Auditors) Rules, 2014 is not applicable.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For RAY & RAY**  
Chartered Accountants  
Firm Registration No. 301072E

**(Amitava Chowdhury)**  
Partner  
(Membership No. 056060)  
UDIN: 23056060BGWPKM5633

Place : Kolkata  
Date : 23.05.2023

## Annexure “A” to Independent Auditors’ Report

(Referred to in paragraph 2 under ‘Report on other Legal and Regulatory Requirements’ section of our report to the Members of Khadim India Limited of even date)

- (i) (a) A. The Company has maintained proper records showing full particulars, including details and situation of property, plant and equipment.
    - B. The Company has maintained proper records showing full particulars of intangible assets.
  - (b) The property, plant and equipment and right of use assets of the Company were physically verified by the Management in accordance with a regular programme of verification which in our opinion provides for physical verification of all the items at reasonable intervals. According to the information and records provided to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of our verification of the registered title deeds of all immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in the favour of the lessee) disclosed in the financial statements are held in the name of the Company.
  - (d) According to the records of the Company examined by us, the Company has not revalued its Property, Plant and Equipment and Right of Use Assets or intangible assets during the year under audit.
  - (e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Hence, this clause is not applicable to the Company.
- (ii) (a) As explained to us, the management has conducted physical verification of inventories at reasonable intervals during the year. In our opinion the coverage and procedure of such verification by the management is appropriate and discrepancies observed between physical and book stocks have been properly dealt with in the books of account;
    - (b) The Company has a working capital limit in excess of five crore rupees sanctioned by banks during the year on the basis of security of current assets. The quarterly statements, in respect of the working capital limits, have been filed by the Company for the respective periods which were not subject to audit. The quarterly statement for the quarter ended 31st March, 2023 has been filed on 26th April, 2023 and is generally in agreement with the books of account of the Company.
  - (iii) On the basis of examination of books of account of the Company and according to the information and explanations given to us, the Company has not made any investments in or provided any guarantee or security or granted any secured or unsecured loans to companies, firms, limited liability partnerships or other parties during the year. Accordingly, reporting under sub clauses (a), (b), (c), (d), (e) and (f) of Clause 3 (iii) of the Order is not applicable to the Company.
  - (iv) On the basis of examination of books of account and records of the Company and in accordance with the information and explanations given to us, the Company has not made any investments or provided any guarantee or security or granted any secured or unsecured loans or advances in the nature of loans to any entity during the year which required compliance with the provisions of Sections 185 and 186 of the Companies Act, 2013. Accordingly, reporting under Clause 3(iv) of the Order is not applicable to the Company.
  - (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under Clause 3 (v) of the Order is not applicable to the Company.

## Annexure “A” to Independent Auditors’ Report

(vi) The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of the Company’s products / business activities. Accordingly, Clause 3 (vi) of the Order is not applicable to the Company.

(vii) a) According to the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees’ State Insurance, Income Tax, Customs Duty, Cess and other statutory dues with appropriate authorities. There were no undisputed outstanding statutory dues in arrear as at the last date of the financial year concerned for a period of more than six months from the date they became payable. Sales Tax, Service Tax, Excise Duty and Value Added Tax were not applicable to the Company during the year.

b) According to the information and explanations given to us and the records examined by us, details of Income Tax and Value Added Tax which have not been deposited as on 31st March, 2023 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount (Rupees in Millions)
Income Tax Act, 1961	Income Tax	Deputy Commissioner, Income Tax	2008-2009 2009-2010	1.03 0.08
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2017-2018 2018-2019	0.07 0.44
West Bengal Value Added Tax, 2003	Sales Tax	West Bengal Taxation Tribunal	2011-2012 2015-2016	1.39 0.26
CGST Act, 2017 (West Bengal)	GST	Deputy Commissioner, West Bengal	2022-2023	0.85
Bihar Value Added Tax, 2003	Sales Tax	Deputy Commissioner, Special Circle, Patna	2015-2016	0.31
Central Sales Tax Act, 1956	Sales Tax	Assistant Commissioner (ST), Pandy Bazar Assessment Circle	2016-2017	5.67
Central Excise Act, 1944 read with CGST Act, 2017	Excise Duty	CESTAT, New Delhi	2012-2013 to 2015-2016	100.09

(viii) According to the records of the Company examined by us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of account. Accordingly, reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in the repayment of its loans or borrowings to any lender or in the payment of interest thereon.

(b) According to the information and explanations given to us including confirmations received from banks and other lenders and representation received from the management of the Company and on the basis of our audit procedures, we report that the Company has not been declared a wilful defaulter by any bank or other lender.

(c) In our opinion and according to the information and explanations given to us, the term loans taken by the Company were applied for the purpose for which the loans were obtained and were not diverted for other purposes.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, we report that funds raised by the Company on short term basis have not been utilised for long term purposes.



## Annexure “A” to Independent Auditors’ Report

- (e) On the basis of examination of records of the Company and according to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary, Khadim Shoe Bangladesh Limited.
- (f) According to the records examined by us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary company. Accordingly, reporting under this sub-clause is not applicable to the Company.
- (x) (a) According to the records examined by us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under this sub-clause is not applicable to the Company.  
  
(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully, partially or optionally convertible debentures during the year. Accordingly, reporting under this sub-clause is not applicable to the Company.
- (xi) (a) During the course of our examination of the books of account and records of the Company carried out in accordance with the Generally Accepted Auditing Practices, we have neither come across any instance of fraud on or by the Company nor have we been informed of any such case by the management during the year.  
  
(b) No report under Section 143(12) of the Act has been filed by us with the Central Government for the period covered by our audit.  
  
(c) According to the information and explanations given to us, no whistle-blower complaints have been received during the year by the Company. Hence, reporting under this sub-clause is not applicable to the Company.
- (xii) The Company is not a Nidhi Company. According, clause 3 (xii) of the Order is not applicable to the Company
- (xiii) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 177 and 188 of the Act, where applicable, for all transactions with related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) In our opinion and according to the records examined by us, the Company has an internal audit system commensurate with the size and nature of its business;  
  
(b) The reports of the Internal Auditor of the Company for the period under audit have been considered by us in course of our audit.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with the directors during the year. Hence, reporting under Clause 3 (xv) of the Order is not applicable to the Company.  
  
(a) According to the information and explanations given to us, and on the basis of examination of the books of account of the Company we report that the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Hence, reporting under this sub-clause is not applicable to the Company.  
  
(b) According to the records examined by us, the Company has not conducted any non-banking financial or housing finance activities during the year. Hence this sub-clause is not applicable to the Company.

## Annexure “A” to Independent Auditors’ Report

- (c) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence this sub-clause is not applicable to the Company.
- (d) According to the information and explanations given to us, the Group does not have any CIC as part of the Group. Hence this sub-clause is not applicable to the Company.
- (xvi) According to the records examined by us and the information given to us, the Company has not incurred cash loss in the current financial year and in the immediately preceding financial year. Hence reporting under Clause 3 (xvii) of the Order is not applicable to the Company.
- (xvii) There has been no resignation of the statutory auditors during the current financial year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xviii) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report of the Company’s capability 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.
- (xix) (a) According to the records of the Company examined by us and as per the explanations given to us, there was no unspent CSR amount which were required to be transferred to a Fund Account specified in Schedule VII to the Act. Accordingly, clause 3(xx)(a) of the Order is not applicable to the Company.
- (b) There was no unspent amount pursuant to any ongoing project of the Company under Section 135(5) of the Act which had to be transferred to special account in compliance with the provisions of section 135 (6) of the said Act. Hence, clause 3(xx) (b) of the Order is not applicable to the Company.
- (xx) The Consolidated financial Statements of the Company for the year ended 31st March, 2023 includes audited accounts of Khadim India Limited (the Parent) and a foreign subsidiary company, namely, Khadim Shoe Bangladesh Limited (the Subsidiary). The reporting requirements under CARO, 2020 is not applicable to the Subsidiary. There have been no qualifications or adverse remarks in the Companies (Auditor’s Report) Order (CARO) reports of the Khadim India Limited (the Parent company) included in the consolidated financial statements. Accordingly reporting requirements under clause 3(xxi) of the Order is not applicable to the Company.

**For RAY & RAY**

Chartered Accountants  
Firm Registration No. 301072E

**(Amitava Chowdhury)**

Partner  
(Membership No. 056060)  
UDIN: 23056060BGWPKM5633

Place : Kolkata  
Date : 23.05.2023

## Annexure “B” to Independent Auditors’ Report

### Independent Auditors Report on the internal financial controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Khadim India Limited** (“the Company”) as at and for the year ended 31st March, 2023, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Responsibilities of the Management for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal financial controls 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 (“the Guidance Note”) 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.

#### Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls over financial reporting. 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 over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgement, 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 over financial reporting.

#### Meaning of Internal Financial Controls with reference to Financial Statements

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

# Annexure “B” to Independent Auditors’ Report

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls were operating effectively as at 31st March 2023, based on the criteria for internal financial control over financial reporting 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).

**For RAY & RAY**  
Chartered Accountants  
Firm Registration No. 301072E

**(Amitava Chowdhury)**  
Partner  
(Membership No. 056060)  
UDIN: 23056060BGWPKM5633

Place : Kolkata  
Date : 23.05.2023

# Standalone Balance Sheet

 as at 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

Particulars	Note No.	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>ASSETS</b>			
<b>1 Non - current assets</b>			
(a) Property, Plant and Equipment	4A	830.13	1,047.00
(b) Capital work - in - progress	4B	4.38	8.47
(c) Right of Use Asset	4C	1,603.28	963.33
(d) Intangible assets	4D	2.25	3.36
(e) Intangible assets under development	4E	3.20	0.65
(f) Financial Assets			
(i) Investments	5	1.39	0.85
(ii) Others	6	212.68	176.11
(g) Deferred tax assets (net)	7	135.97	184.22
(h) Income tax assets (net)	8	20.53	36.51
(i) Other non-current assets	9	93.52	90.69
<b>2 Current assets</b>			
(a) Inventories	10	1,804.22	1,679.32
(b) Financial Assets			
(i) Trade receivables	11	1,875.53	1,331.13
(ii) Cash and cash equivalents	12	63.87	31.02
(iii) Other Bank balances	13	78.96	76.00
(iv) Others	14	92.38	108.91
(c) Other current assets	15	528.94	774.12
<b>Total Assets</b>		<b>7,351.23</b>	<b>6,511.69</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	16	179.70	179.70
(b) Other Equity		2,073.85	1,896.66
<b>LIABILITIES</b>			
<b>1 Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	118.48	148.37
(ii) Lease liabilities	18	1,684.57	991.33
(b) Provisions	19	0.60	3.27
(c) Other non-current liabilities	20	8.16	10.44
<b>2 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	21	1,073.93	1,119.50
(ii) Lease liabilities	18	220.72	163.97
(iii) Trade payables	22	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,808.43	1,800.66
(iv) Other financial liabilities	23	128.09	126.84
(b) Other current liabilities	24	53.68	69.75
(c) Provisions	25	1.02	1.20
<b>Total Equity and Liabilities</b>		<b>7,351.23</b>	<b>6,511.69</b>

See accompanying notes to the financial statements.

In terms of our Report attached

For and on behalf of Board of Directors

 For **Ray & Ray**

Chartered Accountants

FRN - 301072E

**Amitava Chowdhury**

Partner

Membership no.- 056060

Place: Kolkata

 Date: 23<sup>rd</sup> May 2023

**Siddhartha Roy Burman**

Chairman &amp; Managing Director

DIN: 00043715

**Abhijit Dan**

Company Secretary &amp; Head - Legal

Membership No.: ACS 21358

**Rittick Roy Burman**

Wholetime Director

DIN: 08537366

**Indrajit Chaudhuri**

Chief Financial Officer

Membership No.: FCA 61162

# Statement of Profit and Loss

for the year ended 31<sup>st</sup> March 2023  
(All amounts in Rupees millions, unless otherwise stated)

Particulars	Note No.	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>I. Revenue From Operations</b>	26	6,602.64	5,910.80
<b>II. Other Income</b>	27	174.75	162.75
<b>III. Total Income ( I + II )</b>		<b>6,777.39</b>	<b>6,073.55</b>
<b>IV. Expenses :</b>			
Cost of materials consumed		1,626.62	1,970.29
Purchases of Stock-in-Trade		2,457.38	1,913.51
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	(250.71)	(170.97)
Employee benefits expense	29	719.06	573.60
Finance costs	30	290.57	227.25
Depreciation and amortization expense	4F	383.71	335.81
Other expenses	31	1,325.05	1,146.33
<b>Total expenses</b>		<b>6,551.68</b>	<b>5,995.82</b>
<b>V. Profit before tax (III - IV)</b>		<b>225.71</b>	<b>77.73</b>
<b>VI. Tax expense:</b>	32		
(1) Current tax		3.10	0.01
(2) Deferred tax		47.54	13.13
		<b>50.64</b>	<b>13.14</b>
<b>VII. Profit for the year ( V - VI )</b>		<b>175.07</b>	<b>64.59</b>
<b>VIII. Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss			
- Re-measurement gains on defined benefit plans	39.2	2.83	2.56
(ii) Income tax relating to items that will not be reclassified to profit or loss	32	(0.71)	(0.64)
<b>Other Comprehensive Income for the year</b>		<b>2.12</b>	<b>1.92</b>
<b>IX. Total Comprehensive Income for the year</b>		<b>177.19</b>	<b>66.51</b>
<b>X. Earnings per equity share: [Nominal Value per Share ₹10/- (Previous year ₹10/-)]</b>	33		
(1) Basic (In ₹)		9.74	3.59
(2) Diluted (In ₹)		9.74	3.59

See accompanying notes to the financial statements.

In terms of our Report attached

For and on behalf of Board of Directors

For **Ray & Ray**  
Chartered Accountants  
FRN - 301072E

**Amitava Chowdhury**  
Partner  
Membership no.- 056060

Place: Kolkata  
Date: 23<sup>rd</sup> May 2023

**Siddhartha Roy Burman**  
Chairman & Managing Director  
DIN: 00043715

**Abhijit Dan**  
Company Secretary & Head - Legal  
Membership No.: ACS 21358

**Rittick Roy Burman**  
Wholetime Director  
DIN: 08537366

**Indrajit Chaudhuri**  
Chief Financial Officer  
Membership No.: FCA 61162

# Statement of Changes in Equity

for the year ended 31st March 2023

(All amounts in Rupees millions, unless otherwise stated)

**(a) Equity Share Capital**

Balance as at 1 <sup>st</sup> April 2022	Changes in equity share capital due to prior period errors	Restated balance as at 1 <sup>st</sup> April 2022	Changes in equity share capital during the year	Balance as at 31 <sup>st</sup> March 2023
179.70	-	179.70	-	179.70

Balance as at 1 <sup>st</sup> April 2021	Changes in equity share capital due to prior period errors	Restated balance as at 1 <sup>st</sup> April 2021	Changes in equity share capital during the year	Balance as at 31 <sup>st</sup> March 2022
179.70	-	179.70	-	179.70

**(b) Other Equity**

Particulars	Reserves and surplus				Total other equity
	Capital reserve -Amalgamation Reserve	Securities premium	Share options outstanding account	Retained earnings	
<b>Balance as at 1st April 2022</b>	<b>231.92</b>	<b>1,221.83</b>	<b>10.70</b>	<b>432.21</b>	<b>1,896.66</b>
Profit for the year	-	-	-	175.07	175.07
Other comprehensive income (net of tax)	-	-	-	2.12	2.12
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>177.19</b>	<b>177.19</b>
<b>Balance as at 31st March 2023</b>	<b>231.92</b>	<b>1,221.83</b>	<b>10.70</b>	<b>609.40</b>	<b>2,073.85</b>
<b>Balance as at 1st April 2021</b>	<b>231.92</b>	<b>1,221.83</b>	<b>10.16</b>	<b>365.70</b>	<b>1,829.61</b>
Profit for the year	-	-	-	64.59	64.59
Other comprehensive income (net of tax)	-	-	-	1.92	1.92
<b>Total comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>66.51</b>	<b>66.51</b>
Recognition of share based payment	-	-	0.54	-	0.54
<b>Balance as at 31st March 2022</b>	<b>231.92</b>	<b>1,221.83</b>	<b>10.70</b>	<b>432.21</b>	<b>1,896.66</b>

Gain of ₹2.12 millions and ₹1.92 millions on remeasurement of defined employee benefit plans (net of tax) is recognised as a part of retained earnings for the years ended 31st March 2023 and 2022 respectively..

# Statement of Changes in Equity

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

The Board of Directors of the Company has not recommended any dividend for the current financial year.

Capital Reserve: This Reserve represents the surplus of net assets over the Equity Shares issued as purchase consideration pursuant to the Scheme of Amalgamation approved by the Hon'ble High Court at Calcutta with effect from 1st October 2004

Securities premium: This Reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

Share options outstanding account: This Reserve relates to stock options granted by the Company under Khadim Employee Stock Option Plan 2017. This Reserve is transferred to securities premium or retained earnings on exercise or cancellation of vested options.

Retained earnings: This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

See accompanying notes to the financial statements.

In terms of our Report attached

For and on behalf of Board of Directors

For **Ray & Ray**

Chartered Accountants

FRN - 301072E

**Amitava Chowdhury**

Partner

Membership no.- 056060

Place: Kolkata

Date: 23<sup>rd</sup> May 2023

**Siddhartha Roy Burman**

Chairman & Managing Director

DIN: 00043715

**Abhijit Dan**

Company Secretary & Head - Legal

Membership No.: ACS 21358

**Rittick Roy Burman**

Wholetime Director

DIN: 08537366

**Indrajit Chaudhuri**

Chief Financial Officer

Membership No.: FCA 61162



# Cash Flow Statement

 for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax for the year	225.71	77.73
Adjustments for:		
Depreciation and amortization expense	383.71	335.81
Share based payments to employees	-	0.54
(Gain)/Loss on disposal of property, plant and equipment (net)	(26.07)	20.78
Gain on lease modification	(37.60)	-
Interest Received	(33.82)	(21.77)
Gain arising on sale of financial assets mandatorily measured at Fair Value through Profit and Loss	-	(0.05)
Liabilities/Provisions no longer required written back	(18.07)	(94.17)
Government grant received	(2.75)	(6.76)
Provision for doubtful debts, advances and other assets	(2.23)	2.28
Debts/Advances written off	15.23	4.60
Foreign currency translations and transactions - Net	(0.48)	(0.18)
Finance costs	290.57	227.25
<b>Operating Profit before Working Capital Changes</b>	<b>794.20</b>	<b>546.06</b>
Adjustments for:		
Trade Receivables, Loans and Advances and Other Assets	(294.84)	(136.14)
Inventories	(124.90)	(272.53)
Trade Payables, Other Liabilities and Provisions	6.65	158.50
<b>Cash Generated from Operations</b>	<b>381.11</b>	<b>295.89</b>
Net income tax refunds	12.88	10.44
<b>Net Cash generated from Operating Activities</b>	<b>393.99</b>	<b>306.33</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, intangible assets	(150.16)	(82.76)
Sale of property, plant and equipment, intangible assets	247.34	0.63
Receipts from lease modifications	113.79	-
Investments in bank deposits	(66.35)	(113.47)
Maturity of bank deposits	41.06	53.03
Investment in Wholly-Owned Subsidiary	(0.54)	-
Purchase of Current Investments	-	(2.00)
Sale of Current Investments	-	2.05
Interest Received	13.05	4.23
<b>Net Cash generated from/(used in) Investing Activities</b>	<b>198.19</b>	<b>(138.29)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(136.29)	(119.00)
Repayment of lease liability	(344.64)	(236.95)
Payment of initial direct cost recognised as Right of Use Asset	(2.94)	(1.49)
Long term loans taken	35.00	5.50
Long term loans repaid	(71.71)	(46.29)
Short term loans repaid	(107.40)	(19.60)
<b>Net Cash used in Financing Activities</b>	<b>(627.98)</b>	<b>(417.83)</b>
Net Decrease in Cash and Cash Equivalents (A+B+C)	(35.80)	(249.79)
Cash and Cash Equivalents at beginning of year	(857.73)	(607.94)
<b>Cash and Cash Equivalents at end of year</b>	<b>(893.53)</b>	<b>(857.73)</b>

# Cash Flow Statement

for the year ended 31st March 2023

(All amounts in Rupees millions, unless otherwise stated)

## Notes:

I The above Cash Flow Statement has been prepared under "Indirect Method" as set out in Ind AS - 7 on "Statement of Cash Flows".

## II Cash and Cash Equivalents:

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Cash Credit facilities	(957.40)	(888.75)
Cash and cash equivalents (Note 12)	63.87	31.02
<b>Cash and cash equivalents as above</b>	<b>(893.53)</b>	<b>(857.73)</b>

See accompanying notes to the financial statements.

In terms of our Report attached

For and on behalf of Board of Directors

For **Ray & Ray**

Chartered Accountants

FRN - 301072E

**Amitava Chowdhury**

Partner

Membership no.- 056060

Place: Kolkata

Date: 23<sup>rd</sup> May 2023

**Siddhartha Roy Burman**

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Membership No.: ACS 21358

**Rittick Roy Burman**

Wholetime Director

DIN: 08537366

**Indrajit Chaudhuri**

Chief Financial Officer

Membership No.: FCA 61162

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 1 Corporate information

Khadim India Limited (the 'Company') is a Public Limited Company engaged in the manufacturing / retail business of footwear and accessories. The Company is incorporated and domiciled in Republic of India. The address of its Registered office is DLF IT Park, Tower-C, 7th Floor, 08 Major Arterial Road, Block-AF, New Town (Rajarhat), Kolkata - 700156. The Company listed its equity shares on 14th November 2017 on BSE and NSE.

## 2 Recent accounting pronouncements:

The Ministry of Corporate Affairs ("MCA") notifies new standards / amendments under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1st April, 2023, as below:

### I Ind AS 1 - Presentation of Financial Statements:

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

### II Ind AS 12 - Income Taxes:

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

### III Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors:

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

## 3 Significant accounting policies

### 3.1 Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind ASs) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy.

### 3.2 Basis of preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain assets and liabilities that are measured at fair values, as explained in the accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- I In the principal market for the asset or liability, or
- II In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 – Share-based Payment, leasing transactions that are within the scope of Ind AS 116 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety.

### 3.3 Operating cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – "Presentation of Financial Statements", based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Accordingly, the Company has determined its operating cycle to be 12 months.

### 3.4 Property, Plant and Equipment – Tangible Assets

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognized as at 1st April 2016 measured as per the previous GAAP.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

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 asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis. Freehold Land is not depreciated. The estimated useful lives of property, plant and equipment of the Company are as follows:

Buildings - 30 - 60 Years

Leasehold Improvements - Shorter of lease period or over 6 years

Plant and Equipment - 5 - 15 Years

Furniture and Fixtures - 10 Years

Vehicles - 10 Years

Office Equipment - 5 Years

Property, plant and equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

### 3.5 Intangible Assets

Intangible assets acquired separately are recorded at cost at the time of initial recognition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Intangible assets (Computer Software) with finite lives are amortized over the useful economic life (not exceeding five years) and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

### 3.6 Impairment of Tangible and Intangible Assets

At the end of each reporting period, the Company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indicator that those assets have suffered an impairment loss. If any such indicator exists, the recoverable amount of the asset is estimated in order to determine the impairment loss. When it is not possible to determine the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 3.7 Assets held for disposal

Assets are classified as held for disposal if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable. These are measured at lower of their carrying amount and fair value less costs to sell.

## 3.8 Inventories

Inventories are valued at cost and net realisable value, whichever is lower. The cost is calculated on First In First Out basis (FIFO). Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Net realisable value is the estimated selling price less estimated costs for completion and sale. Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

## 3.9 Revenue Recognition

The Company earns revenue primarily from sale of footwear and leather accessories. Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made and the Company has performed its obligations. Revenue is measured at the fair value of the consideration received or receivable for goods supplied, net of returns and discounts to customers.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Company and the amount can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the assets' net carrying amount on initial recognition.

## 3.10 Government Grant

The Company receives government grants that require compliance with certain conditions related to the Company's operating activities or are provided to the Company by way of financial assistance on the basis of certain qualifying criteria. Government grants are recognized when there is reasonable assurance that the grant will be received, and the Company will comply with the conditions attached to the grant. Accordingly, government grants:

- a. related to or used for assets, are included in the Balance Sheet as deferred income and recognized as income over the useful life of the assets.
- b. related to incurring specific expenditures, are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.
- c. by way of financial assistance on the basis of certain qualifying criteria, are recognized as they become receivable.

## 3.11 Foreign Currency Transactions

The functional and presentation currency of the Company is Indian Rupee. Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains/losses arising on settlement as also on translation of monetary items are recognized in the Statement of Profit and Loss.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 3.12 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## 3.13 Retirement and Other Employee Benefits

### I Short-term employee benefits

All short-term employee benefits such as salaries, wages, bonus etc. which fall within 12 months of the period in which the employee renders related services which entitles them to avail such benefits and also non-accumulating compensated absences are recognized on an undiscounted basis and charged to the Statement of Profit and Loss.

### II Defined contribution plan

The Company's contribution towards Provident Fund and Employee State Insurance with respect to employees paid/ payable during the year to the respective Authorities are considered as Defined Contribution Plans and are charged to the Statement of Profit and Loss.

### III Defined benefit plan

The Company maintains Gratuity Plan for all its eligible employees and the same is a defined benefit plan. The cost of providing benefits under the defined benefit gratuity obligation is determined by independent actuary at each balance sheet date using the projected unit credit method.

Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of remeasurements are recognized immediately through other comprehensive income in the period in which they occur.

### IV Other long term employee benefits

The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Actuarial gains/losses are immediately taken to the statement of profit and loss. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

### V Employee Share Based Compensation

Stock Options are granted to eligible employees in accordance with the Khadim Employee Stock Option Schemes ("ESOP"), as may be decided by the Nomination and Remuneration Committee.

The cost of ESOP is recognized based on the fair value of Stock Options as on the grant date. The fair value of Stock Options granted and vested are recognized in the Statement of Profit and Loss.

## 3.14 Leases

The Company, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after 1 April, 2019.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## Company as a Lessee

The Company assesses whether a contract is or contains a lease according to Ind AS 116 'Leases' at the inception of the contract. A contract is, or contains, a lease if the contract involves–

- (a) the use of an identified asset,
- (b) the right to obtain substantially all the economic benefits from use of the identified asset, and
- (c) the right to direct the use of the identified asset.

The Company at the inception of the lease contract i.e. at the lease commencement date recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term).

## Right-of-use assets

At the lease commencement date, the right-of-use asset is initially measured at cost which comprises the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

## Lease Liabilities

At the lease commencement date, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. This includes fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees, the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. For short-term leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

## Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company is a lessor under an operating lease, the asset is capitalised within property, plant and equipment and depreciated over its useful economic life. Payments received under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the term of the lease.

