

KHADIM INDIA LIMITED

ANNUAL REPORT

2016 - 17

KHADIM INDIA LIMITED

CIN:U19129WB1981PLC034337

Regd. Off. : Kankaria Estate, 5th Floor, 6, Little Russell Street, Kolkata 700 071

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DIRECTORS' REPORT TO THE MEMBERS

Dear Members,

The Directors are pleased to present the 36th Annual Report on the business and operations of Khadim India Limited ("the Company") together with the Audited Financial Statements for the financial year ended 31st March, 2017.

Financial Results

The financial performance of the Company for the year ended March 31st, 2017 is summarized below:-

Particulars	(Amount in ₹)	
	2016-2017	2015-2016
Revenue from Operations (Net)	6,21,24,94,165	5,34,52,10,829
Other Income	4,29,79,994	4,30,92,622
Profit before Depreciation, Interest, and Tax	70,07,09,272	56,65,96,254
Depreciation	15,90,17,283	16,28,79,980
Interest	13,46,34,286	14,55,00,392
Profit before tax	40,70,57,703	25,82,15,882
Provision for Taxation		
- Current and deferred Tax	9,94,96,579	57,78,314
- Fringe Benefit Tax	NIL	NIL
Profit for the year after tax	30,75,61,124	25,24,37,568

Dividend

No dividend is recommended for the financial year ended 31st March 2017.

General Reserve

No amount has been transferred to the General Reserve for the financial year ended 31st March 2017.

Operations and State of Company's Affairs

Operations

During the financial year ended 31st March, 2017 your Company recorded a gross turnover of Rs. 621.73 crores in comparison to gross turnover of ₹ 535.11 crores during the financial year ended 31st March, 2016. The net profit of your Company for the financial year ended 31st March, 2017 stood at ₹ 30.76 crores in comparison to net profit of ₹ 25.24 crores during last financial year ended 31st March 2016, which resulted an overall increase in net profit at the rate of 21.84% during the financial year 2016-17.

Your Company's gross turnover during the year recorded a growth of 16.22% compared to the gross turnover for the financial year ended 31st March 2016.

Your Company is one of the leading footwear brands in India, with a two-pronged focus on retail and distribution of footwear. These two distinct business verticals have its predominantly own customer base, sale channels and product range.

The core business objective of your Company is 'Fashion for Everyone', and your Company has established an identity as an 'affordable fashion' brand, catering to the entire family for all occasions. The comprehensive product range of your Company offers a wide variety of designs and styles, and caters to various customer segments across a wide range of price points, by providing affordable footwear products for men, women or children, across age groups.

Retail Business

In Retail Business your Company has opened 81 stores including 60 BOs / EBOs, 5 FRMs and 16 COOs during the year under review. Your Company has continued its initiative to renovate its existing stores in phased manner in order to align them with the look and decor of the new store. Your Company has opened some more stores in Mumbai and precinct thereof considering the potential of the Western Zone. The Company is in constant endeavor to achieve high sales growth by having outlets in those parts of the Country, which has not been penetrated substantially.

Distribution Business:

The distribution business of your Company is growing at a very rapid pace. Earlier it was mainly concentrated in Bengal and the North Eastern parts of the country. Your Company has started widening the reach in other parts of the country as well, with significant impact in states of Uttar Pradesh, Bihar, Orissa and western parts of the Country. Your Company have over 350 distributors across the country. The turnover from distribution business has increased by 36% during the year under report closing at Rs.140.85 Lacs. The average sales price and gross margin has also gone up with the increase in the sales of categories of footwear like Premium Hawaii, Premium PVC and PU Pouring Slippers and Sandals etc.

Manufacturing

During the Financial Year 2016-17, 184.61 Lakhs pairs of footwear were produced in Panpur and Kasba Factories (including outsourced vendors associated with those factories) as against 131.38 Lakhs pairs in the last financial year, resulting an overall productive growth of 41%. During the year under report PU production has also been started for wholesale business which has added 3.86 lakh pairs in current year on contract manufacturing basis. Your Company continues to produce category of premium footwear in Hawaii and PVC of higher product value in its Panpur and Kasba Factories.