## 3.15 Taxes on Income

Taxes on income comprises of current taxes and deferred taxes.

### Current income tax

Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss.



# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

## Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relates to the same taxation authority.

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

## 3.16 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) 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. The expense relating to any provision is presented in the statement of profit or loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as part of finance costs.

## 3.17 Dividend Distribution

Dividends paid (including income tax thereon) is recognized in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by Shareholders.

## 3.18 Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 3.19 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding cash credit as they are considered an integral part of the Company's cash management.

## 3.20 Financial instruments, Financial assets, Financial liabilities and Equity instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities.

### Financial assets

#### Recognition

Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognized at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss. Investment in Subsidiary is carried at cost.

#### Classification

Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification. Financial assets are classified as those measured at:

- a. amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/or interest.
- b. fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognized in other comprehensive income.
- c. fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognized in the Statement of Profit and Loss in the period in which they arise.

Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## Impairment

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognized if the credit quality of the financial asset has deteriorated significantly since initial recognition.

## Reclassification

When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognized gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

## Derecognition

Financial assets are derecognized when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

- a. amortised cost, the gain or loss is recognized in the Statement of Profit and Loss;
- b. fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

## Income Recognition

Interest income is recognized in the Statement of Profit and Loss using the effective interest method. Dividend income is recognized in the Statement of Profit and Loss when the right to receive dividend is established.

## Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognized at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognized in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet. Financial liabilities are derecognized when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled or on expiry.

## Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

## Equity Instruments

Equity instruments are recognized at the value of the proceeds, net of direct costs of the capital issue.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 4 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### I Useful lives of property, plant and equipment and intangible assets

Management reviews the useful lives of property, plant and equipment and intangible assets at least once in a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the Management.

#### II Actuarial Valuation

The determination of Company's liability towards employee benefits in the nature of gratuity and unpaid leave balance is made through independent actuarial valuation including determination of amounts to be recognized in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

## 4A PROPERTY, PLANT AND EQUIPMENT

Particulars	GROSS BLOCK						
	As at 1st April 2021	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2022	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2023
Buildings	698.36	14.30	-	712.66	3.67	243.72	472.61
Leasehold Improvements	326.45	26.69	58.17	294.97	43.44	16.42	321.99
Plant and equipment	653.76	30.27	0.10	683.93	45.81	49.97	679.77
Furniture and Fixtures	174.58	4.92	6.27	173.23	49.80	22.48	200.55
Vehicles	10.45	-	-	10.45	-	-	10.45
Office Equipment	40.22	2.60	0.39	42.43	3.57	6.36	39.64
<b>Total</b>	<b>1,903.82</b>	<b>78.78</b>	<b>64.93</b>	<b>1,917.67</b>	<b>146.29</b>	<b>338.95</b>	<b>1,725.01</b>
<b>4B Capital work - in - progress</b>	<b>9.50</b>	<b>13.49</b>	<b>14.52</b>	<b>8.47</b>	<b>65.37</b>	<b>69.46</b>	<b>4.38</b>

# Notes to Financial Statements

 for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 4A PROPERTY, PLANT AND EQUIPMENT

Particulars	ACCUMULATED DEPRECIATION/AMORTIZATION						NET BLOCK		
	As at 1st April 2021	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2022	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2023	As at 31st March 2023	As at 31st March 2022
Buildings	87.00	18.57	-	105.57	17.53	38.23	84.87	387.74	607.09
Leasehold Improvements	215.33	34.04	39.90	209.47	32.50	13.38	228.59	93.40	85.50
Plant and equipment	327.19	74.50	0.06	401.63	71.08	42.32	430.39	249.38	282.30
Furniture and Fixtures	99.19	17.76	3.26	113.69	15.47	17.43	111.73	88.82	59.54
Vehicles	5.69	1.37	-	7.06	1.21	-	8.27	2.18	3.39
Office Equipment	28.74	4.81	0.30	33.25	4.10	6.32	31.03	8.61	9.18
<b>Total</b>	<b>763.14</b>	<b>151.05</b>	<b>43.52</b>	<b>870.67</b>	<b>141.89</b>	<b>117.68</b>	<b>894.88</b>	<b>830.13</b>	<b>1,047.00</b>

4B Capital work - in - progress **4.38**    **8.47**

### Note:

The amount of expenditures recognized in the carrying amount of property, plant and equipment in the course of construction is ₹2.39 millions (Previous Year - ₹ 5.53 millions)

## 4C RIGHT-TO-USE ASSETS

Particulars	GROSS BLOCK		
	Buildings	Land*	Total
<b>Gross Carrying Value as at 31st March 2021</b>	<b>1,428.63</b>	<b>119.81</b>	<b>1,548.44</b>
Additions during the year	150.94	-	150.94
Deletions during the year	(311.62)	-	(311.62)
<b>Gross Carrying Value as at 31st March 2022</b>	<b>1,267.95</b>	<b>119.81</b>	<b>1,387.76</b>
Additions during the year	956.85	-	956.85
Deletions during the year	(38.27)	(80.08)	(118.35)
<b>Gross Carrying Value as at 31st March 2023</b>	<b>2,186.53</b>	<b>39.73</b>	<b>2,226.26</b>

Particulars	ACCUMULATED DEPRECIATION		
	Buildings	Land	Total
<b>Accumulated Depreciation as at 31st March 2021</b>	<b>390.61</b>	<b>4.38</b>	<b>394.99</b>
Depreciation Expenses	181.26	2.19	183.45
Deductions / Adjustments	(154.01)	-	(154.01)
<b>Accumulated Depreciation as at 31st March 2022</b>	<b>417.86</b>	<b>6.57</b>	<b>424.43</b>
Depreciation Expenses	238.76	1.95	240.71
Deductions / Adjustments	(38.27)	(3.89)	(42.16)
<b>Accumulated Depreciation as at 31st March 2023</b>	<b>618.35</b>	<b>4.63</b>	<b>622.98</b>

Particulars	NET CARRYING VALUE		
	Buildings	Land	Total
<b>Net Carrying Value as at 31st March 2022</b>	<b>850.09</b>	<b>113.24</b>	<b>963.33</b>
<b>Net Carrying Value as at 31st March 2023</b>	<b>1,568.18</b>	<b>35.10</b>	<b>1,603.28</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

\*This includes ₹22.50 millions paid to Kolkata Metropolitan Development Authority (KMDA) as lease premium for a land at Laskarhat, Kolkata having a lease term of 99 years. The Company has received possession for 10.75 cottahs, for which the related lease deed has been executed. Remaining portion of the said land measuring 34.25 cottahs is under dispute for which legal proceeding is pending.

## 4D INTANGIBLE ASSETS

Particulars	GROSS BLOCK						
	As at 1st April 2021	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2022	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2023
Computer software (acquired)	9.89	1.49	4.69	6.69	-	2.41	4.28

Particulars	ACCUMULATED DEPRECIATION/AMORTIZATION						NET BLOCK		
	As at 1st April 2021	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2022	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2023	As at 31st March 2023	As at 31st March 2022
Computer software (acquired)	6.71	1.31	4.69	3.33	1.11	2.41	2.03	2.25	3.36

## 4E INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	GROSS BLOCK						
	As at 1st April 2021	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2022	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2023
Computer software (acquired)	1.49	0.65	1.49	0.65	3.20	0.65	3.20

## 4F DEPRICIATION AND AMORTIZATION EXPENSE

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Tangible Assets	141.89	151.05
Right-to-Use Assets	240.71	183.45
Intangible Assets	1.11	1.31
<b>Total</b>	<b>383.71</b>	<b>335.81</b>

## 4G Capital work - in - progress ageing

Ageing for Capital work - in - progress as at 31st March 2023

Capital work - in - progress	Amount in Capital work - in - progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	4.07	-	-	0.31	4.38

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## Ageing for Capital work - in - progress as at 31st March 2022

Capital work - in - progress	Amount in Capital work - in - progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	6.28	0.19	0.15	1.85	<b>8.47</b>

## 4H Intangible Assets under development ageing

### Ageing for Intangible Assets under development as at 31st March 2023

Intangible Assets under development	Amount in Capital work - in - progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	3.20	-	-	-	<b>3.20</b>

### Ageing for Intangible Assets under development as at 31st March 2022

Intangible Assets under development	Amount in Capital work - in - progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.65	-	-	-	<b>0.65</b>

## 5 INVESTMENTS - NON-CURRENT

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Investment in Equity Instruments (Unquoted)</b>		
<b>In Subsidiary (at cost)</b>		
Khadim Shoe Bangladesh Limited		
165 (Previous Year - 99) ordinary shares of BDT 10,000 each fully paid up	1.39	0.85
	<b>1.39</b>	<b>0.85</b>
Aggregate book value of unquoted investments	1.39	0.85

## 6 OTHER FINANCIAL ASSETS - NON-CURRENT

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Unsecured, Considered Good</b>		
Security and other deposits	168.45	154.27
Bank deposits with more than 12 months maturity		
- Against guarantees and letter of credit	7.15	13.66
- As security with Sales Tax Authorities	0.26	0.25
- Pledged against credit facilities	35.58	6.75
Employee Advances	1.24	1.18
<b>Total</b>	<b>212.68</b>	<b>176.11</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 7 DEFERRED TAX ASSETS/(LIABILITIES) (NET)

Particulars	As at 31st March 2023	As at 31st March 2022
Deferred tax assets	180.11	236.37
Less: Deferred tax liabilities	44.13	52.15
<b>Total</b>	<b>135.97</b>	<b>184.22</b>

### 7.1 Movement in deferred tax liabilities/assets balances

2022-23	Opening balance	Recognized in profit or loss	Recognized in OCI	Closing balance
<b>Deferred tax liabilities/assets in relation to:</b>				
On fiscal allowances on property, plant and equipment, etc.	54.39	(8.46)	-	45.93
On other assets	(2.24)	0.44	-	(1.80)
<b>Total deferred tax liabilities</b>	<b>52.15</b>	<b>(8.02)</b>	<b>-</b>	<b>44.13</b>
On employees' separation and retirement etc.	1.13	(0.01)	(0.71)	0.41
On right of use asset and lease liabilities	84.31	4.32	-	88.63
On accumulated business loss	115.10	(55.51)	-	59.59
On financial assets measured at fair value	4.45	0.08	-	4.53
On provision for doubtful debts and advances	15.14	(0.56)	-	14.58
On provision for slow moving inventories	16.24	(3.88)	-	12.36
<b>Total deferred tax assets</b>	<b>236.37</b>	<b>(55.56)</b>	<b>(0.71)</b>	<b>180.11</b>
	<b>(184.22)</b>	<b>47.54</b>	<b>0.71</b>	<b>(135.97)</b>

2021-22	Opening balance	Recognized in profit or loss	Recognized in OCI	Closing balance
<b>Deferred tax liabilities/assets in relation to:</b>				
On fiscal allowances on property, plant and equipment, etc.	61.24	(6.85)	-	54.39
On other assets	0.67	(2.91)	-	(2.24)
<b>Total deferred tax liabilities</b>	<b>61.91</b>	<b>(9.76)</b>	<b>-</b>	<b>52.15</b>
On employees' separation and retirement etc.	1.68	0.09	(0.64)	1.13
On right of use asset and lease liabilities	93.57	(9.26)	-	84.31
On accumulated business loss	137.87	(22.77)	-	115.10
On financial assets measured at fair value	4.75	(0.30)	-	4.45
On provision for doubtful debts and advances	14.57	0.57	-	15.14
On provision for slow moving inventories	7.46	8.78	-	16.24
<b>Total deferred tax assets</b>	<b>259.90</b>	<b>(22.89)</b>	<b>(0.64)</b>	<b>236.37</b>
	<b>(197.99)</b>	<b>13.13</b>	<b>0.64</b>	<b>(184.22)</b>



# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 8 INCOME TAX ASSETS

Particulars	As at 31st March 2023	As at 31st March 2022
Advance Income Tax (Net of Provision ₹257.78 millions; 31st March 2022: ₹254.89 millions)	20.53	36.51
<b>Total</b>	<b>20.53</b>	<b>36.51</b>

## 9 OTHER NON-CURRENT ASSETS

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Unsecured, Considered Good</b>		
Capital Advances	3.13	6.46
Advances other than capital advances:		
Security deposits	9.29	9.11
Prepaid expenses	69.52	63.55
Other advances	0.09	0.08
Government grant receivable	11.49	11.49
<b>Total</b>	<b>93.52</b>	<b>90.69</b>

## 10 INVENTORIES

Particulars	As at 31st March 2023	As at 31st March 2022
Raw Material (including packing material)	141.78	267.59
Work-in-progress	126.50	89.95
Finished goods (manufactured)	270.31	270.46
Stock-in-trade (goods purchased for resale)	1,265.63	1,051.32
<b>Total</b>	<b>1,804.22</b>	<b>1,679.32</b>

### Notes:

- (i) Cost of inventory recognized as an expense during the year ₹ 4,007.63 millions (Previous Year - ₹ 3,842.47 millions).
- (ii) The cost of inventories recognized as an expense in respect of write-downs of inventory to net realisable value included in (i) above - ₹ 7.49 millions (Previous Year - ₹ 2.55 millions).
- (iii) Refer Note 3.8 for mode of valuation.

## 11 TRADE RECEIVABLES

Particulars	As at 31st March 2023	As at 31st March 2022
Considered good - Secured	50.41	42.38
Considered good - Unsecured*	1,825.12	1,288.75
Considered doubtful	57.93	60.16
	<b>1,933.46</b>	<b>1,391.29</b>
Less : Allowance for doubtful debts	57.93	60.16
<b>Total</b>	<b>1,875.53</b>	<b>1,331.13</b>

\*Includes ₹Nil (31st March 2022: ₹0.003 millions) due from KM Khadim and Co. which is a firm in which a director is a partner.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## Trade receivables ageing schedule - as at 31st March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	1,086.14	25.85	7.25	387.30	368.99	1,875.53
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	2.23	4.56	3.41	8.43	33.46	52.09
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	0.01	5.83	5.84
<b>Total</b>	<b>1,088.37</b>	<b>30.41</b>	<b>10.66</b>	<b>395.75</b>	<b>408.27</b>	<b>1,933.46</b>
Less : Allowance for doubtful debts						57.93
						<b>1,875.53</b>

## Trade receivables ageing schedule - as at 31st March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	550.44	9.12	395.23	227.25	149.09	1,331.13
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	0.64	1.22	11.26	10.15	31.06	54.33
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	0.01	5.35	0.47	5.83
<b>Total</b>	<b>551.08</b>	<b>10.34</b>	<b>406.50</b>	<b>242.75</b>	<b>180.62</b>	<b>1,391.29</b>
Less : Allowance for doubtful debts						60.16
						<b>1,331.13</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 12 CASH AND CASH EQUIVALENTS

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Balances with banks</b>		
On Cash Credit Accounts	41.51	21.03
Cheques, drafts on hand	15.50	2.30
Cash on hand	6.86	7.69
<b>Total</b>	<b>63.87</b>	<b>31.02</b>

## 13 OTHER BANK BALANCES

Particulars	As at 31st March 2023	As at 31st March 2022
Dividend Accounts	0.02	0.02
Fixed Deposits with banks*		
- Against guarantees and letter of credit	16.69	24.76
- As security with Sales Tax Authorities	0.21	0.20
- Pledged against credit facilities	62.04	51.02
<b>Total</b>	<b>78.96</b>	<b>76.00</b>

\*Represents deposits with original maturity of more than 3 months and includes deposits with remaining maturity of less than 12 months from the balance sheet date.

## 14 OTHER FINANCIAL ASSETS - CURRENT

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Unsecured, Considered Good</b>		
Assets held for disposal *	58.49	58.49
Interest Receivable	1.76	1.09
Employee Advances	2.75	4.41
Other receivables (Tender deposits, scrap sales etc.)	29.38	44.92
<b>Total</b>	<b>92.38</b>	<b>108.91</b>

\*Represents certain property, plant and equipment which are not in active use. A Memorandum of Understanding has been signed for disposal of the same and an amount of ₹5.00 millions received as advance against sale consideration which is disclosed under Other Current Liabilities (Refer note 24)

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 15 OTHER CURRENT ASSETS

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Unsecured, Considered Good</b>		
Advances other than capital advances:		
Advances to related parties	0.21	0.31
Other advances	31.57	89.14
Prepaid expenses	49.42	49.25
Gratuity (Refer Note 39.2)	6.83	6.16
Advance to Government Authorities	440.91	629.26
<b>Total</b>	<b>528.94</b>	<b>774.12</b>

## 16 EQUITY SHARE CAPITAL

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Authorised</b>		
6,00,00,000 (31st March 2022: 6,00,00,000) Equity Shares of ₹10/- each	600.00	600.00
<b>Issued , Subscribed and Paid up</b>		
1,79,69,614 (31st March 2022: 1,79,69,614) Equity Shares of ₹.10/- each	179.70	179.70
<b>Total</b>	<b>179.70</b>	<b>179.70</b>

### 16.1 Reconciliation of the number of Equity shares

Particulars	As at 31st March 2023		As at 31st March 2022	
	Number	Amount	Number	Amount
Balance as at the beginning of the year	1,79,69,614	179.70	1,79,69,614	179.70
Balance as at the end of the year	1,79,69,614	179.70	1,79,69,614	179.70

### 16.2 Details of Shares held by Shareholders holding more than 5 % of the aggregate shares in the Company

Name of Shareholder	As at 31st March 2023		As at 31st March 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Khadi Development Company Private Limited (Holding Company)*	92,73,229	51.61	92,73,229	51.61
Siddhartha Roy Burman	14,65,149	8.15	14,64,149	8.15

**16.3** During the year ended 31st March 2019, the Company had issued 4,417 equity shares of ₹10 each on exercise of employee stock options. For details refer Note 41.

### 16.4 Rights, Preferences and Restrictions attached to Equity Shares

The Company has one class of Equity Shares having a face value of ₹10/- per share. Each shareholder is eligible for one vote per share held. The Dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the Annual General Meeting, except in case of Interim Dividend. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

# Notes to Financial Statements

 for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 16.5 Disclosure of Shareholding of Promoters

### Disclosure of Shareholding of Promoters as at 31st March 2023:

Promoter's Name	Shares held by promoters				% change during the year
	As at 31st March 2023		As at 31st March 2022		
	No. of shares	% of total shares	No. of shares	% of total shares	
Siddhartha Roy Burman	14,65,149	8.15%	14,64,149	8.15%	0.00%
<b>Total</b>	<b>14,65,149</b>	<b>8.15%</b>	<b>14,64,149</b>	<b>8.15%</b>	<b>0.00%</b>

### Disclosure of Shareholding of Promoters as at 31st March 2022:

Promoter's Name	Shares held by promoters				% change during the year
	As at 31st March 2022		As at 31st March 2021		
	No. of shares	% of total shares	No. of shares	% of total shares	
Knightsville Private Limited*	-	-	87,37,829	48.63%	-48.63%
Siddhartha Roy Burman	14,64,149	8.15%	16,81,649	9.36%	-1.21%
<b>Total</b>	<b>14,64,149</b>	<b>8.15%</b>	<b>1,04,19,478</b>	<b>57.99%</b>	<b>-49.84%</b>

## 16.6 Shares reserved for issue under Options

Particulars	As at 31st March 2023	As at 31st March 2022
Equity shares of ₹10/- each	34,560	34,560
<b>Total</b>	<b>34,560</b>	<b>34,560</b>

During the year ended 31st March 2018, the Company introduced the Khadim Employee Stock Option Plan (2017) through the resolution passed by the Board of Directors and the same was subsequently approved by the Shareholders.

### Terms and conditions of Options granted

Each option entitles the holder thereof to apply for and be allotted one equity share of ₹10 each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of five years from such date.

The vesting period for conversion of Options is as follows:

On completion of 12 months from the date of grant of the Options - 15% vests

On completion of 24 months from the date of grant of the Options - 15% vests

On completion of 36 months from the date of grant of the Options - 30% vests

On completion of 48 months from the date of grant of the Options - 40% vests

The Options have been granted at the 'market price' as defined under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Further details of 'Khadim Employee Stock Option Plan 2017' are provided in Note 41.

\* Refer Note 37

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 17 BORROWINGS - NON-CURRENT

Particulars		As at 31st March 2023	As at 31st March 2022
<b>SECURED</b>			
<b>Term Loans from Banks</b>			
State Bank of India Term Loan I	[Refer Note 1 of 17.2]	33.81	51.45
State Bank of India Term Loan II	[Refer Note 1 of 17.2]	35.00	-
HDFC Bank Term Loan	[Refer Note 2 of 17.2]	46.00	70.00
ICICI Bank Term Loan	[Refer Note 3 of 17.2]	-	21.89
Axis Bank Term Loan	[Refer Note 4 of 17.2]	3.67	5.03
<b>Total</b>		<b>118.48</b>	<b>148.37</b>

### 17.1 The scheduled maturity of these term loans is mentioned as under:

Name of the Bank	2023-24*	2024-25	2025-26	2026-27	2027-28	2028-29
State Bank of India Term Loan I	17.15	17.15	16.66	-	-	-
State Bank of India Term Loan II	-	6.56	8.75	8.75	8.75	2.19
HDFC Bank Term Loan	24.00	24.00	22.00	-	-	-
Axis Bank Term Loan	1.37	1.37	1.37	0.93	-	-
<b>Total</b>	<b>42.52</b>	<b>49.09</b>	<b>48.78</b>	<b>9.68</b>	<b>8.75</b>	<b>2.19</b>

\*Represents 'Current maturities of long term debt' (refer Note 21 - Borrowings - Current)

### 17.2 Nature of Security of Term Loans from Banks

- Primary security** - Hypothecation charge on inventory, receivables and all other current assets of the Company, both present and future, on second pari-passu basis with other working capital member banks under the consortium.

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore on second pari-passu basis with other working capital members banks under the consortium, lien on fixed deposit on second pari-passu basis, and equitable mortgage of properties at Kasba and Gariahat.

- Primary security** - Same as State Bank of India Term loan (Refer Note 1 above).

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, and lien on fixed deposit on second pari-passu basis with other working capital members banks under the consortium.

- Primary security** - Same as State Bank of India Term loan (Refer Note 1 above).

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, and lien on fixed deposit on second pari-passu basis with other working capital members banks under the consortium, equitable mortgage of factory building at S19, S20 and S21 at Kasba, Kolkata, retail outlet at Rashbehari Avenue, Kolkata.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

- 4 **Primary security** - Same as State Bank of India Term loan (Refer Note 1 above).

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, and lien on fixed deposit on second pari-passu basis with other working capital members banks under the consortium.

## 18 LEASE LIABILITIES

Particulars	As at 31st March 2023			As at 31st March 2022		
	Non-Current	Current	Total	Non-Current	Current	Total
Lease Liabilities	1,684.57	220.72	1,905.29	991.33	163.97	1,155.30
<b>Total</b>	<b>1,684.57</b>	<b>220.72</b>	<b>1,905.29</b>	<b>991.33</b>	<b>163.97</b>	<b>1,155.30</b>

- 18.1 The details of the contractual maturities of lease liabilities as at 31st March 2023 on an undiscounted basis are as follows:

Particulars	As at 31st March 2023
Less than one year	220.72
One to two years	232.92
Two to three years	243.79
Three to four years	244.47
Four to five years	209.94
More than five years	753.45
<b>Total</b>	<b>1,905.29</b>

- 18.2 (i) The Company has recognised expenses of ₹52.74 millions (Previous year - ₹56.31 millions) in relation to short-term leases and recorded as 'Rent expenses' and 'Commission and Discount expenses' of ₹52.12 millions and ₹0.62 millions respectively for the year ended 31st March 2023 under 'Other Expenses' in Note 31.

- 18.2 (ii) The Company has recognised expenses of ₹3.07 millions (Previous Year - ₹2.36 millions) as variable lease payment for commissioned outlets and ₹0.92 millions (Previous Year - ₹0.83 millions) for leased outlet for the year ended 31st March 2023 and recorded as 'Commission and Discount' under Other Expenses in Note 31.

The Company has also recognised expenses of ₹1.33 millions (Previous Year - ₹ NIL) as variable lease payment on account of Solar Power generated for the year ended 31st March 2023 and recorded as 'Power & Fuel' under Other Expenses' in Note 31.

- 18.2 (iii) The Company has benefited from waivers granted by various lessors of varied durations of lease payments on several leased premises in India. The waiver of lease payments of ₹3.68 millions (Previous Year - ₹48.20 millions) has been accounted for as a negative variable lease payment in the statement of profit or loss. The Company has derecognised the part of the lease liability that has been extinguished by the forgiveness of lease payments, consistent with the requirements of Ind AS 109:3.3.1

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 19 PROVISIONS - NON-CURRENT

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Other long term benefits</b>		
Leave Encashment	0.60	3.27
<b>Total</b>	<b>0.60</b>	<b>3.27</b>

## 20 OTHER NON-CURRENT LIABILITIES

Particulars	As at 31st March 2023	As at 31st March 2022
Deferred Government Grant	8.16	10.44
<b>Total</b>	<b>8.16</b>	<b>10.44</b>

## 21 BORROWINGS - CURRENT

Particulars		As at 31st March 2023	As at 31st March 2022
<b>SECURED</b>			
<b>Loans repayable on demand</b>			
<b>Cash Credit / Working Capital Demand Loans from Banks</b>			
State Bank of India Cash Credit	[Refer Note 1 of 21.1]	482.96	434.29
Axis Bank Cash Credit	[Refer Note 2 of 21.1]	11.25	7.76
HDFC Bank Cash Credit	[Refer Note 2 of 21.1]	212.20	255.58
Bank of India Cash Credit	[Refer Note 3 of 21.1]	137.87	139.88
Central Bank of India Cash Credit	[Refer Note 4 of 21.1]	113.13	51.24
Axis Bank Demand Loan	[Refer Note 2 of 21.1]	24.00	36.40
ICICI Bank Demand Loan I	[Refer Note 2 of 21.1]	50.00	20.00
ICICI Bank Demand Loan II	[Refer Note 5 of 21.1]	-	125.00
<b>Current maturities of long term debt</b>		<b>42.52</b>	<b>49.35</b>
<b>Total</b>		<b>1,073.93</b>	<b>1,119.50</b>

### 21.1 Nature of Security of Cash Credit and Working Capital Demand Loans from Banks

- Primary security** - Hypothecation charge on inventory, receivables and all other current assets of the Company, both present and future, on pari-passu basis with other working capital member banks under the consortium.

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, and lien on fixed deposit on pari-passu basis with other working capital members banks under the consortium, equitable mortgage of property at Kasba and Gariahat, personal guarantee of Managing Director and corporate guarantee of group company.

- Primary security** - Same as State Bank of India Cash Credit (Refer Note 1 above).

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, and lien on fixed deposit on pari-passu basis with other working capital members banks under the consortium, personal guarantee of Managing Director and corporate guarantee of group company.



# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

**3 Primary security** - Same as State Bank of India Cash Credit (Refer Note 1 above).

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, and lien on fixed deposit on pari-passu basis with other working capital members banks under the consortium, equitable mortgage of property at Howrah, lien on fixed deposit, personal guarantee of Managing Director and corporate guarantee of group company.

**4 Primary security** - Same as State Bank of India Cash Credit (Refer Note 1 above).

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, and lien on fixed deposit on pari-passu basis with other working capital members banks under the consortium, lien on fixed deposit, personal guarantee of Managing Director and corporate guarantee of group company.

**5 Primary security** - Secured by mortgage of factory building at S19, S20 and S21 at Kasba, Kolkata, retail outlet at Rashbehari Avenue, Kolkata and personal guarantee of Managing Director.

## 22 TRADE PAYABLES

Trade payables ageing schedule - as at 31st March 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-
Others	1,481.13	288.35	13.65	25.30	1,808.43
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>1,481.13</b>	<b>288.35</b>	<b>13.65</b>	<b>25.30</b>	<b>1,808.43</b>

Trade payables ageing schedule - as at 31st March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-
Others	1,750.26	20.11	27.34	2.95	1,800.66
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>1,750.26</b>	<b>20.11</b>	<b>27.34</b>	<b>2.95</b>	<b>1,800.66</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 23 OTHER FINANCIAL LIABILITIES - CURRENT

Particulars	As at 31st March 2023	As at 31st March 2022
Interest accrued and due on borrowings	1.18	1.35
Interest accrued but not due on borrowings	0.40	0.36
Unpaid Dividend [Refer Note 23.1]	0.02	0.02
Deposits from customers	115.88	106.22
Other payables:		
Payables on purchase of property, plant and equipment	10.13	18.86
Others [Reimbursement claims, etc.]	0.48	0.03
<b>Total</b>	<b>128.09</b>	<b>126.84</b>

23.1 There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

## 24 OTHER CURRENT LIABILITIES

Particulars	As at 31st March 2023	As at 31st March 2022
Advance from customers	21.27	20.34
Advance against sale of Assets held for disposal	5.00	25.00
Statutory remittances (GST, Contribution to Provident and Other Funds, Withholding Tax)	23.97	21.48
Deferred Government Grant	2.24	2.70
Others	1.20	0.23
<b>Total</b>	<b>53.68</b>	<b>69.75</b>

## 25 PROVISIONS - CURRENT

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Other short term benefits</b>		
Leave Encashment	1.02	1.20
<b>Total</b>	<b>1.02</b>	<b>1.20</b>

## 26 REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Sale of products * [Refer Note 26.1]	6,494.38	5,816.65
Other operating revenues [Refer Note 26.2]	108.26	94.15
<b>Total</b>	<b>6,602.64</b>	<b>5,910.80</b>

\* Net of sales returns

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 26.1 Details of sale of products

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Footwear and accessories	6,494.38	5,816.65
<b>Total</b>	<b>6,494.38</b>	<b>5,816.65</b>

## 26.2 Details of other operating revenues

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Sale of ancillaries	67.58	59.90
Scrap sales	40.68	33.42
Export incentives	-	0.83
<b>Total</b>	<b>108.26</b>	<b>94.15</b>

## 27 OTHER INCOME

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Interest income comprises interest from:		
- Deposits with banks - carried at amortised cost	5.24	2.13
- Other financial assets measured at amortised cost	20.10	17.81
- On Income Tax Refunds	8.49	1.83
Gain arising on sale of financial assets mandatorily measured at Fair Value through Profit and Loss	-	0.05
Gain on sale/discard of property, plant and equipments - Net	26.07	-
Gain on lease modification	37.60	-
Other non-operating income (Rental income, etc.)	77.25	140.93
<b>Total</b>	<b>174.75</b>	<b>162.75</b>

## 28 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Inventories at the end of the year</b>		
Work - in - progress	126.50	89.95
Finished goods	270.31	270.46
Stock-in-trade	1,265.63	1,051.32
	<b>1,662.44</b>	<b>1,411.73</b>
<b>Inventories at the beginning of the year</b>		
Work - in - progress	89.95	48.87
Finished goods	270.46	176.17
Stock-in-trade	1,051.32	1,015.72
	<b>1,411.73</b>	<b>1,240.76</b>
<b>Total</b>	<b>(250.71)</b>	<b>(170.97)</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 29 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Salaries and wages	642.57	508.95
Contribution to Provident and other funds	25.38	23.17
Share based payments to employees	-	0.54
Staff Welfare Expenses	51.11	40.94
<b>Total</b>	<b>719.06</b>	<b>573.60</b>

## 30 FINANCE COSTS

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Interest expense on financial liabilities measured at amortised cost	136.16	119.72
Interest expense on lease liabilities	154.41	107.53
<b>Total</b>	<b>290.57</b>	<b>227.25</b>

## 31 OTHER EXPENSES

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Consumption of Stores	9.90	8.10
Power and Fuel	182.51	170.67
Rent [Refer Note 18.2 (i)]	72.53	72.93
Rates and Taxes	14.77	11.01
Bank Charges	22.45	14.06
Insurance	20.11	19.41
Repairs:		
Plant and Machinery	26.86	13.58
Others	110.87	86.57
Travelling and Conveyance Expenses	52.65	37.13
Printing and Stationery	2.93	3.63
Postage, Telephone and other Communication Expenses	11.70	10.64
Advertising, Marketing and Sales Promotion Expenses	187.13	182.18
Freight Charges, Transport and Delivery	168.74	148.60
Jobwork Charges	194.88	210.65
Professional Fees	35.82	29.47
Commission and Discount [Refer Note 18.2 (ii)]	168.49	72.65
Legal Expenses	0.26	0.23
Debts/Advances written off	15.23	4.60
Loss on sale/discard of property, plant and equipments - Net	-	20.78
Provision for doubtful debts, advances and other assets	-	2.28
Security Hire Charges	10.94	9.71
Miscellaneous Expenses (Refer Note 31.1 and 34)	16.28	17.45
<b>Total</b>	<b>1,325.05</b>	<b>1,146.33</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 31.1 Miscellaneous Expenses include :

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Amount paid /payable to Auditors (excluding tax)		
- Statutory Audit	1.20	1.00
- Tax Audit	0.26	0.15
- Other matters	0.59	1.08
- Out of pocket expenses	0.01	0.09
<b>Total</b>	<b>2.06</b>	<b>2.32</b>

## 32 INCOME TAX EXPENSES

### A Amount recognised in profit or loss

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Current tax</b>		
Income tax for the year		
Current tax	2.89	-
Adjustments/(credits) related to previous years - Net		
Current tax	0.21	0.01
<b>Total Current tax</b>	<b>3.10</b>	<b>0.01</b>
<b>Deferred tax</b>		
Deferred tax for the year	47.54	13.13
<b>Total</b>	<b>50.64</b>	<b>13.14</b>

### B Amount recognised in other comprehensive income

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
The tax charge arising on income and expenses recognised in other comprehensive income is as follows:		
<b>Deferred tax</b>		
On items that will not be reclassified to profit or loss		
Re-measurement gains on defined benefit plans	(0.71)	(0.64)
<b>Total</b>	<b>(0.71)</b>	<b>(0.64)</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## C Reconciliation of effective tax rate

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Profit before tax	225.71	77.73
Applicable tax rate	25.168%	25.168%
Income tax expense on above rate	56.81	19.56
Expenses not allowable under tax laws	14.81	17.30
Additional expenses allowable under tax laws	(21.20)	(23.73)
	<b>50.43</b>	<b>13.13</b>
Tax adjustment of prior periods	0.21	0.01
<b>Tax as per statement of profit and loss</b>	<b>50.64</b>	<b>13.14</b>

### Note:

The Company has long term capital losses of ₹184.07 millions (31st March 2022 - ₹ 49.99 millions) for which no deferred tax assets have been recognised. These losses are due to expire in the following year:

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Assessment year 2026-2027	49.99	49.99
Assessment year 2031-2032	134.08	-
	<b>184.07</b>	<b>49.99</b>

## 33 Earnings Per Share (EPS) - The numerator and denominator used to calculate Basic and Diluted EPS :

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
i. Profit after Tax attributable to the Equity Shareholders	175.07	64.59
ii. Weighted average number of equity shares outstanding for the purpose of basic earnings per share	1,79,69,614	1,79,69,614
iii. Weighted average number of equity shares in computing diluted earnings per share	1,79,69,614	1,79,69,614
iv. Earnings per share on profit for the year (Face value ₹10/- per share)		
- Basic [(i) / (ii)]	<b>9.74</b>	<b>3.59</b>
- Diluted [(i) / (iii)]	<b>9.74</b>	<b>3.59</b>

**34** Miscellaneous Expenses included in "Note 31 - Other Expenses" includes expenditure incurred under Section 135 of the Companies Act, 2013 on Corporate Social Responsibility (CSR) activities and the same represents contributions for promoting health care, education and other expenses. Gross amount required to be spent by the Company is ₹Nil (Previous Year - ₹Nil) and amount spent during the year is ₹Nil (Previous Year - ₹0.35 millions).

**35** The Company has identified one business segment namely "Footwear and accessories" which is consistent with internal reporting provided to the Chairman and Managing Director who is the Chief Operating Decision Maker (CODM).

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

Disclosure required under Ind AS 108 "Operating Segments" for Companies with single segment are as follows:

## Geographical information

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Revenue from external customers</b>		
- Within India	6,599.32	5,909.38
- Outside India	3.32	1.42
<b>TOTAL</b>	<b>6,602.64</b>	<b>5,910.80</b>

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Non-current assets*</b>		
- Within India	2,557.29	2,150.01
- Outside India	-	-
<b>TOTAL</b>	<b>2,557.29</b>	<b>2,150.01</b>

\* excludes financial assets, deferred tax assets, post-employment benefit assets.

The Company is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

## 36 Contingent Liabilities in respect of -

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Claims not acknowledged as debts :</b>		
a. Sales Tax Matters under dispute	8.48	2.68
b. Income Tax Matters under dispute	1.62	1.62
c. Excise duty Matters under dispute	100.09	-

The claims disputed by the Company as above relate to issues of applicability and classification and it is not practicable for the Company to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the above.

**37** The Hon'ble National Company Law Tribunal, Kolkata Bench vide its order dated 6th January 2021, approved a Scheme of Arrangement under Sections 230-232 and other applicable provisions of the Companies Act, 2013 ("Scheme"). Pursuant to the Scheme, the entire undertaking of Tetenal Photochemie Private Limited, Photo Imaging Private Limited, Moviewallah Communications Private Limited and Knightsville Private Limited ("Transferor Companies"), together with all assets and liabilities relating thereto were amalgamated in Khadim Development Company Private Limited ("Transferee Company") with appointed date being 1st October 2019. The said scheme became effective w.e.f. 8th September 2021, pursuant to which, all the shares of the Company held by the said transferor companies were transferred to Khadim Development Company Private Limited which hence became the holding company of Khadim India Limited.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 38 Commitments

Particulars	As at 31st March 2023	As at 31st March 2022
Capital Commitment (Net of capital advances - ₹0.73 millions; 31st March 2022 - ₹5.36 millions)	5.68	21.77

## 39 Employee Benefits

The Company has recognized, in the Statement of Profit and Loss for the year ended 31st March 2023 an amount of ₹21.68 millions (Previous Year - ₹19.31 millions) as expenses under defined contribution plans (Employer's Contribution to Provident and Other Funds) under note 29.

### 39.1 Defined Benefit Plan

#### Description of Plans

The employees' gratuity fund scheme is managed by Life Insurance Corporation Of India (LIC) as a defined benefit plan. The present value of obligation is determined by actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

#### Risk Management

The Defined Benefit Plans expose the Company to risk of actuarial deficit arising out of investment risk, interest rate risk and salary cost inflation risk.

**Investment Risks:** This may arise from volatility in asset values due to market fluctuations and impairment of assets due to credit losses. These Plans primarily invest in debt instruments such as Government securities and highly rated corporate bonds - the valuation of which is inversely proportional to the interest rate movements.

**Interest Rate Risk:** The present value of Defined Benefit Plans liability is determined using the discount rate based on the market yields prevailing at the end of reporting period on Government Bonds. Decrease in yields will increase the fund liabilities and vice-versa.

**Salary Cost Inflation Risk:** The present value of the Defined Benefit Plan liability is calculated with reference to the future salaries of participants under the Plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

**Longevity Risk:** The present value of the Defined Benefit Plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

## 39.2

Particulars	Gratuity (Funded)	
	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>I. Components of Employer Expense</b>		
- recognized in Statement of Profit and loss		
a. Current Service cost	4.00	4.07
b. Net Interest cost	(0.29)	(0.22)
<b>c. Total expense recognized in the Statement of Profit and Loss</b>	<b>3.71</b>	<b>3.85</b>



# Notes to Financial Statements

 for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

Particulars	Gratuity (Funded)	
	For the year ended 31st March 2023	For the year ended 31st March 2022
- Re-measurements recognized in Other Comprehensive Income		
d. Return on plan assets (excluding amounts included in Net interest cost)	(0.13)	0.34
e. Effect of changes in financial assumptions	(0.55)	(0.75)
f. Effect of experience adjustments	(2.15)	(2.15)
<b>g. Total re-measurement gain included in Other Comprehensive Income</b>	<b>(2.83)</b>	<b>(2.56)</b>
<b>h. Total defined benefit cost recognized in Statement of Profit and Loss and Other Comprehensive Income (c+g)</b>	<b>0.88</b>	<b>1.29</b>
The current service cost and net interest cost for the year pertaining to Gratuity expenses have been recognized in "Contribution to Provident and other funds" under Note 29. The remeasurements of the net defined benefit liability are included in Other Comprehensive Income .		
<b>II. Actual Returns</b>	4.11	3.63
<b>III. Changes in Defined Benefit Obligation (DBO)</b>		
a. Present value of DBO at the beginning of the year	51.98	54.39
b. Current Service Cost	4.00	4.07
c. Interest Cost	3.68	3.76
d. Re-measurement gains:		
- Effect of changes in financial assumptions	(0.55)	(0.75)
- Effect of experience adjustments	(2.15)	(2.15)
e. Benefits paid	(5.58)	(7.34)
<b>f. Present value of DBO at the end of the year</b>	<b>51.39</b>	<b>51.98</b>
<b>IV. Change in the Fair Value of Plan Assets</b>		
a. Plan Assets at the beginning of the year	58.14	60.57
b. Interest income	3.98	3.97
c. Re-measurement losses on plan assets	0.13	(0.34)
d. Actual Company contributions	1.55	1.28
e. Benefits paid	(5.58)	(7.34)
<b>f. Plan Assets at the end of the year</b>	<b>58.22</b>	<b>58.14</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>V. Net Asset recognized in Balance Sheet</b>		
a. Present value of Defined Benefit Obligation	51.39	51.98
b. Fair value of Plan Assets	58.22	58.14
c. Funded Status [Surplus/(Deficit)]	6.83	6.16
<b>d. Net Asset recognized in Balance Sheet</b>	<b>6.83</b>	<b>6.16</b>
- Current	6.83	6.16
- Non-Current	-	-
<b>VI. Best estimate of Employers' expected contribution for the next year</b>	<b>3.82</b>	<b>4.09</b>
<b>VII. Actuarial Assumptions</b>		
a. Discount Rate (%)	7.30%	7.10%
b. Salary Escalation	5.00%	5.00%
c. Mortality	Indian Assured Lives Mortality (2012-14) table ultimate	

The estimates of rate of escalation in salary considered in actuarial valuation take into account inflation, seniority, promotions and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

<b>VIII. Major Category of Plan Assets as a % of the Total Plan Assets</b>		
Particulars	As at 31st March 2023	As at 31st March 2022
Gratuity - Funds managed by Insurer (LIC in Group Gratuity Scheme)	100%	100%

In the absence of detailed information regarding plan assets which is funded with Insurance Company, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

<b>IX. Net Asset recognized in Balance Sheet (including experience adjustment impact)</b>		
Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Gratuity</b>		
Present value of DBO	51.39	51.98
Fair value of plan assets	58.22	58.14
Funded status [Surplus / (Deficit)]	6.83	6.15
Experience gain / (loss) adjustments on plan liabilities	2.15	2.15
Experience gain / (loss) adjustments on plan assets	0.13	(0.34)

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## X. Sensitivity Analysis

The sensitivity analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

Particulars	Gratuity - DBO as at	
	31st March 2023	31st March 2022
1. Discount rate + 100 basis points	47.60	47.83
2. Discount rate - 100 basis points	55.94	56.69
3. Salary increase rate + 1%	56.09	56.81
4. Salary increase rate - 1%	47.39	47.62

## XI. Maturity analysis of the benefit payments

Particulars	Gratuity	
	31st March 2023	31st March 2022
Year 1	2.62	3.22
Year 2	1.05	2.81
Year 3	1.36	3.60
Year 4	1.56	3.13
Year 5	3.03	4.00
Next 5 years	29.35	26.69

## 40 Related Party Disclosure as per requirements of Ind AS 24 on "Related Party Disclosures"

### A) List of Related Parties

Holding Company	Knightsville Private Limited (till 8th September 2021) [Refer Note 37]
	Khadim Development Company Private Limited (w.e.f 8th September 2021) [Refer Note 37]
Subsidiary Company	Khadim Shoe Bangladesh Limited
Key Management Personnel (KMP)	Mr. Siddhartha Roy Burman - Chairman and Managing Director
	Mr. Ritoban Roy Burman, Non-Executive Director
	Dr. Indranath Chatterjee, Non-Executive Independent Director
	Prof. (Dr.) Surabhi Banerjee, Non-Executive Independent Director
	Mr. Alok Chauthmal Churiwala, Non-Executive Independent Director
	Mr. Rittick Roy Burman, Wholetime Director
	Ms. Namrata Ashok Chotrani, Chief Executive Officer (resigned w.e.f. 26th March 2023)
Mr. Indrajit Chaudhuri, Chief Financial Officer	
	Mr. Abhijit Dan, Company Secretary and Head Legal

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

Enterprises over which KMP and their relatives exercise significant influence	Khadim Development Company Private Limited (till 8th September 2021)
	Khadim Enterprises
	K.M.Khadim & Co.
	St.Marys' Clinic & Drug Stores
	Sheila Departmental Stores Private Limited
	Bee Tee Enterprise
	Khadim Estate Advisors Private Limited
Relatives of KMP	Storoscope Films Private Limited
	Mrs. Namita Roy Burman (Mother of Mr.Siddhartha Roy Burman)

## B) Particulars of transactions during the year ended 31st March 2023:

Particulars	Year Ended		Year Ended		
	31st March 2023		31st March 2022		
<b>I) Holding Company #</b>					
a) Rent paid to Khadim Development Co. Pvt Ltd		-		0.84	
b) Rent received from Khadim Development Co. Pvt Ltd		0.03		0.02	
<b>II) Subsidiary Company</b>		-		-	
<b>III) Key Management Personnel ^</b>					
a) Remuneration					
- Mr.Siddhartha Roy Burman #		34.77		26.52	
- Mr.Rittick Roy Burman		2.97		2.27	
- Ms.Namrata Ashok Chotrani		7.91		6.31	
- Mr.Indrajit Chaudhuri		4.50		3.45	
- Mr.Abhijit Dan		2.76	52.91	2.29	40.83
b) Share based payments					
- Mr.Indrajit Chaudhuri			-	0.09	
c) Rent paid to Mr.Siddhartha Roy Burman			0.08	0.08	
d) Sitting fees					
- Dr.Indranath Chatterjee		0.45		0.45	
- Prof.(Dr.) Surabhi Banerjee		0.47		0.47	
- Mr.Alok Chauthmal Churiwala		0.45		0.45	
- Mr.Ritoban Roy Burman		0.20	1.57	0.14	1.51
e) Commission					
- Dr.Indranath Chatterjee		0.30		0.20	
- Prof.(Dr.) Surabhi Banerjee		0.30		0.20	
- Mr.Alok Chauthmal Churiwala		0.30	0.90	0.20	0.60

# Notes to Financial Statements

 for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

Particulars	Year Ended		Year Ended	
	31st March 2023		31st March 2022	
<b>IV) Enterprises over which KMP and their relatives exercise significant influence</b>				
a) Commission paid				
- Khadim Enterprises	0.21		0.19	
- Bee Tee Enterprises	0.54		0.49	
- Sheila Departmental Stores Pvt Ltd	0.55		0.36	
- St. Mary's Clinic & Drug Stores	0.11	1.41	0.07	1.11
b) Rent received				
- K M Khadim & Co.	0.01		0.03	
- Khadim Estate Advisors Pvt Ltd	0.03		0.03	
- Sheila Departmental Stores Pvt Ltd	0.02		0.02	
- Storyscope Films Private Limited	0.03	0.09	0.02	0.10
c) Rent paid to Khadim Estate Advisors Pvt Ltd		0.84		-
<b>V) Relatives of Key Management Personnel</b>				
Remuneration				
- Mrs.Namita Roy Burman		1.44		1.38

Particulars	As at	
	31st March 2023	31st March 2022
<b>Outstanding Balances</b>		
<b>I) Holding Company</b>		
- Khadim Development Co Pvt Ltd	0.13	(0.23)
<b>II) Key Management Personnel</b>		
- Mr.Siddhartha Roy Burman	-	(3.05)
- Mr.Rittick Roy Burman	(0.21)	(0.27)
- Dr.Indranath Chatterjee	(0.27)	(0.18)
- Prof.(Dr.) Surabhi Banerjee	(0.27)	(0.18)
- Mr.Alok Chauthmal Churiwala	(0.27)	(0.18)
- Mr.Indrajit Chaudhuri	(0.42)	-
- Mr.Abhijit Dan	(0.19)	-
<b>III) Enterprises over which KMP and their relatives exercise significant influence</b>		
- Khadim Enterprises	(0.15)	(0.15)
- Bee Tee Enterprises	(0.22)	(0.11)
- Sheila Departmental Stores Pvt Ltd	(0.70)	(0.40)
- St. Mary's Clinic & Drug Stores	0.21	0.31
- Khadim Estate Advisors Pvt Ltd	0.02	0.08
- Storyscope Films Private Limited	0.05	0.02

# Also refer Note 21.1 in respect of guarantees given for loans taken by the Company.

^ Post employment benefits are actuarially determined on overall basis and not included above.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 41 Information in respect of Options granted under the Company's Employee Stock Option Scheme ('Scheme'):

Name of the Scheme	Khadim Employee Stock Option Plan 2017
i. Date of Shareholders' approval	17th June 2017
ii. Total number of Options approved under the Scheme	Options equivalent to 1,86,465 equity shares of ₹10/- each
iii. Vesting schedule	<p>The vesting period for conversion of Options is as follows:</p> <p>On completion of 12 months from the date of grant of the Options - 15% vests</p> <p>On completion of 24 months from the date of grant of the Options - 15% vests</p> <p>On completion of 36 months from the date of grant of the Options - 30% vests</p> <p>On completion of 48 months from the date of grant of the Options - 40% vests</p>
iv. Pricing formula	Closing market price on the day prior to the date of grant on stock exchange with highest trading volume
v. Maximum term of Options granted	5 years from the date of vesting
vi. Source of shares	Primary issuance
vii. Variation in terms of Options	None
viii. Method used for accounting of share-based payments plans	The employee compensation cost has been calculated using the fair value method of accounting for Options under the Company's Employee Stock Option Scheme. The employee compensation cost as per fair value method for the financial year 2022-23 is ₹Nil (Previous Year -₹0.54 millions).
ix. Nature and extent of employee share based payment plan that existed during the period including the general terms and conditions of the plan	Each option entitles the holder thereof to apply for and be allotted one equity share of ₹10 each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of five years from such date.
x. Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock	<p>Weighted average exercise price per Option - ₹320</p> <p>Weighted average fair value per Option - ₹310</p>
xi. Option movements during the year:	
a. Options outstanding at the beginning of the year	34,560
b. Options granted during the year	-
c. Options cancelled and lapsed during the year	-
d. Options vested and exercisable during the year (net of Options lapsed and exercised)	-

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

Name of the Scheme	Khadim Employee Stock Option Plan 2017
e. Options exercised during the year	-
f. Number of equity shares of ₹10 each arising as a result of exercise of Options during the year	-
g. Options outstanding and exercisable at the end of the year	34,560
h. Money realised by exercise of the Options during the year	-
xii. Weighted average share price of shares arising upon exercise of Options	No options were exercised during the year
xiii. A description of the method used during the year to estimate the fair value of Options, the weighted average exercise price and weighted average fair value of Options granted	The fair value of each Option is estimated using the Black Scholes Option Pricing model
	Weighted average exercise price per Option - ₹320
	Weighted average fair value per Option - ₹310
	The significant assumptions used to ascertain the above
	The fair value of each Option is estimated using the Black Scholes Option Pricing model after applying the following key assumptions on a weighted average basis:
	Risk-free interest rate - 8%
	Expected life - 6 years
	Expected volatility - 80%
	Dividend yield - 0%
	Fair market value of the underlying share in the market at the time of Option grant - ₹400
xiv. Methodology for determination of expected volatility	The volatility used in the Black Scholes Option Pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. The period considered for the working is based on the daily volatility of the stock prices on National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE) over a period prior to the date of grant corresponding with the expected life of the options.
xv. Options granted to	No options were granted during the year.
a. Key managerial personnel	Nil
b. Senior managerial personnel	Nil
c. Any other employee who received a grant on any one year of Options amounting to 5% or more of the Options granted during the year	Nil
d. Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant.	None

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 42 Financial Instruments and related disclosures

### A Capital Management

The Company aims at maintaining a strong capital base safeguarding business continuity and augments its internal generations with a judicious use of borrowing facilities to meet the requirements of working capital that arise from time to time as well as requirements to finance business growth. The Company is not subject to any externally imposed capital requirements.

### B Categories of Financial Instruments

Particulars	As at 31st March 2023		As at 31st March 2022	
	Carrying value	Fair value	Carrying value	Fair value
<b>I Financial assets</b>				
<b>a. Measured at amortised cost</b>				
Trade receivables	1,875.53	1,875.53	1,331.13	1,331.13
Cash and cash equivalents	63.87	63.87	31.02	31.02
Other bank balances	78.96	78.96	76.00	76.00
Other financial assets	305.06	305.06	285.02	285.02
<b>Total Financial assets</b>	<b>2,323.42</b>	<b>2,323.42</b>	<b>1,723.17</b>	<b>1,723.17</b>
<b>II Financial liabilities</b>				
<b>a. Measured at amortised cost</b>				
Lease liabilities	1,905.29	1,905.29	1,155.30	1,155.30
Borrowings	1,192.41	1,192.41	1,267.87	1,267.87
Trade payables	1,808.43	1,808.43	1,800.66	1,800.66
Other financial liabilities	128.09	128.09	126.84	126.84
<b>Total Financial liabilities</b>	<b>5,034.22</b>	<b>5,034.22</b>	<b>4,350.67</b>	<b>4,350.67</b>

**Note:**

Investment in Subsidiary is carried at cost and hence not included in the above table.

### C Financial risk management objectives

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's financial risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. Backed by strong internal control systems, the current risk management framework rests on policies and procedures issued by appropriate authorities; process of regular reviews to set appropriate risk limits and controls; monitoring of such risks and compliance confirmation for the same.

#### Interest rate risk

As majority of the financial assets and liabilities of the Company are either non-interest bearing or fixed interest bearing instruments, the Company's net exposure to interest risk is negligible.

#### Price risk

The Company invests its short term funds primarily in debt mutual fund. Accordingly, these do not pose any significant price risk.



# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. The Company consistently generated strong cash flows from operations by ensuring timely collections of its trade receivables and this together with the available cash and cash equivalents provides adequate liquidity in short terms as well in the long term.

The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date.

As at 31st March 2023	Carrying value	Less than 1 year	Between 1 to 5 years	Beyond 5 years	Total
Lease liabilities	1,905.29	220.72	931.12	753.45	1,905.29
Borrowings	1,192.41	1,073.93	118.48	-	1,192.41
Trade payables	1,808.43	1,808.43	-	-	1,808.43
Other financial liabilities	128.09	128.09	-	-	128.09
<b>Total</b>	<b>5,034.22</b>	<b>3,231.17</b>	<b>1,049.60</b>	<b>753.45</b>	<b>5,034.22</b>

As at 31st March 2022	Carrying value	Less than 1 year	Between 1 to 5 years	Beyond 5 years	Total
Lease liabilities	1,155.30	163.97	592.57	398.76	1,155.30
Borrowings	1,267.87	1,119.50	148.37	-	1,267.87
Trade payables	1,800.66	1,800.66	-	-	1,800.66
Other financial liabilities	126.84	126.84	-	-	126.84
<b>Total</b>	<b>4,350.67</b>	<b>3,210.97</b>	<b>740.94</b>	<b>398.76</b>	<b>4,350.67</b>

## Credit Risk

The Company's customer base is diverse limiting the risk arising out of credit concentration. Further, credit is extended in business interest in accordance with guidelines issued centrally and business-specific credit policies. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. Loss allowances and impairment are recognized, where considered appropriate by responsible management. The Company has adopted a simplified approach by computing the expected credit loss allowance for trade receivables based on a provision matrix taking into account historical credit loss experience.

The movement of the expected loss provision (allowance for bad and doubtful receivables) made by the Company are as under:

Particulars	Expected Loss Provision	
	As at 31st March 2023	As at 31st March 2022
Opening Balance	60.16	57.88
Add: Provisions made (net)	-	2.28
Less: Provisions reversed (net)	2.23	-
<b>Closing Balance</b>	<b>57.93</b>	<b>60.16</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

Of the trade receivables balance at the end of the year, ₹704 millions (31st March 2022: ₹326 millions) is due from two customers, which exceeded 20 per cent of gross financial assets at the end of the year. Management has assessed the recoverability and believes that the amount is fully recoverable. Apart from this, the Company does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

## Foreign currency Risk

The Company undertakes transactions denominated in foreign currency (mainly US Dollar, Euro and Pound Sterling) which are subject to the risk of exchange rate fluctuations. Financial assets and liabilities denominated in foreign currency are also subject to reinstatement risks.

The carrying amount of foreign currency denominated financial assets and liabilities, are as follows:

Particulars	As at	As at
	31st March 2023	31st March 2022
	USD	USD
Financial assets	1.86	2.33
Financial liabilities	29.74	16.25

The forward exchange contracts that were outstanding on respective reporting dates (not designated under Hedge Accounting):

Particulars	Currency	Cross Currency	Buy
As at 31st March 2023	USD	Rupees	0.36
As at 31st March 2022	USD	Rupees	0.21

The aforesaid contracts have a maturity of less than 1 year from the year end.

## 43 Fair value measurement

### Fair value hierarchy

Fair value of the financial instruments is classified in various hierarchies based on the following three levels:

**Level 1:** Quoted prices (unadjusted) in active market for identical assets or liabilities.

**Level 2:** Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e.as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

**Level 3:** Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, current investments, trade payables, other current financial assets and liabilities and short-term borrowings are considered to be equal to the carrying amounts of these items due to their short-term nature and accordingly not included in the below table. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Particulars	Fair value hierarchy (Level)	Fair value	
		As at 31st March 2023	As at 31st March 2022
<b>I Financial assets</b>			
<b>a. Measured at amortised cost</b>			
Other financial assets - Non-Current	3	212.68	176.11
<b>Total Financial assets</b>		<b>212.68</b>	<b>176.11</b>
<b>II Financial liabilities</b>			
<b>a. Measured at amortised cost</b>			
Borrowings - Non-Current	3	118.48	148.37
<b>Total Financial liabilities</b>		<b>118.48</b>	<b>148.37</b>

#### 44 Micro, Small and Medium scale business entities:

Details as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). This information has been determined to the extent such parties have been identified on the basis of information available with the Company

Sl. No.	Particulars	31st March 2023	31st March 2022
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
	Principal	Nil	Nil
	Interest	Nil	Nil
2	The amount of interest paid by the buyer in terms of section 16, of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
3	The amount of 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 the MSMED Act.	Nil	Nil
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
5	The amount of 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 for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	Nil	Nil

45 There are no material discrepancies between the quarterly returns and statements of current assets filed by the Company with banks and the books of accounts.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 46 Ratios

Ratio	Numerator	Denominator	Current year	Previous year	Notes
Current Ratio (times)	Current assets	Current liabilities	1.35	1.22	-
Debt-Equity Ratio (times)	Total debt	Equity	0.53	0.61	-
Debt Service Coverage Ratio (times)	Earning for Debt Service = Net profit after taxes + Finance Costs + Depreciation and amortisation expenses	Debt service = Interest and lease payments + Principal repayments	1.54	1.56	-
Return on Equity Ratio (%)	Net profit after taxes	Average Shareholder's equity	8.09%	3.16%	The improvement is largely due to higher profits on account of general improvement in retail business due to reduced impact of the pandemic
Inventory Turnover Ratio (times)	Revenue from operations	Average inventory	3.79	3.83	-
Trade Receivables Turnover Ratio (times)	Revenue from operations	Average trade receivables	4.12	4.66	-
Trade Payables Turnover Ratio (times)	Purchases of Stock-in-Trade and raw materials	Average trade payables	2.19	2.30	-
Net Capital Turnover Ratio (times)	Revenue from operations	Average working capital (i.e. Current assets - Current liabilities)	7.04	9.31	-
Net Profit Ratio (%)	Net profit after taxes	Revenue from operations	2.65%	1.09%	The improvement is largely due to higher profits on account of general improvement in retail business due to reduced impact of the pandemic
Return on Capital Employed (%)	Earnings before interest and taxes	Capital employed = Total equity + Borrowings	14.98%	9.12%	Higher profits during the year resulted in better return on capital employed
Return on Investment (%)	Net profit after taxes	Equity share capital + Securities premium	12.49%	4.61%	Higher profits during the year resulted in better return on investment

47 The financial statements were approved for issue by the Board of Directors on 23rd May 2023

See accompanying notes to the financial statements.

For and on behalf of Board of Directors

**Siddhartha Roy Burman**  
Chairman & Managing Director  
DIN: 00043715

**Rittick Roy Burman**  
Wholetime Director  
DIN: 08537366

**Abhijit Dan**  
Company Secretary & Head - Legal  
Membership No.: ACS 21358

**Indrajit Chaudhuri**  
Chief Financial Officer  
Membership No.: FCA 61162

Place: Kolkata  
Date: 23<sup>rd</sup> May 2023

# Form AOC-1

(Pursuant to first proviso to Section 129(3) read with rule 5 of Companies (Accounts) Rules, 2014  
Statement containing salient features of the financial statements of subsidiaries  
(All amounts in Rupees, unless otherwise stated)

Name of the Subsidiary Company	Khadim Shoe Bangladesh Limited
Date since subsidiary was acquired	5th September 2019
Financial Year ending on	31st March 2023
Reporting Currency	Bangladesh taka
Exchange rate as on 31st March 2023	0.77 Indian Rupee
Share Capital	16,50,000
Reserves and Surplus	(15,68,601)
Total Assets	5,63,914
Total Liabilities	5,63,914
Investments (excluding Investments made in subsidiaries)	Nil
Turnover	Nil
Loss before tax	(3,81,779)
Provision for tax	Nil
Loss after tax	(3,81,779)
Proposed Dividend	Nil
% of shareholding	100.00%
Country	Bangladesh

For and on behalf of Board of Directors

**Siddhartha Roy Burman**  
Chairman & Managing Director  
DIN: 00043715

**Rittick Roy Burman**  
Wholetime Director  
DIN: 08537366

**Abhijit Dan**  
Company Secretary & Head - Legal  
Membership No.: ACS 21358

**Indrajit Chaudhuri**  
Chief Financial Officer  
Membership No.: FCA 61162

Place: Kolkata  
Date: 23<sup>rd</sup> May 2023

# Independent Auditor's Report

To The Members of **Khadim India Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying Consolidated Financial Statements of Khadim India Limited ("the Parent") and its subsidiary, (the Parent and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2023, their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Revenue Recognition</b></p> <p>Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the Parent performs its obligation to its customers, the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition is when control over the same is transferred to the customer, which is upon delivery.</p> <p>The timing of revenue recognition is relevant to the reported performance of the Parent. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.</p>	<p><b>Principal Audit Procedures</b></p> <p>In order to address the risk of misstatement related to timing of revenue recognition on sale to Wholesale customers, we have performed the following procedures:-</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures including:</p> <ul style="list-style-type: none"> <li>Assessing the appropriateness of the Parent's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof.</li> </ul>

# Independent Auditor's Report

Sr. No.	Key Audit Matter	Auditor's Response
	<p>The Parent operates through two different revenue streams - sale to Wholesale customers and Retail customers.</p> <p>The Retail revenues consist of small transactions under cash and carry model. Hence the likelihood of occurrence and magnitude of a potential misstatement arising out of revenue recognition before transfer of control is minimal.</p> <p>Accordingly, we focused our work on the risk of revenue being recognized before control is transferred in respect of it's revenue from Wholesale customers.</p> <p>Refer Note 3.10 to the Consolidated Financial Statements - Significant Accounting Policies.</p>	<ul style="list-style-type: none"> <li>● Evaluating the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls.</li> <li>● Evaluating the design and implementation of Parent's controls in respect of revenue recognition.</li> <li>● Testing the effectiveness of such controls over the timing of recognition of revenue at the year-end.</li> <li>● Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the correct period.</li> <li>● Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.</li> </ul>

## Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the Subsidiary and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the Subsidiary is traced from its financial statements.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating

# Independent Auditor's Report

effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

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

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

## Auditor's 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 judgement and maintain professional scepticism throughout the audit. We also:

- 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.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors.



# Independent Auditor's Report

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Group as on 31st March, 2023 taken on record by the Board of Directors of the Parent, none of the directors of the Parent are disqualified as on 31st March 2023 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 over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Parent.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

# Independent Auditor's Report

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

- 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 35 to the Consolidated Financial Statements.
  - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii) On the basis of checking of accounts of the Group, there were no amount required to be transferred to the Investor Education and Protection Fund by the Parent during the year ended 31st March 2023.

**For RAY & RAY**

Chartered Accountants  
Firm Registration No. 301072E

**(Amitava Chowdhury)**

Partner  
(Membership No. 056060)  
UDIN: 23056060BGWPKN7485

Place : Kolkata  
Date : 23.05.2023

# Annexure “A” to Independent Auditors’ Report

(Referred to in Paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ Section of our Report to the members of Khadim India Limited of even date)

## **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March, 2023, we have audited the internal financial controls over financial reporting of Khadim India Limited (hereinafter referred to as “Parent”).

### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Parent is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Parent 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 (“the 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 respective 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 internal financial controls over financial reporting of the Parent 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”) issued by the ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent.

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

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

# Annexure “A” to Independent Auditors’ Report

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 and to the best of our information and according to the explanations given to us, the Parent, in all material respects, has an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2023, based on the criteria for internal financial control over financial reporting established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For RAY & RAY**

Chartered Accountants  
Firm Registration No. 301072E

**(Amitava Chowdhury)**

Partner  
(Membership No. 056060)  
UDIN: 23056060BGWPKN7485

Place : Kolkata  
Date : 23.05.2023

# Consolidated Balance Sheet

 as at 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

Particulars	Note No.	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>ASSETS</b>			
<b>1 Non - current assets</b>			
(a) Property, Plant and Equipment	4A	830.13	1,047.00
(b) Capital work - in - progress	4B	4.38	8.47
(c) Right of Use Asset	4C	1,603.28	963.33
(d) Intangible assets	4D	2.25	3.36
(e) Intangible assets under development	4E	3.20	0.65
(f) Financial Assets			
Others	5	212.68	176.11
(g) Deferred tax assets (net)	6	135.97	184.22
(h) Income tax assets (net)	7	20.53	36.51
(i) Other non-current assets	8	93.52	90.69
<b>2 Current assets</b>			
(a) Inventories	9	1,804.22	1,679.32
(b) Financial Assets			
(i) Trade receivables	10	1,875.53	1,331.13
(ii) Cash and cash equivalents	11	64.30	31.13
(iii) Other Bank balances	12	78.96	76.00
(iv) Others	13	92.38	108.91
(c) Other current assets	14	528.94	774.12
<b>Total Assets</b>		<b>7,350.27</b>	<b>6,510.95</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	15	179.70	179.70
(b) Other Equity		2,072.52	1,895.64
<b>LIABILITIES</b>			
<b>1 Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	118.48	148.37
(ii) Lease liabilities	17	1,684.57	991.33
(b) Provisions	18	0.60	3.27
(c) Other non-current liabilities	19	8.16	10.44
<b>2 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	1,073.93	1,119.50
(ii) Lease liabilities	17	220.72	163.97
(iii) Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,808.75	1,800.89
(iv) Other financial liabilities	22	128.09	126.85
(b) Other current liabilities	23	53.73	69.79
(c) Provisions	24	1.02	1.20
<b>Total Equity and Liabilities</b>		<b>7,350.27</b>	<b>6,510.95</b>

See accompanying notes to the financial statements.

In terms of our Report attached

For and on behalf of Board of Directors

 For **Ray & Ray**  
 Chartered Accountants  
 FRN - 301072E

**Amitava Chowdhury**  
 Partner  
 Membership no.- 056060

 Place: Kolkata  
 Date: 23<sup>rd</sup> May 2023

**Siddhartha Roy Burman**  
 Chairman & Managing Director  
 DIN: 00043715

**Abhijit Dan**  
 Company Secretary & Head - Legal  
 Membership No.: ACS 21358

**Rittick Roy Burman**  
 Wholetime Director  
 DIN: 08537366

**Indrajit Chaudhuri**  
 Chief Financial Officer  
 Membership No.: FCA 61162

# Consolidated Statement of Profit and Loss

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

Particulars	Note No.	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>I. Revenue From Operations</b>	25	6,602.64	5,910.80
<b>II. Other Income</b>	26	174.76	162.75
<b>III. Total Income ( I + II )</b>		<b>6,777.40</b>	<b>6,073.55</b>
<b>IV. Expenses :</b>			
Cost of materials consumed		1,626.62	1,970.29
Purchases of Stock-in-Trade		2,457.38	1,913.51
Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	(250.71)	(170.97)
Employee benefits expense	28	719.06	573.60
Finance costs	29	290.57	227.25
Depreciation and amortization expense	4F	383.71	335.81
Other expenses	30	1,325.35	1,146.54
<b>Total expenses</b>		<b>6,551.98</b>	<b>5,996.03</b>
<b>V. Profit before tax (III - IV)</b>		<b>225.42</b>	<b>77.52</b>
<b>VI. Tax expense:</b>	31		
(1) Current tax		3.10	0.01
(2) Deferred tax		47.54	13.13
		<b>50.64</b>	<b>13.14</b>
<b>VII. Profit for the year ( V - VI )</b>		<b>174.78</b>	<b>64.38</b>
<b>VIII. Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss			
- Re-measurement gains on defined benefit plans	38.2	2.83	2.56
(ii) Income tax relating to items that will not be reclassified to profit or loss	31	(0.71)	(0.64)
(iii) Items that will be reclassified to profit or loss			
- Exchange differences in translating the financial statements of foreign operations		(0.01)	-
<b>Other Comprehensive Income for the year</b>		<b>2.11</b>	<b>1.92</b>
<b>IX. Total Comprehensive Income for the year</b>		<b>176.89</b>	<b>66.30</b>
<b>Profit for the year attributable to:</b>			
Owners of the parent		174.78	64.38
Non-controlling interests		-	-
<b>Total Comprehensive Income for the year attributable to:</b>			
Owners of the parent		176.89	66.30
Non-controlling interests		-	-
<b>X. Earnings per equity share : [Nominal Value per Share ₹10/-</b>	32		
(Previous year ₹10/-)]			
(1) Basic (In ₹)		9.73	3.58
(2) Diluted (In ₹)		9.73	3.58

See accompanying notes to the financial statements.

In terms of our Report attached

For and on behalf of Board of Directors

For **Ray & Ray**

Chartered Accountants

FRN - 301072E

**Amitava Chowdhury**

Partner

Membership no.- 056060

Place: Kolkata

Date: 23<sup>rd</sup> May 2023

**Siddhartha Roy Burman**

Chairman & Managing Director

DIN: 00043715

**Abhijit Dan**

Company Secretary & Head - Legal

Membership No.: ACS 21358

**Rittick Roy Burman**

Wholtime Director

DIN: 08537366

**Indrajit Chaudhuri**

Chief Financial Officer

Membership No.: FCA 61162

# Consolidated Statement of Changes in Equity

for the year ended 31st March 2023

(All amounts in Rupees millions, unless otherwise stated)

**(a) Equity Share Capital**

Balance as at 1 <sup>st</sup> April 2022	Changes in equity share capital due to prior period errors	Restated balance as at 1 <sup>st</sup> April 2022	Changes in equity share capital during the year	Balance as at 31 <sup>st</sup> March 2023
179.70	-	179.70	-	179.70

Balance as at 1 <sup>st</sup> April 2021	Changes in equity share capital due to prior period errors	Restated balance as at 1 <sup>st</sup> April 2021	Changes in equity share capital during the year	Balance as at 31 <sup>st</sup> March 2022
179.70	-	179.70	-	179.70

**(b) Other Equity**

Particulars	Reserves and surplus				Items of other comprehensive income	Attributable to owners of the parent	Non-controlling interests	Total other equity
	Capital reserve -Amalgamation Reserve	Securities premium	Share options outstanding account	Retained earnings				
Balance as at 1 <sup>st</sup> April 2022	231.92	1,221.83	10.70	431.17	0.02	1,895.64	-	1,895.64
Profit for the year	-	-	-	174.78	-	174.78	-	174.78
Other comprehensive income (net of tax)	-	-	-	2.11	(0.01)	2.10	-	2.10
<b>Total comprehensive income</b>	-	-	-	176.89	(0.01)	176.88	-	176.88
Balance as at 31 <sup>st</sup> March 2023	231.92	1,221.83	10.70	608.06	0.01	2,072.52	-	2,072.52
Balance as at 1 <sup>st</sup> April 2021	231.92	1,221.83	10.16	364.87	0.02	1,828.80	-	1,828.80
Profit for the year	-	-	-	64.38	-	64.38	-	64.38
Other comprehensive income (net of tax)	-	-	-	1.92	-	1.92	-	1.92
<b>Total comprehensive Income</b>	-	-	-	66.30	-	66.30	-	66.30
Recognition of share based payment	-	-	0.54	-	-	0.54	-	0.54
Balance as at 31 <sup>st</sup> March 2022	231.92	1,221.83	10.70	431.17	0.02	1,895.64	-	1,895.64

Gain of ₹2.12 millions and ₹1.92 millions on remeasurement of defined employee benefit plans (net of tax) is recognised as a part of retained earnings for the years ended 31st March 2023 and 2022 respectively..

# Consolidated Statement of Changes in Equity

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

The Board of Directors of the Company has not recommended any dividend for the current financial year.

**Capital Reserve:** This Reserve represents the surplus of net assets over the Equity Shares issued as purchase consideration pursuant to the Scheme of Amalgamation approved by the Hon'ble High Court at Calcutta with effect from 1st October 2004.

**Securities premium:** This Reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

**Share options outstanding account:** This Reserve relates to stock options granted by the Company under Khadim Employee Stock Option Plan 2017. This Reserve is transferred to securities premium or retained earnings on exercise or cancellation of vested options.

**Retained earnings:** This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

See accompanying notes to the financial statements.

In terms of our Report attached

For and on behalf of Board of Directors

For **Ray & Ray**

Chartered Accountants  
FRN - 301072E

**Amitava Chowdhury**

Partner  
Membership no.- 056060

Place: Kolkata

Date: 23<sup>rd</sup> May 2023

**Siddhartha Roy Burman**

Chairman & Managing Director  
DIN: 00043715

**Abhijit Dan**

Company Secretary & Head - Legal  
Membership No.: ACS 21358

**Rittick Roy Burman**

Wholetime Director  
DIN: 08537366

**Indrajit Chaudhuri**

Chief Financial Officer  
Membership No.: FCA 61162



# Consolidated Cash Flow Statement

 for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax for the year	225.42	77.52
Adjustments for:		
Depreciation and amortization expense	383.71	335.81
Share based payments to employees	-	0.54
(Gain)/Loss on disposal of property, plant and equipment (net)	(26.07)	20.78
Gain on lease modification	(37.60)	-
Interest Received	(33.82)	(21.77)
Gain arising on sale of financial assets mandatorily measured at Fair Value through Profit and Loss	-	(0.05)
Liabilities/Provisions no longer required written back	(18.07)	(94.17)
Government grant received	(2.75)	(6.76)
Provision for doubtful debts, advances and other assets	(2.23)	2.28
Debts/Advances written off	15.23	4.60
Foreign currency translations and transactions - Net	(0.48)	(0.18)
Finance costs	290.57	227.25
<b>Operating Profit before Working Capital Changes</b>	<b>793.91</b>	<b>545.85</b>
Adjustments for:		
Trade Receivables, Loans and Advances and Other Assets	(294.84)	(136.14)
Inventories	(124.90)	(272.53)
Trade Payables, Other Liabilities and Provisions	6.72	158.50
<b>Cash Generated from Operations</b>	<b>380.89</b>	<b>295.68</b>
Net income tax refunds	12.88	10.44
<b>Net Cash generated from Operating Activities</b>	<b>393.77</b>	<b>306.12</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, intangible assets	(150.16)	(82.76)
Sale of property, plant and equipment, intangible assets	247.34	0.63
Receipts from lease modifications	113.79	-
Investments in bank deposits	(66.35)	(113.47)
Maturity of bank deposits	41.06	53.03
Purchase of Current Investments	-	(2.00)
Sale of Current Investments	-	2.05
Interest Received	13.05	4.23
<b>Net Cash generated from/(used in) Investing Activities</b>	<b>198.73</b>	<b>(138.29)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(136.29)	(119.00)
Repayment of lease liability	(344.64)	(236.95)
Payment of initial direct cost recognised as Right of Use Asset	(2.94)	(1.49)
Long term loans taken	35.00	5.50
Long term loans repaid	(71.71)	(46.29)
Short term loans repaid	(107.40)	(19.60)
<b>Net Cash used in Financing Activities</b>	<b>(627.98)</b>	<b>(417.83)</b>
Net Decrease in Cash and Cash Equivalents (A+B+C)	(35.48)	(250.00)
Cash and Cash Equivalents at beginning of year	(857.62)	(607.62)
<b>Cash and Cash Equivalents at end of year</b>	<b>(893.10)</b>	<b>(857.62)</b>

# Consolidated Cash Flow Statement

for the year ended 31st March 2023

(All amounts in Rupees millions, unless otherwise stated)

## Notes:

I The above Cash Flow Statement has been prepared under "Indirect Method" as set out in Ind AS - 7 on "Statement of Cash Flows".

## II Cash and Cash Equivalents:

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Cash Credit facilities	(957.40)	(888.75)
Cash and cash equivalents (Note 12)	64.30	31.13
<b>Cash and cash equivalents as above</b>	<b>(893.10)</b>	<b>(857.62)</b>

See accompanying notes to the financial statements.

In terms of our Report attached

For and on behalf of Board of Directors

For **Ray & Ray**  
Chartered Accountants  
FRN - 301072E

**Amitava Chowdhury**  
Partner  
Membership no.- 056060

Place: Kolkata  
Date: 23<sup>rd</sup> May 2023

**Siddhartha Roy Burman**  
Chairman & Managing Director  
DIN: 00043715

**Abhijit Dan**  
Company Secretary & Head - Legal  
Membership No.: ACS 21358

**Rittick Roy Burman**  
Wholetime Director  
DIN: 08537366

**Indrajit Chaudhuri**  
Chief Financial Officer  
Membership No.: FCA 61162

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 1 Corporate information

Khadim India Limited (the 'Group') is a Public Limited Group engaged in the manufacturing / retail business of footwear and accessories. The Group is incorporated and domiciled in Republic of India. The address of its Registered office is DLF IT Park, Tower-C, 7th Floor, 08 Major Arterial Road, Block-AF, New Town (Rajarhat), Kolkata - 700156. The Group listed its equity shares on 14th November 2017 on BSE and NSE.

## 2 Recent accounting pronouncements:

The Ministry of Corporate Affairs ("MCA") notifies new standards / amendments under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1st April, 2023, as below:

### I Ind AS 1 - Presentation of Financial Statements:

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its consolidated financial statements.

### II Ind AS 12 - Income Taxes:

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its consolidated financial statements.

### III Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors:

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its consolidated financial statements.

## 3 Significant accounting policies

### 3.1 Statement of Compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind ASs) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. The consolidated financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy.

### 3.2 Basis of preparation

The consolidated financial statements are prepared in accordance with the historical cost convention, except for certain assets and liabilities that are measured at fair values, as explained in the accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- I In the principal market for the asset or liability, or
- II In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

Fair value for measurement and / or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 – Share-based Payment, leasing transactions that are within the scope of Ind AS 116 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety.

### 3.3 Basis of Consolidation

- A) The consolidated financial statements relate to Khadim India Limited (the “Group”), its subsidiary Khadim Shoe Bangladesh Limited, together constitute the “Group”. The consolidated financial statements have been prepared on the following basis:
  - i) The financial statements of the Group and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and unrealized profits or losses as per Ind AS 110 ‘Consolidated Financial Statements’, as specified under section 133 of the Companies Act, 2013.
  - ii) The financial statements of subsidiary, consolidated are drawn upto the same reporting date as that of the Group.
  - iii) The excess of the Group’s share in equity of each subsidiary, over the cost of its acquisition at the date on which the investment is made, is recognized as “Capital Reserve on Consolidation” and included as Other Equity under Equity in the Consolidated Balance Sheet.
  - iv) Non-controlling Interest comprises:
    - a) The amount of equity attributable to the non-controlling interests at the date of which investment in a subsidiary is made; and
    - b) The non-controlling interests’ share of movements in equity since the date the parent-subsidiary relationship came into existence.

Non-controlling interests’ share of net profit / (loss) for the year of consolidated subsidiaries is identified and adjusted against the profit / (Loss) after tax of the Group. The losses attributable to the non-controlling interests are restricted to the extent of non-controlling interests’ equity.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 3.4 Operating cycle

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 - "Presentation of Financial Statements", based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Accordingly, the Group has determined its operating cycle to be 12 months.

## 3.5 Property, Plant and Equipment – Tangible Assets

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognized as at 1st April 2016 measured as per the previous GAAP.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

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 asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Consolidated Statement of Profit and Loss.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis. Freehold Land is not depreciated. The estimated useful lives of property, plant and equipment of the Group are as follows:

Buildings - 30 - 60 Years

Leasehold Improvements - Shorter of lease period or over 6 years

Plant and Equipment - 5 - 15 Years

Furniture and Fixtures - 10 Years

Vehicles - 10 Years

Office Equipment - 5 Years

Property, plant and equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

## 3.6 Intangible Assets

Intangible assets acquired separately are recorded at cost at the time of initial recognition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

Intangible assets (Computer Software) with finite lives are amortized over the useful economic life (not exceeding five years) and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the consolidated statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit and loss when the asset is derecognized.

### 3.7 Impairment of Tangible and Intangible Assets

At the end of each reporting period, the Group reviews the carrying amount of its tangible and intangible assets to determine whether there is any indicator that those assets have suffered an impairment loss. If any such indicator exists, the recoverable amount of the asset is estimated in order to determine the impairment loss. When it is not possible to determine the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money.

### 3.8 Assets held for disposal

Assets are classified as held for disposal if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable. These are measured at lower of their carrying amount and fair value less costs to sell.

### 3.9 Inventories

Inventories are valued at cost and net realisable value, whichever is lower. The cost is calculated on First In First Out basis (FIFO). Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Net realisable value is the estimated selling price less estimated costs for completion and sale. Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

### 3.10 Revenue Recognition

The Group earns revenue primarily from sale of footwear and leather accessories.

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made and the Group has performed its obligations. Revenue is measured at the fair value of the consideration received or receivable for goods supplied, net of returns and discounts to customers.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Group and the amount can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the assets' net carrying amount on initial recognition.

## 3.11 Government Grant

The Group receives government grants that require compliance with certain conditions related to the Group's operating activities or are provided to the Group by way of financial assistance on the basis of certain qualifying criteria. Government grants are recognized when there is reasonable assurance that the grant will be received, and the Group will comply with the conditions attached to the grant. Accordingly, government grants:

- a. related to or used for assets, are included in the Consolidated Balance Sheet as deferred income and recognized as income over the useful life of the assets.
- b. related to incurring specific expenditures, are taken to the Consolidated Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.
- c. by way of financial assistance on the basis of certain qualifying criteria, are recognized as they become receivable.

## 3.12 Foreign Currency Transactions

The functional and presentation currency of the Group is Indian Rupee. Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains/ losses arising on settlement as also on translation of monetary items are recognized in the Consolidated Statement of Profit and Loss.

## 3.13 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## 3.14 Retirement and Other Employee Benefits

### I Short-term employee benefits

All short-term employee benefits such as salaries, wages, bonus etc. which fall within 12 months of the period in which the employee renders related services which entitles them to avail such benefits and also non-accumulating compensated absences are recognized on an undiscounted basis and charged to the Consolidated Statement of Profit and Loss.

### II Defined contribution plan

The Group's contribution towards Provident Fund and Employee State Insurance with respect to employees paid/ payable during the year to the respective Authorities are considered as Defined Contribution Plans and are charged to the Consolidated Statement of Profit and Loss.

### III Defined benefit plan

The Group maintains Gratuity Plan for all its eligible employees and the same is a defined benefit plan. The cost of providing benefits under the defined benefit gratuity obligation is determined by independent actuary at each balance sheet date using the projected unit credit method.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

Service costs and net interest expense or income is reflected in the Consolidated Statement of Profit and Loss. Gain or Loss on account of remeasurements are recognized immediately through other comprehensive income in the period in which they occur.

## IV Other long term employee benefits

The Group presents the leave as a current liability in the consolidated balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Actuarial gains/losses are immediately taken to the consolidated statement of profit and loss. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

## V Employee Share Based Compensation

Stock Options are granted to eligible employees in accordance with the Khadim Employee Stock Option Schemes ("ESOP"), as may be decided by the Nomination and Remuneration Committee.

The cost of ESOP is recognized based on the fair value of Stock Options as on the grant date. The fair value of Stock Options granted and vested are recognized in the Consolidated Statement of Profit and Loss.

### 3.15 Leases

The Group, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after 1 April, 2019.

#### Group as a Lessee

The Group assesses whether a contract is or contains a lease according to Ind AS 116 'Leases' at the inception of the contract. A contract is, or contains, a lease if the contract involves-

- (a) the use of an identified asset,
- (b) the right to obtain substantially all the economic benefits from use of the identified asset, and
- (c) the right to direct the use of the identified asset.

The Group at the inception of the lease contract i.e. at the lease commencement date recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term).

#### Right-of-use assets

At the lease commencement date, the right-of-use asset is initially measured at cost which comprises the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## Lease Liabilities

At the lease commencement date, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. This includes fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees, the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

For short-term leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

## Group as a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Group is a lessor under an operating lease, the asset is capitalised within property, plant and equipment and depreciated over its useful economic life. Payments received under operating leases are recognized in the Consolidated Statement of Profit and Loss on a straight-line basis over the term of the lease.

## 3.16 Taxes on Income

Taxes on income comprises of current taxes and deferred taxes.

### Current income tax

Current tax in the Consolidated Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years. Taxable profit differs from 'profit before tax' as reported in the Consolidated Statement of Profit and Loss.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

### Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relates to the same taxation authority.

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

## 3.17 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) 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. The expense relating to any provision is presented in the consolidated statement of profit or loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as part of finance costs.

## 3.18 Dividend Distribution

Dividends paid (including income tax thereon) is recognized in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by Shareholders.

## 3.19 Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

## 3.20 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding cash credit as they are considered an integral part of the Group's cash management.

## 3.21 Financial instruments, Financial assets, Financial liabilities and Equity instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities.

### Financial assets

#### Recognition

Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognized at transaction price when the Group becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Consolidated Statement of Profit and Loss. Investment in Subsidiary is carried at cost.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## Classification

Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification. Financial assets are classified as those measured at:

- a. amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/ or interest.
- b. fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognized in other comprehensive income.
- c. fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognized in the Consolidated Statement of Profit and Loss in the period in which they arise.

Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

## Impairment

"The Group assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognized if the credit quality of the financial asset has deteriorated significantly since initial recognition.

## Reclassification

When and only when the business model is changed, the Group shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognized gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

## Derecognition

Financial assets are derecognized when the right to receive cash flows from the assets has expired, or has been transferred, and the Group has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

- a. amortised cost, the gain or loss is recognized in the Consolidated Statement of Profit and Loss;
- b. fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Consolidated Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## Income Recognition

Interest income is recognized in the Statement of Profit and Loss using the effective interest method. Dividend income is recognized in the Consolidated Statement of Profit and Loss when the right to receive dividend is established.

## Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognized at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognized in the Consolidated Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Consolidated Balance Sheet. Financial liabilities are derecognized when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled or on expiry.

## Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Consolidated Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

## Equity Instruments

Equity instruments are recognized at the value of the proceeds, net of direct costs of the capital issue.

## 4 Significant accounting judgements, estimates and assumptions

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### I Useful lives of property, plant and equipment and intangible assets

Management reviews the useful lives of property, plant and equipment and intangible assets at least once in a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the Management.

#### II Actuarial Valuation

The determination of Group's liability towards employee benefits in the nature of gratuity and unpaid leave balance is made through independent actuarial valuation including determination of amounts to be recognized in the Consolidated Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the consolidated financial statements.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 4A PROPERTY, PLANT AND EQUIPMENT

Particulars	GROSS BLOCK						
	As at 1st April 2021	Additions during the year	Disposal/adjustment during the year	As at 31st March 2022	Additions during the year	Disposal/adjustment during the year	As at 31st March 2023
Buildings	698.36	14.30	-	712.66	3.67	243.72	472.61
Leasehold Improvements	326.45	26.69	58.17	294.97	43.44	16.42	321.99
Plant and equipment	653.76	30.27	0.10	683.93	45.81	49.97	679.77
Furniture and Fixtures	174.58	4.92	6.27	173.23	49.80	22.48	200.55
Vehicles	10.45	-	-	10.45	-	-	10.45
Office Equipment	40.22	2.60	0.39	42.43	3.57	6.36	39.64
<b>Total</b>	<b>1,903.82</b>	<b>78.78</b>	<b>64.93</b>	<b>1,917.67</b>	<b>146.29</b>	<b>338.95</b>	<b>1,725.01</b>
<b>4B Capital work - in - progress</b>	<b>9.50</b>	<b>13.49</b>	<b>14.52</b>	<b>8.47</b>	<b>65.37</b>	<b>69.46</b>	<b>4.38</b>

## 4A PROPERTY, PLANT AND EQUIPMENT

Particulars	ACCUMULATED DEPRECIATION/AMORTIZATION						NET BLOCK		
	As at 1st April 2021	Additions during the year	Disposal/adjustment during the year	As at 31st March 2022	Additions during the year	Disposal/adjustment during the year	As at 31st March 2023	As at 31st March 2023	As at 31st March 2022
Buildings	87.00	18.57	-	105.57	17.53	38.23	84.87	387.74	607.09
Leasehold Improvements	215.33	34.04	39.90	209.47	32.50	13.38	228.59	93.40	85.50
Plant and equipment	327.19	74.50	0.06	401.63	71.08	42.32	430.39	249.38	282.30
Furniture and Fixtures	99.19	17.76	3.26	113.69	15.47	17.43	111.73	88.82	59.54
Vehicles	5.69	1.37	-	7.06	1.21	-	8.27	2.18	3.39
Office Equipment	28.74	4.81	0.30	33.25	4.10	6.32	31.03	8.61	9.18
<b>Total</b>	<b>763.14</b>	<b>151.05</b>	<b>43.52</b>	<b>870.67</b>	<b>141.89</b>	<b>117.68</b>	<b>894.88</b>	<b>830.13</b>	<b>1,047.00</b>
<b>4B Capital work - in - progress</b>								<b>4.38</b>	<b>8.47</b>

### Note:

The amount of expenditures recognized in the carrying amount of property, plant and equipment in the course of construction is ₹2.39 millions (Previous Year - ₹ 5.53 millions)

## 4C RIGHT-TO-USE ASSETS

Particulars	GROSS BLOCK		
	Buildings	Land*	Total
<b>Gross Carrying Value as at 31st March 2021</b>	<b>1,428.63</b>	<b>119.81</b>	<b>1,548.44</b>
Additions during the year	150.94	-	150.94
Deletions during the year	(311.62)	-	(311.62)
<b>Gross Carrying Value as at 31st March 2022</b>	<b>1,267.95</b>	<b>119.81</b>	<b>1,387.76</b>
Additions during the year	956.85	-	956.85
Deletions during the year	(38.27)	(80.08)	(118.35)
<b>Gross Carrying Value as at 31st March 2023</b>	<b>2,186.53</b>	<b>39.73</b>	<b>2,226.26</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

Particulars	ACCUMULATED DEPRECIATION		
	Buildings	Land	Total
<b>Accumulated Depreciation as at 31st March 2021</b>	<b>390.61</b>	<b>4.38</b>	<b>394.99</b>
Depreciation Expenses	181.26	2.19	183.45
Deductions / Adjustments	(154.01)	-	(154.01)
<b>Accumulated Depreciation as at 31st March 2022</b>	<b>417.86</b>	<b>6.57</b>	<b>424.43</b>
Depreciation Expenses	238.76	1.95	240.71
Deductions / Adjustments	(38.27)	(3.89)	(42.16)
<b>Accumulated Depreciation as at 31st March 2023</b>	<b>618.35</b>	<b>4.63</b>	<b>622.98</b>

Particulars	NET CARRYING VALUE		
	Buildings	Land	Total
<b>Net Carrying Value as at 31st March 2022</b>	<b>850.09</b>	<b>113.24</b>	<b>963.33</b>
<b>Net Carrying Value as at 31st March 2023</b>	<b>1,568.18</b>	<b>35.10</b>	<b>1,603.28</b>

\*This includes ₹22.50 millions paid to Kolkata Metropolitan Development Authority (KMDA) as lease premium for a land at Laskarhat, Kolkata having a lease term of 99 years. The Group has received possession for 10.75 cottahs, for which the related lease deed has been executed. Remaining portion of the said land measuring 34.25 cottahs is under dispute for which legal proceeding is pending..

## 4D INTANGIBLE ASSETS

Particulars	GROSS BLOCK						
	As at 1st April 2021	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2022	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2023
Computer software (acquired)	9.89	1.49	4.69	6.69	-	2.41	4.28

Particulars	ACCUMULATED DEPRECIATION/AMORTIZATION						NET BLOCK		
	As at 1st April 2021	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2022	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2023	As at 31st March 2023	As at 31st March 2022
Computer software (acquired)	6.71	1.31	4.69	3.33	1.11	2.41	2.03	2.25	3.36

## 4E INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	GROSS BLOCK						
	As at 1st April 2021	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2022	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2023
Computer software (acquired)	1.49	0.65	1.49	0.65	3.20	0.65	3.20

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 4F DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Tangible Assets	141.89	151.05
Right-to-Use Assets	240.71	183.45
Intangible Assets	1.11	1.31
<b>Total</b>	<b>383.71</b>	<b>335.81</b>

## 4G Capital work - in - progress ageing

Ageing for Capital work - in - progress as at 31st March 2023

Capital work - in - progress	Amount in Capital work - in - progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	4.07	-	-	0.31	4.38

Ageing for Capital work - in - progress as at 31st March 2022

Capital work - in - progress	Amount in Capital work - in - progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	6.28	0.19	0.15	1.85	8.47

## 4H Intangible Assets under development ageing

Ageing for Intangible Assets under development as at 31st March 2023

Intangible Assets under development	Amount in Capital work - in - progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	3.20	-	-	-	3.20

Ageing for Intangible Assets under development as at 31st March 2022

Intangible Assets under development	Amount in Capital work - in - progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.65	-	-	-	0.65

## 5 OTHER FINANCIAL ASSETS - NON-CURRENT

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Unsecured, Considered Good</b>		
Security and other deposits	168.45	154.27
Bank deposits with more than 12 months maturity		
- Against guarantees and letter of credit	7.15	13.66
- As security with Sales Tax Authorities	0.26	0.25
- Pledged against credit facilities	35.58	6.75
Employee Advances	1.24	1.18
<b>Total</b>	<b>212.68</b>	<b>176.11</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 6 DEFERRED TAX ASSETS/(LIABILITIES) (NET)

Particulars	As at 31st March 2023	As at 31st March 2022
Deferred tax assets	180.11	236.37
Less: Deferred tax liabilities	44.13	52.15
<b>Total</b>	<b>135.97</b>	<b>184.22</b>

### 6.1 Movement in deferred tax liabilities/assets balances

2022-23	Opening balance	Recognized in profit or loss	Recognized in OCI	Closing balance
<b>Deferred tax liabilities/assets in relation to:</b>				
On fiscal allowances on property, plant and equipment, etc.	54.39	(8.46)	-	45.93
On other assets	(2.24)	0.44	-	(1.80)
<b>Total deferred tax liabilities</b>	<b>52.15</b>	<b>(8.02)</b>	<b>-</b>	<b>44.13</b>
On employees' separation and retirement etc.	1.13	(0.01)	(0.71)	0.41
On right of use asset and lease liabilities	84.31	4.32	-	88.63
On accumulated business loss	115.10	(55.51)	-	59.59
On financial assets measured at fair value	4.45	0.08	-	4.53
On provision for doubtful debts and advances	15.14	(0.56)	-	14.58
On provision for slow moving inventories	16.24	(3.88)	-	12.36
<b>Total deferred tax assets</b>	<b>236.37</b>	<b>(55.56)</b>	<b>(0.71)</b>	<b>180.11</b>
	<b>(184.22)</b>	<b>47.54</b>	<b>0.71</b>	<b>(135.97)</b>
<b>2021-22</b>	<b>Opening balance</b>	<b>Recognized in profit or loss</b>	<b>Recognized in OCI</b>	<b>Closing balance</b>
<b>Deferred tax liabilities/assets in relation to:</b>				
On fiscal allowances on property, plant and equipment, etc.	61.24	(6.85)	-	54.39
On other assets	0.67	(2.91)	-	(2.24)
<b>Total deferred tax liabilities</b>	<b>61.91</b>	<b>(9.76)</b>	<b>-</b>	<b>52.15</b>
On employees' separation and retirement etc.	1.68	0.09	(0.64)	1.13
On right of use asset and lease liabilities	93.57	(9.26)	-	84.31
On accumulated business loss	137.87	(22.77)	-	115.10
On financial assets measured at fair value	4.75	(0.30)	-	4.45
On provision for doubtful debts and advances	14.57	0.57	-	15.14
On provision for slow moving inventories	7.46	8.78	-	16.24
<b>Total deferred tax assets</b>	<b>259.90</b>	<b>(22.89)</b>	<b>(0.64)</b>	<b>236.37</b>
	<b>(197.99)</b>	<b>13.13</b>	<b>0.64</b>	<b>(184.22)</b>



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 7 INCOME TAX ASSETS

Particulars	As at 31st March 2023	As at 31st March 2022
Advance Income Tax (Net of Provision ₹257.78 millions; 31st March 2022: ₹.254.89 millions)	20.53	36.51
<b>Total</b>	<b>20.53</b>	<b>36.51</b>

## 8 OTHER NON-CURRENT ASSETS

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Unsecured, Considered Good</b>		
Capital Advances	3.13	6.46
Advances other than capital advances:		
Security deposits	9.29	9.11
Prepaid expenses	69.52	63.55
Other advances	0.09	0.08
Government grant receivable	11.49	11.49
<b>Total</b>	<b>93.52</b>	<b>90.69</b>

## 9 INVENTORIES

Particulars	As at 31st March 2023	As at 31st March 2022
Raw Material (including packing material)	141.78	267.59
Work-in-progress	126.50	89.95
Finished goods (manufactured)	270.31	270.46
Stock-in-trade (goods purchased for resale)	1,265.63	1,051.32
<b>Total</b>	<b>1,804.22</b>	<b>1,679.32</b>

### Notes:

- (i) Cost of inventory recognized as an expense during the year ₹ 4,007.63 millions (Previous Year - ₹ 3,842.47 millions).
- (ii) The cost of inventories recognized as an expense in respect of write-downs of inventory to net realisable value included in (i) above - ₹ 7.49 millions (Previous Year - ₹ 2.55 millions).
- (iii) Refer Note 3.9 for mode of valuation.

## 10 TRADE RECEIVABLES

Particulars	As at 31st March 2023	As at 31st March 2022
Considered good - Secured	50.41	42.38
Considered good - Unsecured*	1,825.12	1,288.75
Considered doubtful	57.93	60.16
	<b>1,933.46</b>	<b>1,391.29</b>
Less : Allowance for doubtful debts	57.93	60.16
<b>Total</b>	<b>1,875.53</b>	<b>1,331.13</b>

\*Includes ₹ Nil (31st March 2022: ₹0.003 millions) due from KM Khadim and Co. which is a firm in which a director is a partner.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## Trade receivables ageing schedule - as at 31st March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	1,086.14	25.85	7.25	387.30	368.99	1,875.53
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	2.23	4.56	3.41	8.43	33.46	52.09
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	0.01	5.83	5.84
<b>Total</b>	<b>1,088.37</b>	<b>30.41</b>	<b>10.66</b>	<b>395.75</b>	<b>408.27</b>	<b>1,933.46</b>
Less : Allowance for doubtful debts						57.93
						<b>1,875.53</b>

## Trade receivables ageing schedule - as at 31st March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	550.44	9.12	395.23	227.25	149.09	1,331.13
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	0.64	1.22	11.26	10.15	31.06	54.33
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	0.01	5.35	0.47	5.83
<b>Total</b>	<b>551.08</b>	<b>10.34</b>	<b>406.50</b>	<b>242.75</b>	<b>180.62</b>	<b>1,391.29</b>
Less : Allowance for doubtful debts						60.16
						<b>1,331.13</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 11 CASH AND CASH EQUIVALENTS

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Balances with banks</b>		
On Current Accounts	0.43	0.11
On Cash Credit Accounts	41.51	21.03
Cheques, drafts on hand	15.50	2.30
Cash on hand	6.86	7.69
<b>Total</b>	<b>64.30</b>	<b>31.13</b>

## 12 OTHER BANK BALANCES

Particulars	As at 31st March 2023	As at 31st March 2022
Dividend Accounts	0.02	0.02
Fixed Deposits with banks*		
- Against guarantees and letter of credit	16.69	24.76
- As security with Sales Tax Authorities	0.21	0.20
- Pledged against credit facilities	62.04	51.02
<b>Total</b>	<b>78.96</b>	<b>76.00</b>

\*Represents deposits with original maturity of more than 3 months and includes deposits with remaining maturity of less than 12 months from the balance sheet date.

## 13 OTHER FINANCIAL ASSETS - CURRENT

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Unsecured, Considered Good</b>		
Assets held for disposal *	58.49	58.49
Interest Receivable	1.76	1.09
Employee Advances	2.75	4.41
Other receivables (Tender deposits, scrap sales etc.)	29.38	44.92
<b>Total</b>	<b>92.38</b>	<b>108.91</b>

\*Represents certain property, plant and equipment which are not in active use. A Memorandum of Understanding has been signed for disposal of the same and an amount of ₹5.00 millions received as advance against sale consideration which is disclosed under Other Current Liabilities (Refer note 23)

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 14 OTHER CURRENT ASSETS

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Unsecured, Considered Good</b>		
Advances other than capital advances:		
Advances to related parties	0.21	0.31
Other advances	31.57	89.14
Prepaid expenses	49.42	49.25
Gratuity (Refer Note 38.2)	6.83	6.16
Advance to Government Authorities	440.91	629.26
<b>Total</b>	<b>528.94</b>	<b>774.12</b>

## 15 EQUITY SHARE CAPITAL

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Authorised</b>		
6,00,00,000 (31st March 2022: 6,00,00,000) Equity Shares of ₹10/- each	600.00	600.00
<b>Issued , Subscribed and Paid up</b>		
1,79,69,614 (31st March 2022: 1,79,69,614) Equity Shares of ₹.10/- each	179.70	179.70
<b>Total</b>	<b>179.70</b>	<b>179.70</b>

### 15.1 Reconciliation of the number of Equity shares

Particulars	As at 31st March 2023		As at 31st March 2022	
	Number	Amount	Number	Amount
Balance as at the beginning of the year	1,79,69,614	179.70	1,79,69,614	179.70
Balance as at the end of the year	1,79,69,614	179.70	1,79,69,614	179.70

### 15.2 Details of Shares held by Shareholders holding more than 5 % of the aggregate shares in the Company

Particulars	As at 31st March 2023		As at 31st March 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Khadim Development Company Private Limited (Holding Company)*	92,73,229	51.61	92,73,229	51.61
Siddhartha Roy Burman	14,65,149	8.15	14,64,149	8.15

15.3 During the year ended 31st March 2019, the Company had issued 4,417 equity shares of ₹10 each on exercise of employee stock options. For details refer Note 40.

### 15.4 Rights, Preferences and Restrictions attached to Equity Shares

The Company has one class of Equity Shares having a face value of ₹10/- per share. Each shareholder is eligible for one vote per share held. The Dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the Annual General Meeting, except in case of Interim Dividend. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

# Notes to Consolidated Financial Statements

 for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 15.5 Disclosure of Shareholding of Promoters

### Disclosure of Shareholding of Promoters as at 31st March 2023:

Promoter's Name	Shares held by promoters				% change during the year
	As at 31st March 2023		As at 31st March 2022		
	No. of shares	% of total shares	No. of shares	% of total shares	
Siddhartha Roy Burman	14,65,149	8.15%	14,64,149	8.15%	0.00%
<b>Total</b>	<b>14,65,149</b>	<b>8.15%</b>	<b>14,64,149</b>	<b>8.15%</b>	<b>0.00%</b>

### Disclosure of Shareholding of Promoters as at 31st March 2022:

Promoter's Name	Shares held by promoters				% change during the year
	As at 31st March 2022		As at 31st March 2021		
	No. of shares	% of total shares	No. of shares	% of total shares	
Knightsville Private Limited*	-	-	87,37,829	48.63%	-48.63%
Siddhartha Roy Burman	14,64,149	8.15%	16,81,649	9.36%	-1.21%
<b>Total</b>	<b>14,64,149</b>	<b>8.15%</b>	<b>1,04,19,478</b>	<b>57.99%</b>	<b>-49.84%</b>

## 15.6 Shares reserved for issue under Options

Particulars	As at 31st March 2023	As at 31st March 2022
Equity shares of ₹10/- each	34,560	34,560
<b>Total</b>	<b>34,560</b>	<b>34,560</b>

During the year ended 31st March 2018, the Company introduced the Khadim Employee Stock Option Plan (2017) through the resolution passed by the Board of Directors and the same was subsequently approved by the Shareholders.

### Terms and conditions of Options granted

Each option entitles the holder thereof to apply for and be allotted one equity share of ₹ 10 each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of five years from such date.

The vesting period for conversion of Options is as follows:

On completion of 12 months from the date of grant of the Options - 15% vests

On completion of 24 months from the date of grant of the Options - 15% vests

On completion of 36 months from the date of grant of the Options - 30% vests

On completion of 48 months from the date of grant of the Options - 40% vests

The Options have been granted at the 'market price' as defined under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Further details of 'Khadim Employee Stock Option Plan 2017' are provided in Note 40.

\* Refer Note 36

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 16 BORROWINGS - NON-CURRENT

Particulars		As at 31st March 2023	As at 31st March 2022
<b>SECURED</b>			
<b>Term Loans from Banks</b>			
State Bank of India Term Loan I	[Refer Note 1 of 16.2]	33.81	51.45
State Bank of India Term Loan II	[Refer Note 1 of 16.2]	35.00	-
HDFC Bank Term Loan	[Refer Note 2 of 16.2]	46.00	70.00
ICICI Bank Term Loan	[Refer Note 3 of 16.2]	-	21.89
Axis Bank Term Loan	[Refer Note 4 of 16.2]	3.67	5.03
<b>Total</b>		<b>118.48</b>	<b>148.37</b>

### 16.1 The scheduled maturity of these term loans is mentioned as under:

Name of the Bank	2023-24*	2024-25	2025-26	2026-27	2027-28	2028-29
State Bank of India Term Loan I	17.15	17.15	16.66	-	-	-
State Bank of India Term Loan II	-	6.56	8.75	8.75	8.75	2.19
HDFC Bank Term Loan	24.00	24.00	22.00	-	-	-
Axis Bank Term Loan	1.37	1.37	1.37	0.93	-	-
<b>Total</b>	<b>42.52</b>	<b>49.09</b>	<b>48.78</b>	<b>9.68</b>	<b>8.75</b>	<b>2.19</b>

\*Represents 'Current maturities of long term debt' (refer Note 20 - Borrowings - Current)

### 16.2 Nature of Security of Term Loans from Banks

- Primary security** - Hypothecation charge on inventory, receivables and all other current assets of the Company, both present and future, on second pari-passu basis with other working capital member banks under the consortium.

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore on second pari-passu basis with other working capital members banks under the consortium, lien on fixed deposit on second pari-passu basis, and equitable mortgage of properties at Kasba and Gariahat.

- Primary security** - Same as State Bank of India Term loan (Refer Note 1 above).

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, and lien on fixed deposit on second pari-passu basis with other working capital members banks under the consortium.

- Primary security** - Same as State Bank of India Term loan (Refer Note 1 above).

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, and lien on fixed deposit on second pari-passu basis with other working capital members banks under the consortium, equitable mortgage of factory building at S19, S20 and S21 at Kasba, Kolkata, retail outlet at Rashbehari Avenue, Kolkata.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

**4 Primary security** - Same as State Bank of India Term loan (Refer Note 1 above).

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, and lien on fixed deposit on second pari-passu basis with other working capital members banks under the consortium.

## 17 LEASE LIABILITIES

Particulars	As at 31st March 2023			As at 31st March 2022		
	Non-Current	Current	Total	Non-Current	Current	Total
Lease Liabilities	1,684.57	220.72	1,905.29	991.33	163.97	1,155.30
<b>Total</b>	<b>1,684.57</b>	<b>220.72</b>	<b>1,905.29</b>	<b>991.33</b>	<b>163.97</b>	<b>1,155.30</b>

**17.1 The details of the contractual maturities of lease liabilities as at 31st March 2023 on an undiscounted basis are as follows:**

Particulars	As at 31st March 2023
Less than one year	220.72
One to two years	232.92
Two to three years	243.79
Three to four years	244.47
Four to five years	209.94
More than five years	753.45
<b>Total</b>	<b>1,905.29</b>

**17.2 (i)** The Group has recognised expenses of ₹52.74 millions (Previous year - ₹56.31 millions) in relation to short-term leases and recorded as 'Rent expenses' and 'Commission and Discount expenses' of ₹52.12 millions and ₹0.62 millions respectively for the year ended 31st March 2023 under 'Other Expenses' in Note 30.

**17.2 (ii)** The Group has recognised expenses of ₹3.07 millions (Previous Year - ₹2.36 millions) as variable lease payment for commissioned outlets and ₹0.92 millions (Previous Year - ₹0.83 millions) for leased outlet for the year ended 31st March 2023 and recorded as 'Commission and Discount' under Other Expenses in Note 30.

The Group has also recognised expenses of ₹1.33 millions (Previous Year - ₹ NIL) as variable lease payment on account of Solar Power generated for the year ended 31st March 2023 and recorded as 'Power & Fuel' under Other Expenses' in Note 30.

**17.2 (iii)** The Group has benefited from waivers granted by various lessors of varied durations of lease payments on several leased premises in India. The waiver of lease payments of ₹3.68 millions (Previous Year - ₹48.20 millions) has been accounted for as a negative variable lease payment in the statement of profit or loss. The Group has derecognised the part of the lease liability that has been extinguished by the forgiveness of lease payments, consistent with the requirements of Ind AS 109:3.3.1

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 18 PROVISIONS - NON-CURRENT

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Other long term benefits</b>		
Leave Encashment	0.60	3.27
<b>Total</b>	<b>0.60</b>	<b>3.27</b>

## 19 OTHER NON-CURRENT LIABILITIES

Particulars	As at 31st March 2023	As at 31st March 2022
Deferred Government Grant	8.16	10.44
<b>Total</b>	<b>8.16</b>	<b>10.44</b>

## 20 BORROWINGS - CURRENT

Particulars	As at 31st March 2023	As at 31st March 2022
<b>SECURED</b>		
<b>Loans repayable on demand</b>		
<b>Cash Credit / Working Capital Demand Loans from Banks</b>		
State Bank of India Cash Credit [Refer Note 1 of 20.1]	482.96	434.29
Axis Bank Cash Credit [Refer Note 2 of 20.1]	11.25	7.76
HDFC Bank Cash Credit [Refer Note 2 of 20.1]	212.20	255.58
Bank of India Cash Credit [Refer Note 3 of 20.1]	137.87	139.88
Central Bank of India Cash Credit [Refer Note 4 of 20.1]	113.13	51.24
Axis Bank Demand Loan [Refer Note 2 of 20.1]	24.00	36.40
ICICI Bank Demand Loan I [Refer Note 2 of 20.1]	50.00	20.00
ICICI Bank Demand Loan II [Refer Note 5 of 20.1]	-	125.00
<b>Current maturities of long term debt</b>	<b>42.52</b>	<b>49.35</b>
<b>Total</b>	<b>1,073.93</b>	<b>1,119.50</b>

### 20.1 Nature of Security of Cash Credit and Working Capital Demand Loans from Banks

- Primary security** - Hypothecation charge on inventory, receivables and all other current assets of the Company, both present and future, on pari-passu basis with other working capital member banks under the consortium.

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, and lien on fixed deposit on pari-passu basis with other working capital members banks under the consortium, equitable mortgage of property at Kasba and Gariahat, personal guarantee of Managing Director and corporate guarantee of group company.

- Primary security** - Same as State Bank of India Cash Credit (Refer Note 1 above).

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, and lien on fixed deposit on pari-passu basis with other working capital members banks under the consortium, personal guarantee of Managing Director and corporate guarantee of group company.



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

**3 Primary security** - Same as State Bank of India Cash Credit (Refer Note 1 above).

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, and lien on fixed deposit on pari-passu basis with other working capital members banks under the consortium, equitable mortgage of property at Howrah, lien on fixed deposit, personal guarantee of Managing Director and corporate guarantee of group company.

**4 Primary security** - Same as State Bank of India Cash Credit (Refer Note 1 above).

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, and lien on fixed deposit on pari-passu basis with other working capital members banks under the consortium, lien on fixed deposit, personal guarantee of Managing Director and corporate guarantee of group company.

**5 Primary security** - Secured by mortgage of factory building at S19, S20 and S21 at Kasba, Kolkata, retail outlet at Rashbehari Avenue, Kolkata and personal guarantee of Managing Director.

## 21 TRADE PAYABLES

Trade payables ageing schedule - as at 31st March 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-
Others	1,481.45	288.35	13.65	25.30	1,808.75
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>1,481.45</b>	<b>288.35</b>	<b>13.65</b>	<b>25.30</b>	<b>1,808.75</b>

Trade payables ageing schedule - as at 31st March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-
Others	1,750.49	20.11	27.34	2.95	1,800.89
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>1,750.49</b>	<b>20.11</b>	<b>27.34</b>	<b>2.95</b>	<b>1,800.89</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 22 OTHER FINANCIAL LIABILITIES - CURRENT

Particulars	As at 31st March 2023	As at 31st March 2022
Interest accrued and due on borrowings	1.18	1.35
Interest accrued but not due on borrowings	0.40	0.36
Unpaid Dividend [Refer Note 22.1]	0.02	0.02
Deposits from customers	115.88	106.22
Other payables:		
Payables on purchase of property, plant and equipment	10.13	18.86
Others [Reimbursement claims, etc.]	0.48	0.04
<b>Total</b>	<b>128.09</b>	<b>126.85</b>

22.1 There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

## 23 OTHER CURRENT LIABILITIES

Particulars	As at 31st March 2023	As at 31st March 2022
Advance from customers	21.27	20.34
Advance against sale of Assets held for disposal	5.00	25.00
Statutory remittances (GST, Contribution to Provident and Other Funds, Withholding Tax)	24.02	21.52
Deferred Government Grant	2.24	2.70
Others	1.20	0.23
<b>Total</b>	<b>53.73</b>	<b>69.79</b>

## 24 PROVISIONS - CURRENT

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Other short term benefits</b>		
Leave Encashment	1.02	1.20
<b>Total</b>	<b>1.02</b>	<b>1.20</b>

## 25 REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Sale of products *	6,494.38	5,816.65
[Refer Note 25.1]		
Other operating revenues [Refer Note 25.2]	108.26	94.15
<b>Total</b>	<b>6,602.64</b>	<b>5,910.80</b>

\* Net of sales returns

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 25.1 Details of sale of products

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Footwear and accessories	6,494.38	5,816.65
<b>Total</b>	<b>6,494.38</b>	<b>5,816.65</b>

## 25.2 Details of other operating revenues

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Sale of ancillaries	67.58	59.90
Scrap sales	40.68	33.42
Export incentives	-	0.83
<b>Total</b>	<b>108.26</b>	<b>94.15</b>

## 26 OTHER INCOME

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Interest income comprises interest from:		
- Deposits with banks - carried at amortised cost	5.24	2.13
- Other financial assets measured at amortised cost	20.10	17.81
- On Income Tax Refunds	8.49	1.83
Gain arising on sale of financial assets mandatorily measured at Fair Value through Profit and Loss	-	0.05
Gain on sale/discard of property, plant and equipments - Net	26.07	-
Gain on lease modification	37.60	-
Other non-operating income (Rental income, etc.)	77.26	140.93
<b>Total</b>	<b>174.76</b>	<b>162.75</b>

## 27 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Inventories at the end of the year</b>		
Work - in - progress	126.50	89.95
Finished goods	270.31	270.46
Stock-in-trade	1,265.63	1,051.32
	<b>1,662.44</b>	<b>1,411.73</b>
<b>Inventories at the beginning of the year</b>		
Work - in - progress	89.95	48.87
Finished goods	270.46	176.17
Stock-in-trade	1,051.32	1,015.72
	<b>1,411.73</b>	<b>1,240.76</b>
<b>Total</b>	<b>(250.71)</b>	<b>(170.97)</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 28 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Salaries and wages	642.57	508.95
Contribution to Provident and other funds	25.38	23.17
Share based payments to employees	-	0.54
Staff Welfare Expenses	51.11	40.94
<b>Total</b>	<b>719.06</b>	<b>573.60</b>

## 29 FINANCE COSTS

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Interest expense on financial liabilities measured at amortised cost	136.16	119.72
Interest expense on lease liabilities	154.41	107.53
<b>Total</b>	<b>290.57</b>	<b>227.25</b>

## 30 OTHER EXPENSES

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Consumption of Stores	9.90	8.10
Power and Fuel	182.51	170.67
Rent [Refer Note 17.2 (i)]	72.57	72.97
Rates and Taxes	14.78	11.01
Bank Charges	22.45	14.06
Insurance	20.11	19.41
Repairs:		
Plant and Machinery	26.86	13.58
Others	110.87	86.57
Travelling and Conveyance Expenses	52.65	37.13
Printing and Stationery	2.93	3.63
Postage, Telephone and other Communication Expenses	11.70	10.64
Advertising, Marketing and Sales Promotion Expenses	187.13	182.18
Freight Charges, Transport and Delivery	168.74	148.60
Jobwork Charges	194.88	210.65
Professional Fees	35.85	29.50
Commission and Discount [Refer Note 17.2 (ii)]	168.49	72.65
Legal Expenses	0.26	0.23
Debts/Advances written off	15.23	4.60
Loss on sale/discard of property, plant and equipments - Net	-	20.78
Provision for doubtful debts, advances and other assets	-	2.28
Security Hire Charges	10.94	9.71
Miscellaneous Expenses (Refer Note 30.1 and 33)	16.50	17.58
<b>Total</b>	<b>1,325.35</b>	<b>1,146.54</b>

# Notes to Consolidated Financial Statements

 for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

**30.1 Miscellaneous Expenses include :**

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Amount paid /payable to Auditors (excluding tax)		
- Statutory Audit	1.38	1.13
- Tax Audit	0.26	0.15
- Other matters	0.63	1.08
- Out of pocket expenses	0.02	0.09
<b>Total</b>	<b>2.29</b>	<b>2.45</b>

**31 INCOME TAX EXPENSES**
**A Amount recognised in profit or loss**

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Current tax</b>		
Income tax for the year		
Current tax	2.89	-
Adjustments/(credits) related to previous years - Net		
Current tax	0.21	0.01
<b>Total Current tax</b>	<b>3.10</b>	<b>0.01</b>
<b>Deferred tax</b>		
Deferred tax for the year	47.54	13.13
<b>Total</b>	<b>50.64</b>	<b>13.14</b>

**B Amount recognised in other comprehensive income**

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
The tax charge arising on income and expenses recognised in other comprehensive income is as follows:		
<b>Deferred tax</b>		
On items that will not be reclassified to profit or loss		
Re-measurement gains on defined benefit plans	(0.71)	(0.64)
<b>Total</b>	<b>(0.71)</b>	<b>(0.64)</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## C Reconciliation of effective tax rate

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Profit before tax	225.42	77.52
Applicable tax rate	25.168%	25.168%
Income tax expense on above rate	56.73	19.51
Effect of unused tax loss not recognised as deferred tax assets	0.09	0.05
Expenses not allowable under tax laws	14.81	17.30
Additional expenses allowable under tax laws	(21.20)	(23.73)
	<b>50.43</b>	<b>13.13</b>
Tax adjustment of prior periods	0.21	0.01
Tax as per statement of profit and loss	<b>50.64</b>	<b>13.14</b>

### Note:

The Group has long term capital losses of ₹184.07 millions (31st March 2022 - ₹49.99 millions) for which no deferred tax assets have been recognised. These losses are due to expire in the following year:

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Assessment year 2026-2027	49.99	49.99
Assessment year 2031-2032	134.08	-
	<b>184.07</b>	<b>49.99</b>

## 32 Earnings Per Share (EPS) - The numerator and denominator used to calculate Basic and Diluted EPS :

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
i. Profit after Tax attributable to the Equity Shareholders	174.78	64.38
ii. Weighted average number of equity shares outstanding for the purpose of basic earnings per share	1,79,69,614	1,79,69,614
iii. Weighted average number of equity shares in computing diluted earnings per share	1,79,69,614	1,79,69,614
iv. Earnings per share on profit for the year (Face value ₹10/- per share)		
- Basic [(i) / (ii)]	9.73	3.58
- Diluted [(i) / (iii)]	9.73	3.58

**33** Miscellaneous Expenses included in "Note 30 - Other Expenses" includes expenditure incurred under Section 135 of the Companies Act, 2013 on Corporate Social Responsibility (CSR) activities and the same represents contributions for promoting health care, education and other expenses. Gross amount required to be spent by the Group is ₹Nil (Previous Year - ₹Nil) and amount spent during the year is ₹Nil (Previous Year - ₹0.35 millions).

**34** The Group has identified one business segment namely "Footwear and accessories" which is consistent with internal reporting provided to the Chairman and Managing Director who is the Chief Operating Decision Maker (CODM).

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

Disclosure required under Ind AS 108 “Operating Segments” for Companies with single segment are as follows

## Geographical information

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Revenue from external customers</b>		
- Within India	6,599.32	5,909.38
- Outside India	3.32	1.42
<b>TOTAL</b>	<b>6,602.64</b>	<b>5,910.80</b>

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Non-current assets*</b>		
- Within India	2,557.29	2,150.01
- Outside India	-	-
<b>TOTAL</b>	<b>2,557.29</b>	<b>2,150.01</b>

\* excludes financial assets, deferred tax assets, post-employment benefit assets.

The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

## 35 Contingent Liabilities in respect of -

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Claims not acknowledged as debts :</b>		
a. Sales Tax Matters under dispute	8.48	2.68
b. Income Tax Matters under dispute	1.62	1.62
c. Excise duty Matters under dispute	100.09	-

The claims disputed by the Group as above relate to issues of applicability and classification and it is not practicable for the Group to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the above.

**36** The Hon'ble National Company Law Tribunal, Kolkata Bench vide its order dated 6th January 2021, approved a Scheme of Arrangement under Sections 230-232 and other applicable provisions of the Companies Act, 2013 (“Scheme”). Pursuant to the Scheme, the entire undertaking of Tetenal Photochemie Private Limited, Photo Imaging Private Limited, Moviewallah Communications Private Limited and Knightsville Private Limited (“Transferor Companies”), together with all assets and liabilities relating thereto were amalgamated in Khadim Development Company Private Limited (“Transferee Group”) with appointed date being 1st October 2019. The said scheme became effective w.e.f. 8th September 2021, pursuant to which, all the shares of the Group held by the said transferor companies were transferred to Khadim Development Company Private Limited which hence became the holding company of Khadim India Limited.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 37 Commitments

Particulars	As at 31st March 2023	As at 31st March 2022
Capital Commitment (Net of capital advances - ₹0.73 millions; 31st March 2022 - ₹5.36 millions)	5.68	21.77

## 38 Employee Benefits

The Group has recognized, in the Consolidated Statement of Profit and Loss for the year ended 31st March 2023 an amount of ₹21.68 millions (Previous Year - ₹19.31 millions) as expenses under defined contribution plans (Employer's Contribution to Provident and Other Funds) under note 28.

### 38.1 Defined Benefit Plan

#### Description of Plans

The employees' gratuity fund scheme is managed by Life Insurance Corporation Of India (LIC) as a defined benefit plan. The present value of obligation is determined by actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

#### Risk Management

The Defined Benefit Plans expose the Group to risk of actuarial deficit arising out of investment risk, interest rate risk and salary cost inflation risk.

**Investment Risks:** This may arise from volatility in asset values due to market fluctuations and impairment of assets due to credit losses. These Plans primarily invest in debt instruments such as Government securities and highly rated corporate bonds - the valuation of which is inversely proportional to the interest rate movements.

**Interest Rate Risk:** The present value of Defined Benefit Plans liability is determined using the discount rate based on the market yields prevailing at the end of reporting period on Government Bonds. Decrease in yields will increase the fund liabilities and vice-versa.

**Salary Cost Inflation Risk:** The present value of the Defined Benefit Plan liability is calculated with reference to the future salaries of participants under the Plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

**Longevity Risk:** The present value of the Defined Benefit Plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.



# Notes to Consolidated Financial Statements

 for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

38.2

Particulars	Gratuity (Funded)	
	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>I. Components of Employer Expense</b>		
- recognized in Consolidated Statement of Profit and loss		
a. Current Service cost	4.00	4.07
b. Net Interest cost	(0.29)	(0.22)
<b>c. Total expense recognized in the Consolidated Statement of Profit and Loss</b>	<b>3.71</b>	<b>3.85</b>
- Re-measurements recognized in Other Comprehensive Income		
d. Return on plan assets (excluding amounts included in Net interest cost)	(0.13)	0.34
e. Effect of changes in financial assumptions	(0.55)	(0.75)
f. Effect of experience adjustments	(2.15)	(2.15)
<b>g. Total re-measurement gain included in Other Comprehensive Income</b>	<b>(2.83)</b>	<b>(2.56)</b>
<b>h. Total defined benefit cost recognized in Consolidated Statement of Profit and Loss and Other Comprehensive Income (c+g)</b>	<b>0.88</b>	<b>1.29</b>
The current service cost and net interest cost for the year pertaining to Gratuity expenses have been recognized in "Contribution to Provident and other funds" under Note 28. The remeasurements of the net defined benefit liability are included in Other Comprehensive Income .		
<b>II. Actual Returns</b>	<b>4.11</b>	<b>3.63</b>
<b>III. Changes in Defined Benefit Obligation (DBO)</b>		
a. Present value of DBO at the beginning of the year	51.98	54.39
b. Current Service Cost	4.00	4.07
c. Interest Cost	3.68	3.76
d. Re-measurement gains:		
- Effect of changes in financial assumptions	(0.55)	(0.75)
- Effect of experience adjustments	(2.15)	(2.15)
e. Benefits paid	(5.58)	(7.34)
<b>f. Present value of DBO at the end of the year</b>	<b>51.39</b>	<b>51.98</b>
<b>IV. Change in the Fair Value of Plan Assets</b>		
a. Plan Assets at the beginning of the year	58.14	60.57
b. Interest income	3.98	3.97
c. Re-measurement losses on plan assets	0.13	(0.34)
d. Actual Company contributions	1.55	1.28
e. Benefits paid	(5.58)	(7.34)
<b>f. Plan Assets at the end of the year</b>	<b>58.22</b>	<b>58.14</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>V. Net Asset recognized in Consolidated Balance Sheet</b>		
a. Present value of Defined Benefit Obligation	51.39	51.98
b. Fair value of Plan Assets	58.22	58.14
c. Funded Status [Surplus/(Deficit)]	6.83	6.16
<b>d. Net Asset recognized in Consolidated Balance Sheet</b>	<b>6.83</b>	<b>6.16</b>
- Current	6.83	6.16
- Non-Current	-	-
<b>VI. Best estimate of Employers' expected contribution for the next year</b>	<b>3.82</b>	<b>4.09</b>
<b>VII. Actuarial Assumptions</b>		
a. Discount Rate (%)	7.30%	7.10%
b. Salary Escalation	5.00%	5.00%
c. Mortality	Indian Assured Lives Mortality (2012-14) table ultimate	

The estimates of rate of escalation in salary considered in actuarial valuation take into account inflation, seniority, promotions and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

<b>VIII. Major Category of Plan Assets as a % of the Total Plan Assets</b>		
Gratuity - Funds managed by Insurer (LIC in Group Gratuity Scheme)	100%	100%

In the absence of detailed information regarding plan assets which is funded with Insurance Company, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

<b>IX. Net Asset recognized in Consolidated Balance Sheet (including experience adjustment impact)</b>		
Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Gratuity</b>		
Present value of DBO	51.39	51.98
Fair value of plan assets	58.22	58.14
Funded status [Surplus / (Deficit)]	6.83	6.15
Experience gain / (loss) adjustments on plan liabilities	2.15	2.15
Experience gain / (loss) adjustments on plan assets	0.13	(0.34)

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## X. Sensitivity Analysis

The sensitivity analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

Particulars	Gratuity - DBO as at	
	31st March 2023	31st March 2022
1. Discount rate + 100 basis points	47.60	47.83
2. Discount rate - 100 basis points	55.94	56.69
3. Salary increase rate + 1%	56.09	56.81
4. Salary increase rate - 1%	47.39	47.62

## XI. Maturity analysis of the benefit payments

Particulars	Gratuity	
	31st March 2023	31st March 2022
Year 1	2.62	3.22
Year 2	1.05	2.81
Year 3	1.36	3.60
Year 4	1.56	3.13
Year 5	3.03	4.00
Next 5 years	29.35	26.69

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 39 Related Party Disclosure as per requirements of Ind AS 24 on “Related Party Disclosures”

### A) List of Related Parties

Holding Company	Knightsville Private Limited (till 8th September 2021) [Refer Note 36] Khadim Development Company Private Limited (w.e.f 8th September 2021) [Refer Note 36]
Key Management Personnel (KMP)	Mr. Siddhartha Roy Burman - Chairman and Managing Director Mr. Ritoban Roy Burman, Non-Executive Director Dr. Indranath Chatterjee, Non-Executive Independent Director Prof. (Dr.) Surabhi Banerjee, Non-Executive Independent Director Mr. Alok Chauthmal Churiwala, Non-Executive Independent Director Mr. Rittick Roy Burman, Wholetime Director Ms. Namrata Ashok Chotrani, Chief Executive Officer (resigned w.e.f. 26th March 2023) Mr. Indrajit Chaudhuri, Chief Financial Officer Mr. Abhijit Dan, Company Secretary and Head Legal
Enterprises over which KMP and their relatives exercise significant influence	Khadim Development Company Private Limited (till 8th September 2021) Khadim Enterprises K.M. Khadim & Co. St. Marys' Clinic & Drug Stores Sheila Departmental Stores Private Limited Bee Tee Enterprise Khadim Estate Advisors Private Limited Storyscope Films Private Limited
Relatives of KMP	Mrs. Namita Roy Burman (Mother of Mr. Siddhartha Roy Burman)

### B) Particulars of transactions during the year ended 31st March 2023:

Particulars	For the year ended	
	31st March 2023	31st March 2022
<b>I) Holding Company #</b>		
a) Rent paid to Khadim Development Co. Pvt Ltd	-	0.84
b) Rent received from Khadim Development Co. Pvt Ltd	0.03	0.02
<b>II) Key Management Personnel ^</b>		
a) Remuneration		
- Mr. Siddhartha Roy Burman #	34.77	26.52
- Mr. Rittick Roy Burman	2.97	2.27
- Ms. Namrata Ashok Chotrani	7.91	6.31
- Mr. Indrajit Chaudhuri	4.50	3.45
- Mr. Abhijit Dan	2.76	52.91
		2.29
		40.83
b) Share based payments		
- Mr. Indrajit Chaudhuri	-	0.09
c) Rent paid to Mr. Siddhartha Roy Burman	0.08	0.08

# Notes to Consolidated Financial Statements

 for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

Particulars	For the year ended		For the year ended	
	31st March 2023		31st March 2022	
d) Sitting fees				
- Dr.Indranath Chatterjee	0.45		0.45	
- Prof.(Dr.) Surabhi Banerjee	0.47		0.47	
- Mr.Alok Chauthmal Churiwala	0.45		0.45	
- Mr.Ritoban Roy Burman	0.20	1.57	0.14	1.51
e) Commission				
- Dr.Indranath Chatterjee	0.30		0.20	
- Prof.(Dr.) Surabhi Banerjee	0.30		0.20	
- Mr.Alok Chauthmal Churiwala	0.30	0.90	0.20	0.60
<b>III) Enterprises over which KMP and their relatives exercise significant influence</b>				
a) Commission paid				
- Khadim Enterprises	0.21		0.19	
- Bee Tee Enterprises	0.54		0.49	
- Sheila Departmental Stores Pvt Ltd	0.55		0.36	
- St. Mary's Clinic & Drug Stores	0.11	1.41	0.07	1.11
b) Rent received				
- K M Khadim & Co.	0.01		0.03	
- Khadim Estate Advisors Pvt Ltd	0.03		0.03	
- Sheila Departmental Stores Pvt Ltd	0.02		0.02	
- Storyscope Films Private Limited	0.03	0.09	0.02	0.10
c) Rent paid to Khadim Estate Advisors Pvt Ltd		0.84		-
<b>IV) Relatives of Key Management Personnel</b>				
Remuneration				
- Mrs.Namita Roy Burman		1.44		1.38

Particulars	As at	As at
	31st March 2023	31st March 2022
<b>Outstanding Balances</b>		
<b>I) Holding Company</b>		
- Khadim Development Co Pvt Ltd	0.13	(0.23)
<b>II) Key Management Personnel</b>		
- Mr.Siddhartha Roy Burman	-	(3.05)
- Mr.Rittick Roy Burman	(0.21)	(0.27)
- Dr.Indranath Chatterjee	(0.27)	(0.18)
- Prof.(Dr.) Surabhi Banerjee	(0.27)	(0.18)
- Mr.Alok Chauthmal Churiwala	(0.27)	(0.18)
- Mr.Indrajit Chaudhuri	(0.42)	-
- Mr.Abhijit Dan	(0.19)	-

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>III) Enterprises over which KMP and their relatives exercise significant influence</b>		
- Khadim Enterprises	(0.15)	(0.15)
- Bee Tee Enterprises	(0.22)	(0.11)
- Sheila Departmental Stores Pvt Ltd	(0.70)	(0.40)
- St. Mary's Clinic & Drug Stores	0.21	0.31
- Khadim Estate Advisors Pvt Ltd	0.02	0.08
- Storyscope Films Private Limited	0.05	0.02

# Also refer Note 20.1 in respect of guarantees given for loans taken by the Company.

^ Post employment benefits are actuarially determined on overall basis and not included above.

## 40 Information in respect of Options granted under the Company's Employee Stock Option Scheme ('Scheme'):

Name of the Scheme	Khadim Employee Stock Option Plan 2017
i. Date of Shareholders' approval	17th June 2017
ii. Total number of Options approved under the Scheme	Options equivalent to 1,86,465 equity shares of ₹10/- each
iii. Vesting schedule	<p>The vesting period for conversion of Options is as follows:</p> <p>On completion of 12 months from the date of grant of the Options - 15% vests</p> <p>On completion of 24 months from the date of grant of the Options - 15% vests</p> <p>On completion of 36 months from the date of grant of the Options - 30% vests</p> <p>On completion of 48 months from the date of grant of the Options - 40% vests</p>
iv. Pricing formula	Closing market price on the day prior to the date of grant on stock exchange with highest trading volume
v. Maximum term of Options granted	5 years from the date of vesting
vi. Source of shares	Primary issuance
vii. Variation in terms of Options	None
viii. Method used for accounting of share-based payments plans	The employee compensation cost has been calculated using the fair value method of accounting for Options under the Company's Employee Stock Option Scheme. The employee compensation cost as per fair value method for the financial year 2022-23 is ₹Nil (Previous Year -₹0.54 millions).

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

Name of the Scheme	Khadim Employee Stock Option Plan 2017
ix. Nature and extent of employee share based payment plan that existed during the period including the general terms and conditions of the plan	Each option entitles the holder thereof to apply for and be allotted one equity share of ₹ 10 each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of five years from such date.
x. Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock	Weighted average exercise price per Option - ₹320 Weighted average fair value per Option - ₹310
xi. Option movements during the year:	
a. Options outstanding at the beginning of the year	34,560
b. Options granted during the year	-
c. Options cancelled and lapsed during the year	-
d. Options vested and exercisable during the year (net of Options lapsed and exercised)	-
e. Options exercised during the year	-
f. Number of equity shares of ₹ 10 each arising as a result of exercise of Options during the year	-
g. Options outstanding and exercisable at the end of the year	34,560
h. Money realised by exercise of the Options during the year	-
xii. Weighted average share price of shares arising upon exercise of Options	No options were exercised during the year
xiii. A description of the method used during the year to estimate the fair value of Options, the weighted average exercise price and weighted average fair value of Options granted	The fair value of each Option is estimated using the Black Scholes Option Pricing model Weighted average exercise price per Option - ₹320 Weighted average fair value per Option - ₹310
The significant assumptions used to ascertain the above	The fair value of each Option is estimated using the Black Scholes Option Pricing model after applying the following key assumptions on a weighted average basis: Risk-free interest rate - 8% Expected life - 6 years Expected volatility - 80% Dividend yield - 0% Fair market value of the underlying share in the market at the time of Option grant - ₹400

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

Name of the Scheme	Khadim Employee Stock Option Plan 2017
xiv. Methodology for determination of expected volatility	The volatility used in the Black Scholes Option Pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. The period considered for the working is based on the daily volatility of the stock prices on National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE) over a period prior to the date of grant corresponding with the expected life of the options.
xv. Options granted to	No options were granted during the year.
a. Key managerial personnel	Nil
b. Senior managerial personnel	Nil
c. Any other employee who received a grant on any one year of Options amounting to 5% or more of the Options granted during the year	Nil
d. Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant.	None

## 41 Financial Instruments and related disclosures

### A Capital Management

The Group aims at maintaining a strong capital base safeguarding business continuity and augments its internal generations with a judicious use of borrowing facilities to meet the requirements of working capital that arise from time to time as well as requirements to finance business growth. The Group is not subject to any externally imposed capital requirements.

### B Categories of Financial Instruments

Particulars	As at 31st March 2023		As at 31st March 2022	
	Carrying value	Fair value	Carrying value	Fair value
<b>I Financial assets</b>				
<b>a. Measured at amortised cost</b>				
Trade receivables	1,875.53	1,875.53	1,331.13	1,331.13
Cash and cash equivalents	64.30	64.30	31.13	31.13
Other bank balances	78.96	78.96	76.00	76.00
Other financial assets	305.06	305.06	285.02	285.02
<b>Total Financial assets</b>	<b>2,323.85</b>	<b>2,323.85</b>	<b>1,723.28</b>	<b>1,723.28</b>
<b>II Financial liabilities</b>				
<b>a. Measured at amortised cost</b>				
Lease liabilities	1,905.29	1,905.29	1,155.30	1,155.30
Borrowings	1,192.41	1,192.41	1,267.87	1,267.87
Trade payables	1,808.75	1,808.75	1,800.89	1,800.89
Other financial liabilities	128.09	128.09	126.85	126.85
<b>Total Financial liabilities</b>	<b>5,034.54</b>	<b>5,034.54</b>	<b>4,350.91</b>	<b>4,350.91</b>



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## C Financial risk management objectives

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group's financial risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. Backed by strong internal control systems, the current risk management framework rests on policies and procedures issued by appropriate authorities; process of regular reviews to set appropriate risk limits and controls; monitoring of such risks and compliance confirmation for the same.

### Interest rate risk

As majority of the financial assets and liabilities of the Group are either non-interest bearing or fixed interest bearing instruments, the Group's net exposure to interest risk is negligible.

### Price risk

The Group invests its short term funds primarily in debt mutual fund. Accordingly, these do not pose any significant price risk.

### Liquidity Risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. The Group consistently generated strong cash flows from operations by ensuring timely collections of its trade receivables and this together with the available cash and cash equivalents provides adequate liquidity in short terms as well in the long term.

The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date.

As at 31st March 2023	Carrying value	Less than 1 year	Between 1 to 5 years	Beyond 5 years	Total
Lease liabilities	1,905.29	220.72	931.12	753.45	1,905.29
Borrowings	1,192.41	1,073.93	118.48	-	1,192.41
Trade payables	1,808.75	1,808.75	-	-	1,808.75
Other financial liabilities	128.09	128.09	-	-	128.09
<b>Total</b>	<b>5,034.54</b>	<b>3,231.49</b>	<b>1,049.60</b>	<b>753.45</b>	<b>5,034.54</b>

As at 31st March 2022	Carrying value	Less than 1 year	Between 1 to 5 years	Beyond 5 years	Total
Lease liabilities	1,155.30	163.97	592.57	398.76	1,155.30
Borrowings	1,267.87	1,119.50	148.37	-	1,267.87
Trade payables	1,800.89	1,800.89	-	-	1,800.89
Other financial liabilities	126.85	126.85	-	-	126.85
<b>Total</b>	<b>4,350.91</b>	<b>3,211.21</b>	<b>740.94</b>	<b>398.76</b>	<b>4,350.91</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## Credit Risk

The Group's customer base is diverse limiting the risk arising out of credit concentration. Further, credit is extended in business interest in accordance with guidelines issued centrally and business-specific credit policies. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. Loss allowances and impairment are recognized, where considered appropriate by responsible management. The Group has adopted a simplified approach by computing the expected credit loss allowance for trade receivables based on a provision matrix taking into account historical credit loss experience.

The movement of the expected loss provision (allowance for bad and doubtful receivables) made by the Group are as under

Particulars	Expected Loss Provision	
	As at 31st March 2023	As at 31st March 2022
Opening Balance	60.16	57.88
Add: Provisions made (net)	-	2.28
Less: Provisions reversed (net)	2.23	-
<b>Closing Balance</b>	<b>57.93</b>	<b>60.16</b>

Of the trade receivables balance at the end of the year, ₹704 millions (31st March 2022: ₹326 millions) is due from two customers, which exceeded 20 per cent of gross financial assets at the end of the year. Management has assessed the recoverability and believes that the amount is fully recoverable. Apart from this, the Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

## Foreign currency Risk

The Company undertakes transactions denominated in foreign currency (mainly US Dollar, Euro and Pound Sterling) which are subject to the risk of exchange rate fluctuations. Financial assets and liabilities denominated in foreign currency are also subject to reinstatement risks.

The carrying amount of foreign currency denominated financial assets and liabilities, are as follows:

Particulars	As at 31st March 2023	As at 31st March 2022
	USD	USD
Financial assets	1.86	2.33
Financial liabilities	29.74	16.25

The forward exchange contracts that were outstanding on respective reporting dates (not designated under Hedge Accounting):

Particulars	Currency	Cross Currency	Buy
As at 31st March 2023	USD	Rupees	0.36
As at 31st March 2022	USD	Rupees	0.21

The aforesaid contracts have a maturity of less than 1 year from the year end.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 42 Fair value measurement

### Fair value hierarchy

Fair value of the financial instruments is classified in various hierarchies based on the following three levels:

**Level 1:** Quoted prices (unadjusted) in active market for identical assets or liabilities.

**Level 2:** Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

**Level 3:** Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, current investments, trade payables, other current financial assets and liabilities and short-term borrowings are considered to be equal to the carrying amounts of these items due to their short-term nature and accordingly not included in the below table. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Group has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Particulars	Fair value hierarchy (Level)	Fair value	
		As at 31st March 2023	As at 31st March 2022
<b>I Financial assets</b>			
<b>a. Measured at amortised cost</b>			
Other financial assets - Non-Current	3	212.68	176.11
<b>Total Financial assets</b>		<b>212.68</b>	<b>176.11</b>
<b>II Financial liabilities</b>			
<b>a. Measured at amortised cost</b>			
Borrowings - Non-Current	3	118.48	148.37
<b>Total Financial liabilities</b>		<b>118.48</b>	<b>148.37</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

## 43 Micro, Small and Medium scale business entities:

Details as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). This information has been determined to the extent such parties have been identified on the basis of information available with the Group

Sl. No.	Particulars	31st March 2023	31st March 2022
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
	Principal	Nil	Nil
	Interest	Nil	Nil
2	The amount of interest paid by the buyer in terms of section 16, of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
3	The amount of 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 the MSMED Act.	Nil	Nil
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
5	The amount of 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 for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	Nil	Nil

44 There are no material discrepancies between the quarterly returns and statements of current assets filed by the Group with banks and the books of accounts.

45 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

Name of the entity	Net Assets		Share in Profit		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Income	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
<b>Parent</b>								
Khadim India Limited	100.00%	2,252.16	100.17%	175.07	100.47%	2.12	100.17%	177.19
<b>Subsidiary</b>								
<b>Foreign</b>								
Khadim Shoe Bangladesh Limited	0.00%	0.06	-0.17%	(0.29)	-0.47%	(0.01)	-0.17%	(0.30)
<b>Total</b>	<b>100.00%</b>	<b>2,252.22</b>	<b>100.00%</b>	<b>174.78</b>	<b>100.00%</b>	<b>2.11</b>	<b>100.00%</b>	<b>176.89</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2023

(All amounts in Rupees millions, unless otherwise stated)

46 The consolidated financial statements were approved for issue by the Board of Directors on 23<sup>rd</sup> May 2023.

See accompanying notes to the financial statements.

For and on behalf of Board of Directors

**Siddhartha Roy Burman**  
Chairman & Managing Director  
DIN: 00043715

**Rittick Roy Burman**  
Wholetime Director  
DIN: 08537366

**Abhijit Dan**  
Company Secretary & Head - Legal  
Membership No.: ACS 21358

**Indrajit Chaudhuri**  
Chief Financial Officer  
Membership No.: FCA 61162

Place: Kolkata  
Date: 23<sup>rd</sup> May 2023

# Notice

NOTICE is hereby given that the 42<sup>nd</sup> (Forty-Second) Annual General Meeting ('AGM') of the Members of Khadim India Limited ("the Company") will be held on **Thursday, September 21, 2023 at 11:30 a.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")** to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2023 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ritoban Roy Burman (DIN: 08020765), who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS:

3. **Revision in remuneration of Mr. Rittick Roy Burman (DIN: 08537366), Whole-time Director of the Company**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in partial modification of the resolution passed by the Members of the Company at its 41<sup>st</sup> Annual General Meeting held on September 23, 2022 approving the re-appointment of Mr. Rittick Roy Burman (DIN: 08537366) as a Whole-time Director (also as a "Whole-time Key Managerial Personnel") of the Company and pursuant to the provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] and the applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and in accordance with the provisions of the Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and Board of Directors and subject to such other consents and permissions, as may be required, the approval of the Members of the Company be and is hereby accorded for revision in remuneration of Mr. Rittick Roy Burman (DIN: 08537366), Whole-time Director (also "Whole-time Key Managerial Personnel") with effect from April 01, 2023 for the remaining period of his tenure ending November 07, 2025, [including remuneration to be paid in the event of loss or inadequacy of profits in any financial year(s) during his tenure] and on such terms and conditions as set out below with liberty to the Board of Directors to vary, amend or revise the remuneration within the maximum ceiling of the Act or such other limits as may be prescribed from time to time and as may be agreed to between the Board of Directors and Mr. Rittick Roy Burman.

### I. Salary

Not exceeding ₹ 53,16,960/- (Rupees Fifty Three Lakh Sixteen Thousand Nine Hundred and Sixty Only) per annum. Further, the annual increments to the basic salary shall be as per the Company Rules and not exceeding 20% per annum on the last drawn basic salary.

### II. Performance Linked Incentive

Mr. Rittick Roy Burman shall be entitled to variable pay of not exceeding ₹ 9,00,000/- (Rupees Nine Lakh Only) per annum based on his performance as per the Company Rules.

**RESOLVED FURTHER THAT** save and except as aforesaid, the Special Resolution as approved and passed by the Members at the 41<sup>st</sup> Annual General Meeting dated September 23, 2022 with respect to the re-appointment of Rittick Roy Burman (DIN: 08537366), as a Whole-time Director (also as a "Whole-time Key Managerial Personnel") shall continue to remain in full force and effect."

## Notice

4. **Re-appointment of Mr. Siddhartha Roy Burman (DIN: 00043715) as a Chairman & Managing Director (also as a “Whole-time Key Managerial Personnel”) of the Company**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the “Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] and the applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and the Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and Board of Directors and subject to such other consents and permissions, as may be required, the approval of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Siddhartha Roy Burman (DIN: 00043715), as a Chairman & Managing Director (also as a “Whole-time Key Managerial Personnel”) of the Company, for a further period of 3 (Three) years with effect from April 01, 2024 till March 31, 2027 (both days inclusive) at such remuneration [including remuneration to be paid in the event of loss or inadequacy of profits in any financial year(s) during the tenure of his re-appointment] and on such terms and conditions as set out in the explanatory statement annexed hereto with liberty to the Board of Directors to vary, amend or revise the remuneration within the maximum ceiling and the terms and conditions of the said re-appointment in accordance with the provisions of the Act and as may be agreed to between the Board of Directors and Mr. Siddhartha Roy Burman.”

5. **Payment of commission to Independent Directors of the Company for the financial year ended March 31, 2023**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 149(9), 197 and 198 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as “the Act”) and rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and Regulation 17(6)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Articles of Association of the Company and subject to all other applicable approval(s) as may be required, the consent of the Members of the Company be and is hereby accorded for payment of commission of ₹ 3,00,000/- (Rupees Three Lakh Only) to each of the Independent Directors of the Company for the financial year ended March 31, 2023 in addition to the fees / reimbursement of expenses (if any) for attending the meetings of the Board and its Committees.”

By Order of the Board of Directors

**Abhijit Dan**

Company Secretary & Head – Legal  
Membership No.: A21358

Date: May 23, 2023  
Place: Kolkata

# Notice

## NOTES:

1. Pursuant to the General Circular No. 20/2020 dated May 05, 2020 read with General Circular No. 14/2020 dated April 08, 2020, No. 17/2020 dated April 13, 2020, No. 02/2021 dated January 13, 2021, No. 21/2021 dated December 14, 2021, No. 02/2022 dated May 05, 2022 and No. 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs (MCA) (hereinafter collectively referred to as "the MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as "the SEBI Circulars"), the listed Companies are allowed to hold AGM through VC / OAVM without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (as amended) ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the MCA Circulars and the SEBI Circulars, the AGM of the Company will be held through VC / OAVM.
2. The relevant Explanatory Statement pursuant to Section 102 of the Act and Rules framed thereunder, in respect of the Special Business to be transacted during the meeting is enclosed herewith and marked as **Annexure-I**. The recommendation of the Board of Directors of the Company in terms of Regulation 17(11) of the Listing Regulations is also provided in the said Statement.
3. The information as required under Regulation 36(3) of the Listing Regulations and the Secretarial Standard on General Meetings (SS-2), issued by the Institute of Company Secretaries of India, relating to the business item No. 2, 3 & 4 is enclosed herewith and marked as **Annexure-II**.
4. Since the AGM will be held through VC / OAVM facility, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not enclosed to this Notice.
5. As per the provisions of the MCA Circulars, Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. In case of Joint-holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to attend and vote during the AGM.
7. Corporate members are requested to send to the Company at [compliance@khadims.com](mailto:compliance@khadims.com), a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the AGM.
8. Since the AGM will be held through VC / OAVM, the Route Map of the AGM venue is not enclosed to this Notice.
9. **Procedure for inspection of documents by the Members:**

The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Act, shall be made electronically available for inspection by the Members during the AGM upon login at NSDL e-voting system at <https://www.evoting.nsdl.com>.

All documents referred to in the Notice and the Explanatory Statement shall also be available for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e., Thursday, September 21, 2023 at 11:30 a.m. Members seeking to inspect such documents can send an e-mail to [compliance@khadims.com](mailto:compliance@khadims.com) mentioning their names, folio numbers / demat account numbers and contact numbers.

10. To support the "Green Initiative", Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices and Circulars etc. from the Company electronically.



## Notice

11. Pursuant to Section 91 of the Act read with Rule 10 of the Companies (Management and Administration) Rules, 2014 and Regulation 42 of the Listing Regulations, the Register of Members and the Share Transfer Books of the Company will remain closed from Friday, September 15, 2023 till Thursday, September 21, 2023 (both days inclusive) for the purpose of the AGM of the Company.
12. Members are requested to quote the ledger folio / DP ID and Client ID in all communication with the Company.
13. Members are requested to:
  - a) intimate to the Secretarial Department / Company's Registrar and Transfer Agent, Link Intime India Private Limited (LIPL), changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc. in prescribed Form ISR-1 and other forms (available on the Company's website at <https://www.khadims.com/information-for-holders-of-physical-securities>) pursuant to SEBI Circular dated March 16, 2023, in case of shares held in physical form; and
  - b) intimate to the respective Depository Participant, changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., in case of shares held in dematerialized form.
14. In accordance with Section 72 of the Companies Act, 2013 and SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, the facility for making nomination is available for the Members in respect of the shares held by them. Members are requested to submit the said details to LIPL in case the shares are held in physical form and to their respective DP in case the shares are held by them in dematerialized form.
15. **Procedure for registration as speakers / seek clarification:**
  - a) Members willing to express their views or ask questions during the AGM are required to register themselves as speakers by sending their requests, preferably from Monday, September 11, 2023 (10:00 a.m. IST) to Thursday, September 14, 2023 (5:00 p.m. IST), at [compliance@khadims.com](mailto:compliance@khadims.com) from their registered e-mail addresses, mentioning their names, folio numbers / demat account numbers, PAN details and mobile numbers. Only those Members who have registered themselves as speakers will be allowed to express their views / ask questions during the AGM. The Company / the Chairman of the Meeting reserves the right to restrict the number of questions, time allotted and number of speakers to ensure smooth conduct of the AGM.
  - b) Any Member desirous of receiving any information on the Financial Statements or Operations of the Company is requested to forward his / her query(ies) to the Company through e-mail at [compliance@khadims.com](mailto:compliance@khadims.com), mentioning his / her name, folio numbers / demat account numbers, e-mail addresses and mobile numbers, at least seven working days prior to the AGM, so that the required information can be made available during the AGM.
16. As per Regulation 12 of the Listing Regulations read with Schedule - I to the said Regulations, it is mandatory for all the Companies to use bank details furnished by the investors for distributing dividends, interests, redemption or repayment amounts to them through National / Regional / Local Electronic Clearing Services (ECS) or Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT), National Automated Clearing House (NACH) wherever ECS / RTGS / NEFT / NACH and bank details are available. In the absence of electronic facility, Companies are required to mandatorily print bank details of the investors on 'payable-at-par' warrants, cheques or demand draft for distribution of Dividends or other cash benefits to the investors. In addition to that, if bank details of investors are not available, Companies shall mandatorily print the address of the investor on such payment instruments.

Therefore, Members holding shares in physical mode, if any, are requested to update their bank details with the Company or RTA immediately. Members holding shares in demat mode are requested to record the ECS mandate with their DPs concerned.

# Notice

17. The Company has uploaded the details of unpaid and unclaimed dividend lying with the Company on the website of the Company [www.khadims.com](http://www.khadims.com). Members wishing to claim dividends that remain unclaimed / unpaid are requested to correspond with the RTA as mentioned above, or with the Secretarial Department. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.

The due dates for transfer of the unclaimed / unpaid dividend relating to subsequent years to IEPF are as follows:

Dividend for the financial year ended	Due dates for transfer to IEPF
March 31, 2018	October 12, 2025
March 31, 2019	September 11, 2026

18. In compliance with the MCA Circulars and the aforesaid SEBI Circular dated January 05, 2023, Notice of the AGM along with the Annual Report is being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories / RTA. Members may note that the Notice and Annual Report will also be available on the website of the Company viz., [www.khadims.com](http://www.khadims.com) and on the websites of the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com). The Notice will also be available on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
19. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. issue of duplicate securities certificate; claim from unclaimed suspense account; renewal / exchange of securities certificate; endorsement; sub-division / splitting of securities certificate; consolidation of securities certificates / folios; transmission and transposition.

Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website at <https://www.khadims.com/information-for-holders-of-physical-securities> and on the RTA's website at <https://linkintime.co.in/>. It may be noted that any service request can be processed only after the folio is KYC Compliant.

In view of this, members holding shares in physical form, if any, are requested to consider converting their holdings to dematerialized form. Members can contact the Company or RTA in this regard.

**20. Procedure for attending the AGM through VC / OAVM:**

- Members will be able to attend the AGM through VC / OAVM through the NSDL e-voting system.
- The facility of joining the AGM through VC / OAVM will be opened 15 minutes before and will remain open upto 15 minutes after the scheduled start time of the AGM, i.e. from 11:15 a.m. IST to 11:45 a.m. IST and will be available for 1,000 Members on a first-come first-served basis. This restriction would however not apply to participation of shareholders holding 2% or more shareholding of the Company, promoters, institutional investors, directors, key and senior managerial personnel, auditors, scrutinizer, etc.
- The instructions to attend the AGM through VC / OAVM is enclosed herewith and marked as **Annexure-III** and the same shall form part of this Notice.

**21. Voting through electronic means:**

- As per the provisions of Section 108 and other applicable provisions, if any, of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 and amendments thereto, read with the MCA Circulars and Regulation 44 of the Listing Regulations, the Company is pleased to facilitate its Members to

## Notice

transact business of the AGM of the Company by voting through electronic means. For this, the Company has engaged the services of NSDL having office at Trade World, A wing, 4<sup>th</sup> Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013, to provide remote e-voting services and e-voting facility during the AGM, who are holding the shares as on the cut-off date.

- b) **The remote e-voting period commences at 9:00 a.m. IST on Monday, September 18, 2023 and ends at 5:00 p.m. IST on Wednesday, September 20, 2023.** During this period, the Members of the Company, holding shares either in physical or dematerialized mode, as on the **cut-off date i.e., Thursday, September 14, 2023** may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
  - c) The facility for voting through electronic means shall be made available during the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be able to exercise their right during the AGM through electronic voting system. However, Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - d) The instructions to cast votes through remote e-voting and through e-voting system during the AGM is enclosed herewith and marked as **Annexure-IV** and the same shall form part of this Notice.
22. In order to scrutinize the e-voting process in a fair and transparent manner, Mr. A.K. Labh (FCS - F4848, CP No. 3238) of M/s. A.K. Labh & Co., Company Secretaries, Kolkata, has been appointed by the Board of Directors of the Company as the Scrutinizer.
23. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through electronic voting system provided during the AGM and remote e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, not later than 3 (Three) days of conclusion of the AGM or within 2 (Two) working days of conclusion of the AGM, whichever is earlier. The Scrutinizer thereafter shall submit the said Report to the Chairman or a person authorized by him in writing who shall countersign the same and declare within the stipulated time, the results of the voting forthwith. The resolution(s) shall be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes.
24. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company i.e., [www.khadims.com](http://www.khadims.com) and on the website of NSDL immediately after the results are declared by the Chairman or a person authorised by him in writing. The same shall be communicated by the Company to the stock exchanges i.e., BSE Limited and National Stock Exchange of India Limited.

# Notice

## Annexure-I

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

#### Item No. 3

The Members of the Company, vide its 41<sup>st</sup> Annual General Meeting held on September 23, 2022, had approved the re-appointment of Mr. Rittick Roy Burman (DIN: 08537366) as a Whole-time Director (also as a "Whole-time Key Managerial Personnel") post completion of his term of initial period of 3 (Three) years, for a further period of 3 (Three) years with effect from November 08, 2022 till November 07, 2025 (both days inclusive).

On due recommendation of the Nomination and Remuneration Committee and based on his managerial experience in different segments of operations in the Company, professional skill, knowledge, continued valuable guidance to the management and the contributions made by Mr. Rittick Roy Burman towards the growth of the Company coupled with additional responsibilities casted on Mr. Rittick Roy Burman, particularly post submission of the resignation by Ms. Namrata Ashok Chotrani as CEO on December 23, 2022 effective March 23, 2023, the Board has, subject to the approval of the Members, approved the increase in remuneration of Mr. Rittick Roy Burman with effect from April 01, 2023 for the remaining period of his tenure ending November 07, 2025.

The proposed remuneration package of Mr. Rittick Roy Burman is at par with the industry standards considering the size, volume and nature of business of the Company and the responsibilities casted on him as a Whole-time Director of the Company.

The following additional information as required under Section II of Part II of Schedule V of the Act are given below:

#### I. General Information

##### 1. Nature of Industry:

Footwear Manufacturing, Retailing and Wholesaling.

##### 2. Date or expected date of Commencement of Commercial production:

Not applicable, the Company is an existing Company.

##### 3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not applicable.

##### 4. Financial performance based on given indicators:

Please refer audited accounts for the financial year ended March 31, 2023.

##### 5. Foreign Investment or collaborations, if any:

No such investment or collaboration yet.

#### II. Information about Mr. Rittick Roy Burman:

Particulars	Mr. Rittick Roy Burman
Background Details	<p>Mr. Rittick Roy Burman is a member of the Promoter Group, Whole-time Director (also "Whole-time Key Managerial Personnel") of the Company.</p> <p>Post his Graduation, he worked with the Company for 3 (Three) years in various departments to gain an overall understanding of the business. Prior to his appointment as a Whole-time Director, he acted as Head - Merchandising &amp; New Initiative, taking care of the long-term strategy of the organisation and drive new initiatives, ventures and merchandising of the Company.</p>

## Notice

Particulars	Mr. Rittick Roy Burman
	He holds a Bachelor's Degree in Commerce from the University of Calcutta. He completed his further studies in Berkeley, University of California as a Management Graduate.
Past Remuneration	₹ 2.97 million for the financial year ended March 31, 2023.
Recognition and Award	The Company incorporated Khadim Shoe Bangladesh Limited, a wholly-owned subsidiary in Bangladesh for the purpose of venturing into the footwear domain of the said neighbouring country under the able leadership of Mr. Rittick Roy Burman.
Job profile and his suitability	To look after the overall Management of the Company in association with the Chairman & Managing Director.
Remuneration proposed	As mentioned above.
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	<p>The proposed remuneration commensurate with respect to the industry standard and on account of the varied experience of Mr. Rittick Roy Burman in the Footwear Industry.</p> <p>The proposed remuneration is determined based on the recommendations of the Nomination and Remuneration Committee.</p>
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:	<p>No pecuniary relationship with the Company except the contractual payments mentioned above and also whatever disclosed in the Notes to the Audited Financial Statements of the Company for the financial year ended March 31, 2023 under the head Related Party disclosure.</p> <p>He is the son of Mr. Siddhartha Roy Burman, Chairman &amp; Managing Director and brother of Mr. Ritoban Roy Burman, Non - Executive, Non - Independent Director.</p>

### III. Other Information

#### a. Reasons for loss or inadequate profits:

The Company has achieved profit for the financial year ended March 31, 2023. However, the financial and operational performance of the Company may be impacted considering the uncertainties and challenges posed by resurgence of Covid-19 Pandemic or any other reasons. Hence, there may be inadequate profits or no profits during the tenure of Mr. Rittick Roy Burman and in such event Mr. Rittick Roy Burman would require to be compensated adequately considering the abilities and rich experience possessed by him.

#### b. Steps taken or proposed to be taken for improvement:

The Company is improving capacity utilization to the optimum level for all its plants for attaining economies of scale. The Company has increased its concentration towards online sales through effective marketing activities. Furthermore, the Company is also focused towards enhancing its omni-channel sales network by interlinking its e-commerce platform and stores across the country. Additionally, the Company is in frequent interaction with the customers and other stakeholders through digital communication via WhatsApp, Instagram, Facebook etc.

#### c. Expected increase in productivity and profits in measurable terms:

After taking steps as stated above, the Company shall be in a position to strengthen its capabilities as well as address the future opportunities in India and other markets of choice. The above measures undertaken are expected to yield positive results and improve the financial performance of the Company in the coming years.

# Notice

## IV. Disclosures

The requisite details of remuneration payable to Mr. Rittick Roy Burman are included in the Corporate Governance Report, forming part of the Board's Report of FY 2022-23 of the Company.

The Board recommends the Special Resolution set out at Item No. 3 for approval of the shareholders.

All relevant documents concerning revision in remuneration of Mr. Rittick Roy Burman, Whole-time Director, shall be open for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e., Thursday, September 21, 2023.

Except Mr. Rittick Roy Burman (Self), Mr. Siddhartha Roy Burman (Father), Mr. Ritoban Roy Burman (Brother) and their relatives, none of the Directors, Key Managerial Personnel of the Company or their relatives is deemed to be interested or concerned, financially or otherwise in the said resolution.

### Item No. 4

The Members of the Company, vide its 38<sup>th</sup> Annual General Meeting held on August 08, 2019, had approved the re-appointment of Mr. Siddhartha Roy Burman (DIN: 00043715) as a Chairman & Managing Director (also "Whole-time Key Managerial Personnel") for a period of 5 (Five) years with effect from April 01, 2019 till March 31, 2024 (both days inclusive).

The Board has, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members, approved the re-appointment of Mr. Siddhartha Roy Burman, Chairman & Managing Director, post completion of his term, for a further period of 3 (Three) years with effect from April 01, 2024 till March 31, 2027 (both days inclusive).

Mr. Siddhartha Roy Burman holds 14,65,149 equity shares (8.15%) of the Company as on the date of the Notice.

Mr. Siddhartha Roy Burman has given his consent to act as a Director of the Company, along with a declaration in Form DIR - 8 stating that he is not disqualified from being re-appointed as a Chairman & Managing Director in terms of Section 164 of the Act. He satisfies all the conditions as set out in Section 196(3) of the Act and Part-I of Schedule V to the Act, for being eligible for his re-appointment.

The broad terms and conditions of the proposed re-appointment of and remuneration to Mr. Siddhartha Roy Burman are mentioned below:

### Remuneration

Subject to the overall limits laid down in Section 197 and other applicable provisions of the Act read with Schedule - V thereto and / or any re-enactment(s) or amendment(s) thereof, Mr. Siddhartha Roy Burman shall be entitled to receive from the Company the following remuneration:

#### I. Salary

Not exceeding ₹ 24,75,000/- (Rupees Twenty Four Lakh Seventy Five Thousand Only) per month. Further, the annual increment to the basic salary shall be as per the Company Rules and not exceeding 20% per annum on the last drawn basic salary.

#### II. Performance Linked Incentive & Commission

Subject to the provisions of the Companies Act, 2013, Mr. Siddhartha Roy Burman shall be entitled to get Commission not exceeding 1% of the net profits of the Company computed in the manner laid down in Section 197 and 198 of the Act, as per the recommendation of the Nomination & Remuneration Committee (NRC) and the Board of Directors. The said amount of commission payable to Mr. Siddhartha Roy Burman will be based on his performance as evaluated by the NRC or the Board and approved by the Board and will be payable annually after the annual accounts have been approved by the Board.

#### III. Perquisites

In addition to the salary and incentives mentioned above, the following perquisites would be provided:

## Notice

- i. Car:**

One Company owned and maintained, chauffer driven car.
- ii. Medical Facilities:**
  - a. Routine and Domiciliary Expenses**

Not exceeding 10% of Basic Salary for self, spouse and dependent members of his family.
  - b. Hospitalization Expenses**

To be borne by the Company, in India and abroad.
- iii. Assets Provided by the Company:**

Depreciation on such assets or cost of hiring of such assets, as may be applicable, not exceeding 10% of Basic Salary.
- iv. Telephone and Broad Band Facilities at Residence**

Telephone and broad band connections at residence would be maintained by the Company and the actual expenses towards its usage would be re-imbursed.
- v. Mobile Expenses:**

As per Company Rules.
- vi. Leave Travel Compensation (LTC) for self and family**

LTC will be given at the rate of 12% of yearly Basic Salary payable per year.
- vii.** All other benefits as per the Policy of the Company from time to time.

#### IV. Retiral Benefits

- i. Gratuity:**

As per Company Rules read with the Payment of Gratuity Act, 1972.
- ii. Provident Fund:**

As per Company Policy read with Employees' Provident Funds and Miscellaneous Provisions Act, 1952, unless Mr. Siddhartha Roy Burman opts not to participate in the scheme.
- iii. Earned / Privilege leave:**

As per Company Rules.
- iv. Leave Encashment:**

Mr. Siddhartha Roy Burman shall be entitled to accumulate his leave up to 90 days and shall be entitled to en-cash the unutilized leave at the end of his current tenure. In case of his further re-appointment, Mr. Siddhartha Roy Burman shall be entitled to carry the leave standing to his credit at the time of such renewal instead of en-cashing it. However, irrespective of the number of renewals, Mr. Siddhartha Roy Burman shall be entitled to accumulate a maximum of 240 days of leave.
- v.** The emoluments and benefits shall be subject to taxes as may be applicable. The Board or its constituted Committee may review from time to time the above remuneration subject to the approval of the Members of the Company.

# Notice

## V. Minimum Remuneration

In the event of absence or inadequacy of profits of the Company in any financial year, Mr. Siddhartha Roy Burman shall be entitled to receive such minimum remuneration as specified above, subject to the applicable provisions of the Companies Act, 2013. Such minimum remuneration can be payable during the tenure of his re-appointment in case of loss or inadequacy of profit.

## VI. Sitting Fees

Mr. Siddhartha Roy Burman shall not be entitled to receive any sitting fees from the Company for attending meetings of the Board of Directors or any Committee thereof during the tenure of his re-appointment.

The following additional information as required under Section II of Part II of Schedule V of the Act are given below:

### I. General Information

#### 1. Nature of Industry:

Footwear Manufacturing, Retailing and Wholesaling.

#### 2. Date or expected date of Commencement of Commercial production:

Not applicable, the Company is an existing Company.

#### 3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not applicable.

#### 4. Financial performance based on given indicators:

Please refer audited accounts for the financial year ended March 31, 2023.

#### 5. Foreign Investment or collaborations, if any:

No such investment or collaboration yet.

### II. Information about Mr. Siddhartha Roy Burman:

Particulars	Mr. Siddhartha Roy Burman
Background Details	<p>Mr. Siddhartha Roy Burman has been associated with the Company since its incorporation and has 40 years of experience in all segments of Footwear Industry and is responsible for the overall strategic decision - making of the Company and provides leadership to all operations.</p> <p>He holds a Bachelor's Degree in Commerce from the University of Calcutta.</p>
Past Remuneration	₹ 34.77 million for the financial year ended March 31, 2023.
Recognition and Award	<p>Under the able leadership of Mr. Siddhartha Roy Burman, the revenue of the Company clocked a healthy growth of 11.7% in FY 23.</p> <p>The Company was chosen as the winner of the 'e4m Pride of India - The Best of Bharat' Awards 2022 by the Editorial Board of exchange4media and IMPACT Weekly Magazine.</p> <p>The Company was also felicitated with India's Retail Champions Award 2022 in the footwear category during the Retail Leadership Summit (RLS) 2022, in April 2022, organized by Retailers Association of India (RAI).</p>



## Notice

Particulars	Mr. Siddhartha Roy Burman
Job profile and his suitability	Overall Management of the Company.  Being the Key Driver of the business of the Company, Mr. Siddhartha Roy Burman is the most suitable person to continue as such.
Remuneration proposed	As mentioned above.
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The proposed remuneration commensurate with respect to the industry standard and on account of rich and varied experience of Mr. Siddhartha Roy Burman in the Footwear Industry.  The proposed remuneration is determined based on the recommendations of the Nomination and Remuneration Committee.
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel or other Director, if any:	No pecuniary relationship with the Company except the contractual payments mentioned above and also whatever disclosed in the Notes to the Audited Financial Statements of the Company for the financial year ended March 31, 2023 under the head Related Party disclosure.  He is the father of Mr. Ritoban Roy Burman, Non - Executive, Non - Independent Director and Mr. Rittick Roy Burman, Whole-time Director.

### III. Other Information

**a. Reasons for loss or inadequate profits:**

The Company has achieved profit for the financial year ended March 31, 2023. However, the financial and operational performance of the Company may be impacted considering the uncertainties and challenges posed by resurgence of Covid-19 Pandemic or any other reasons. Hence, there may be inadequate profits or no profits during the tenure of Mr. Siddhartha Roy Burman and in such event Mr. Siddhartha Roy Burman would require to be compensated adequately considering the abilities and rich experience possessed by him.

**b. Steps taken or proposed to be taken for improvement:**

The Company is improving capacity utilization to the optimum level for all its plants for attaining economies of scale. The Company has increased its concentration towards online sales through effective marketing activities. Furthermore, the Company is also focused towards enhancing its omni-channel sales network by interlinking its e-commerce platform and stores across the country. Additionally, the Company is in frequent interaction with the customers and other stakeholders through digital communication via WhatsApp, Instagram, Facebook etc.

**c. Expected increase in productivity and profits in measurable terms:**

After taking steps as stated above, the Company shall be in a position to strengthen its capabilities as well as address the future opportunities in India and other markets of choice. The above measures undertaken are expected to yield positive results and improve the financial performance of the Company in the coming years.

### IV. Disclosures

The requisite details of remuneration payable to Mr. Siddhartha Roy Burman are included in the Corporate Governance Report, forming part of the Board's Report of FY 2022-23 of the Company.

Name of the Companies in which Mr. Siddhartha Roy Burman holds directorship other than the Company are:

Sl. No.	Name of the Company	Designation
1.	Khadim Development Company Private Limited	Director
2.	Sheila Departmental Store Private Limited	Director
3.	Khadim Estate Advisors Private Limited	Director

# Notice

In accordance with the provisions of Sections 196, 197 and other applicable provisions of the Act, read with Schedule V to the said Act, the re-appointment of Mr. Siddhartha Roy Burman as Chairman & Managing Director and the terms of remuneration payable to him requires approval of the Members by passing a Special Resolution.

The Board recommends the Special Resolution set out at Item No. 4 for approval of the shareholders.

The Company has received a Notice in writing under Section 160 of the Act from a Member proposing the said re-appointment of Mr. Siddhartha Roy Burman.

All relevant documents concerning re-appointment of Mr. Siddhartha Roy Burman as Chairman & Managing Director shall be open for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e., Thursday, September 21, 2023.

Except Mr. Siddhartha Roy Burman (self), Mr. Ritoban Roy Burman (son) and Mr. Rittick Roy Burman (son) and their relatives, none of the Directors, Key Managerial Personnel of the Company or their relatives is deemed to be interested or concerned, financially or otherwise in the said resolution.

The brief profile of Mr. Siddhartha Roy Burman as per the requirements of the Act and the Listing Regulations and the rules made thereunder and the Secretarial Standard on General Meetings is given in Annexure-II, which forms part of the notes to the Notice.

## Item No. 5

The Independent Directors enrich the Company with their knowledge, skills, expertise, independent perspective, strategies and experience. Their valuable guidance goes a long way towards the smooth functioning of the Board.

With the competitive business environment and enhanced corporate governance requirements, increased responsibilities and duties of the Directors under the Companies Act, 2013 and the various SEBI Regulations, the role of the Board, particularly the Independent Directors, have become more arduous, requiring enhanced level of decision-making ability, greater time commitments and focus.

In view of the above, the Board of Directors of the Company at its meeting held on May 23, 2023 has approved the payment of commission of ₹ 3,00,000/- (Rupees Three Lakh Only) to each of the Independent Directors of the Company for the financial year ended March 31, 2023 in addition to the fees for attending the meetings of the Board and its Committees, subject to the approval of the Members.

The amount of commission is determined by the Board of Directors as per Remuneration policy of the Company.

In the opinion of the Board of Directors, the commission proposed to be paid to Independent Directors is reasonable and justify the expertise, skill, knowledge, experience, guidance and time devoted by Independent Directors for the business affairs of the Company. The Board of Directors recommend passing of this resolution as set out in Item No. 5 of this Notice.

Dr. Indra Nath Chatterjee, Prof. (Dr.) Surabhi Banerjee and Mr. Alok Chauthmal Churiwala, being Independent Directors, may be considered as concerned or interested in this matter. No other Director, Key Managerial Personnel of the Company or their relatives are concerned or interested (financially or otherwise), in the proposed resolution to be passed as an Ordinary Resolution.

By Order of the Board of Directors

Date: May 23, 2023  
Place: Kolkata

**Abhijit Dan**  
Company Secretary & Head – Legal  
Membership No.: A21358

# Notice

## Annexure-II

### INFORMATION ON DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AND REVISION IN REMUNERATION AT THE FORTHCOMING AGM

[Pursuant to Regulation 36(3) of the Listing Regulations, as amended and Secretarial Standard on General Meetings (SS-2)]

Particulars	(Item No. 2)	(Item No. 3)	(Item No. 4)
<b>Name of the Director</b>	<b>Mr. Ritoban Roy Burman (DIN: 08020765)</b>	<b>Mr. Rittick Roy Burman (DIN: 08537366)</b>	<b>Mr. Siddhartha Roy Burman (DIN: 00043715)</b>
Date of Birth	04/06/1992	04/06/1992	19/11/1961
Age	31 Years	31 Years	61 Years
Nationality	Indian	Indian	Indian
Qualifications	Bachelor's degree in Mass Communication from St. Xaviers College, Kolkata.	Bachelor's degree in Commerce from the University of Calcutta and Management Graduate from University of California.	Bachelor's degree in Commerce from the University of Calcutta.
Experience and expertise in specific functional areas	Mr. Ritoban Roy Burman joined the Company in 2013 as Manager - Marketing and worked till November 30, 2017. He has a good exposure in various aspects of footwear marketing.	Mr. Rittick Roy Burman joined the Company in 2013 as Manager - Operations. He was working as Head - Merchandising & New Initiative, prior to his appointment as a Whole-time Director. He has a varied exposure in business operations.	Mr. Siddhartha Roy Burman has an overall experience of 40 years in all segments of Footwear Industry. His expertise include streamlining of operations, processes, HR initiatives and most importantly Brand building. He has great contribution in developing the manufacturing division of the Company.
Date of first appointment on the Board	14/12/2017	08/11/2019	01/04/2005
Shareholding in the Company (including shareholding as a beneficial owner)	NIL	Mr. Rittick Roy Burman holds 3,850 equity shares (0.0214 %) of the Company in individual capacity.	Mr. Siddhartha Roy Burman holds 14,65,149 equity shares (8.15 %) of the Company in individual capacity.
Relationship with other Directors, Manager or with KMPs	Son of Mr. Siddhartha Roy Burman, Chairman & Managing Director and brother of Mr. Rittick Roy Burman, Whole-time Director.	Son of Mr. Siddhartha Roy Burman, Chairman & Managing Director and brother of Mr. Ritoban Roy Burman, Non - Executive, Non -Independent Director.	Father of Mr. Ritoban Roy Burman, Non -Executive, Non - Independent Director and Mr. Rittick Roy Burman, Whole-time Director.
Number of meetings attended during the financial year 2022-23	Number of Meetings held: 6 Number of Meetings attended: 6	Number of Meetings held: 6 Number of Meetings attended: 6	Number of Meetings held: 6 Number of Meetings attended: 6
List of outside Directorships held in other Public Companies (excluding foreign Companies and Companies under Section 8 of the Companies Act, 2013)	None	None	None

# Notice

Particulars	(Item No. 2)	(Item No. 3)	(Item No. 4)
<b>Name of the Director</b>	<b>Mr. Ritoban Roy Burman (DIN: 08020765)</b>	<b>Mr. Rittick Roy Burman (DIN: 08537366)</b>	<b>Mr. Siddhartha Roy Burman (DIN: 00043715)</b>
The Listed entity from which Director has resigned in last three years	None	None	None
Chairman / member of the Committees of Board of Directors of other companies in which he is a Director #	None	None	None
Terms and conditions of Appointment or Re-appointment and revision in remuneration	Mr. Ritoban Roy Burman who was appointed as Non - Executive, Non - Independent Director with effect from December 14, 2017 and whose appointment had been confirmed at the Annual General Meeting held on September 06, 2018, is liable to retire by rotation.	As per the resolution (Item No. 3), it is proposed to revise the remuneration of Mr. Rittick Roy Burman with effect from April 01, 2023 for the remaining period of his tenure ending November 07, 2025.	As per the resolution (Item No. 4) of the Notice convening this Meeting read with Explanatory Statements thereto, Mr. Siddhartha Roy Burman is proposed to be re-appointed as a Chairman & Managing Director, for a further period of 3 (Three) years with effect from April 01, 2024 till March 31, 2027 (both days inclusive).
Remuneration proposed to be paid	He is entitled to Commission, if any, and sitting fees for attending meetings of the Board and Committees in which he is a Member / Chairperson as may be decided by the Board.	Mr. Rittick Roy Burman is entitled to Remuneration as per terms as set out in the explanatory statement annexed hereto.	Mr. Siddhartha Roy Burman is entitled to Remuneration as per terms as set out in the explanatory statement annexed hereto.
Remuneration last drawn by such person, if applicable (As per last audited balance sheet dated March 31, 2023)	₹ 0.20 million	₹ 2.27 million	₹ 34.77 million

In addition to the above, other requisite details required relating to following have already been provided elsewhere in the Board's Report:

Item No. 2: Re-appointment of Mr. Ritoban Roy Burman

Item No. 3: Revision in remuneration of Mr. Rittick Roy Burman

Item No. 4: Re-appointment of Mr. Siddhartha Roy Burman

# Includes only Audit Committee and Stakeholders' Relationship Committee.

# Notice

## Annexure-III

### INSTRUCTIONS TO ATTEND THE AGM THROUGH VC / OAVM:

1. Members will be able to attend the 42<sup>nd</sup> AGM through VC / OAVM through the NSDL e-Voting system. Members may access to the same by following the instructions mentioned in Annexure-IV. After successful login, you can see link of "VC / OAVM link" placed under "Join Meeting" menu against the Company name. You are requested to click on VC / OAVM link placed under "Join 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 who need assistance before or during the AGM, can contact Ms. Pallavi Mhatre, Senior Manager, NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call 022 - 4886 7000 / 022 - 2499 7000.
3. Members under the category of Institutional Investors are encouraged to attend the AGM and also vote through remote e-Voting or e-Voting during the AGM.
4. Members are encouraged to join the Meeting through Laptops for better experience.
5. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video / camera along with good internet speed.

# Notice

## Annexure-IV

### A. INSTRUCTIONS FOR REMOTE E-VOTING:

**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

Step 2: Cast your vote electronically and join AGM on NSDL e-Voting system

**Details on Step 1 is mentioned below:**

#### 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 09, 2020 on e-Voting facility provided by the Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a personal computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” 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 “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on Company name or <b>e-Voting service provider i.e., NSDL</b> 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.</li> <li>If you are not registered for <b>IDeAS</b> e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.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 Company name or <b>e-Voting service provider i.e., NSDL</b> 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.</li> <li>Shareholders / Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

**NSDL Mobile App is available on**



## Notice

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing Myeasi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi / Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from an e-Voting link available on <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 able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. 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 Company name or e-Voting service provider i.e., NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at 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 facing 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 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free No. 1800 22 55 33

# Notice

**b. Login Method for e-Voting and joining virtual meeting 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:

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**Sl. Manner of holding shares i.e., Your User ID is:**

**No. Demat (NSDL or CDSL) or Physical**

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- |    |  |  |
|----|--|--|
| a) | For Members who hold shares in demat account with NSDL | 8 Character DP ID followed by 8 Digit Client ID.<br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.   |
| b) | For Members who hold shares in demat account with CDSL | 16 Digit Beneficiary ID.<br>For example if your Beneficiary ID is 12***** then your user ID is 12*****.  |
| c) | For Members holding shares in Physical Form            | EVEN Number followed by Folio Number registered with the Company.<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |
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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 under **"Instructions for Members whose e-mail ids are not registered / updated"**.



## Notice

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) Click on **“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, your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

### **Details on Step 2 is mentioned below:**

#### **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 the 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 the Company 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 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.

### **B. INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM:**

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 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 during the AGM.
3. Members who have voted through remote e-Voting before the AGM 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.

# Notice

## C. GENERAL GUIDELINES FOR SHAREHOLDERS:

1. Institutional shareholders (i.e., other than individuals, HUFs, NRIs etc.) are required to send a scanned copy (PDF / JPG Format) of the relevant Board Resolution / Power of Attorney / Authority Letter etc. with attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [aklabhcs@gmail.com](mailto:aklabhcs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e., other than individuals, HUFs, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **“Upload Board Resolution / Authority Letter”** displayed under “e-Voting” tab in their login.
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](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, Members may refer the “Frequently Asked Questions (FAQs) for Shareholders” and “e-voting user manual for Shareholders” available under the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
4. The voting rights of the Member shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date i.e., Thursday, September 14, 2023.
5. A person whose name appears in the Register of Members or in the Register of Beneficial owners maintained by the Depositories as on the cut-off date i.e., Thursday, September 14, 2023 only shall be entitled to avail the facility of remote e-Voting as well as voting at the AGM through electronic means. A person who is not a Member as on the cut-off date, i.e., Thursday, September 14, 2023 should treat this Notice for information purpose only.
6. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and become a Member of the Company after despatch of the Notice of the AGM and holding shares as on the cut-off date i.e., Thursday, September 14, 2023 may obtain the login User Id and password / PIN by sending a request to NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) / RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in). However, if you are already registered with NSDL for remote e-Voting then you can use your existing User ID and password / PIN for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details / Password” or “Physical User Reset Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on 022 - 4886 7000 and 022 - 2499 7000.

In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e., Thursday, September 14, 2023 may follow steps mentioned above under Step 1: “Access to NSDL e-Voting system”.

7. In terms of SEBI circular dated December 09, 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

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**Instructions for Members whose e-mail ids are not registered / updated:**

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Physical Holding	Send a request to the Company at <a href="mailto:compliance@khadims.com">compliance@khadims.com</a> or to the Company's RTA at <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> by providing Folio No., Name of the shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy), AADHAAR (self-attested scanned copy) for registering / updating the e-mail address.
Demat Holding	Please contact your Depository Participant (DP) and register / update your e-mail address as per the process advised by your DP. The DP ID - Client ID (16 Digit DP ID + Client ID or 16 Digit Beneficiary ID), Name of the shareholder, client master or copy of consolidated account statement, PAN (self-attested scanned copy), AADHAAR (self-attested scanned copy) shall be required for the aforesaid purpose.

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Alternatively, Shareholder / Member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining **User Id and Password** by providing the above-mentioned documents.

Senior Management Team of Khadim India Limited





It's **WOW**  
It's **KHADIM**

**KHADIM INDIA LIMITED**

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