Supply Chain Management

Your Company has attained optimal inventory and process control through successful implementation of web based Priority Replenishment System at COOs and DC level. The pilot project of the system is also initiated at suppliers' end on trial basis. The Company also standardised new as well as old footwear and Accessories Lines, bearing in mind present Market trend and demand. The purchase activities of your Company has been centralised at Bantala, Titagarh and Delhi DC. The Company has established a new warehouse at Patna DC to cater supplies to the parties at Bihar. The Company has engaged more structured Suppliers, who are capable to make quality footwear against the order within reasonable lead time. Your Company had made stock correction by the way of various strategies like sales man incentive, discount and extra margin to dealers and distributors for slow / Non-Moving stocks. Your Company ensures steady supply of products through proper vendor management and regulation of ordering system. Your Company has improved quality control through standardising number of suppliers and introducing more organised suppliers and taking more control on major components and raw materials, which are essential (e.g.- Sole, Insole, Adhesive, Uppers etc.) to make footwear / accessories and getting into the production process of each and every vendor. Your Company has improved cost savings through faster inventory turn by reducing lead time and resulting less working capital blockage and reasonable manpower by the help of

enhanced warehouse operation process. Introduction of plastic carry bags with requisite specifications satisfying the rules of Central Government and paper carry bags where plastic bags are strictly forbidden are the steps taken by your Company as good corporate citizen. Your Company has achieved remarkable sales growth from e-commerce business and explored new markets through SOR business by Signing up business with most of the leading Marketplaces.

Brand and Marketing

During the year 2016-17, there has been considerable focus on all aspects of Brand Marketing, Khadim's brand campaign has been focussed on each and every state and region of the country. Elaborate outdoor hoarding campaigns has given a boost to the overall sales. Identification of important phases of sale and targeting the specific locations/zones has helped to increase the overall footfall in the stores. Wedding campaign in Bihar and UP, back to School campaign in entire South India targeted towards the customers of the territory saw a different type of communication breaking away from the regular summer and festive campaigns. These zonal activities not only gave brand Khadim's the desired exposure but also helped to boost sales during the respective season. During festive, pre-puja in entire East and Pre- Diwali across India had immense print advertisement support along with Outdoor hoardings. Your Company are in a growth in the e-commerce sector with the help of renowned online marketplace management services like Flipkart, Snapdeal, Amazon, Jabong and Paytm which continue to help the increasing sales in the marketplaces. It has helped to wider customer reach and sales, especially in areas without our retail presence. Social media branding activities by empanelled digital agency has also resulted in wider exposure and awareness of the brand. The Company's association and sponsorship of team *KKR* in the tenth IPL season and subsequent in-store activity has supported the retail stores and the distribution business as well. In the Distribution sector, the Channel partners were provided branding materials and collaterals to enhance the visibility and improve sales.

Finance

During the year, with an improved and efficient working capital management, the Company managed to keep its average debt levels lower than the previous year and hence achieved major savings in its interest expense. Interest rate cuts by the RBI ensured that the average working capital cost also came down by almost 50 basis points. Further, the Company did not have to raise any funds from the bankers to meet its short / long term requirements. Also, the external credit rating assigned by ICRA was upgraded from BBB+ to A-.

Internal Audit & Internal Control Systems

The Internal Audit Team of the Company, adequately commensurate with the size of your company, has effective and robust system of monitoring financial transactions and operational functions on a continuous basis to prevent revenue loss and fraud. In discharging the responsibilities, the Internal Audit Team of the Company evaluates the Internal Controls and its effectiveness in different functional areas with necessary recommendations for needed modifications with implementations. Under the existing system, cases of deviations from the pre-set rules or non-compliances have been identified and rectified on time. All material Internal Audit observations have been reviewed by the Audit Committee of the Board of Directors and remedial actions are also monitored by the Audit Committee on regular basis.

Human Resource Management

Your company recognizes Human Resources as the most important element in the business which supports achievement of business goals and all its employees are considered as profit center. Talent management and development has been in limelight throughout FY 2016-17. Focused hiring of local at store level and training of frontline employees have rendered positive results. Your company has been active in campus hiring across country to pick up young talents and also worked on brand building. Internal career expectations of key resources have been met keeping future business requirement in mind. Employee has been assessed objectively, through BSC tool based on their role based KRAs. Employees have met the set expectation and the organization have also reciprocated suitably, annual increment has been better than the market average for FY 2016-17. Your company has also worked on compensation alignment. The company has given emphasis on various internal policies and made them employee centric and business aligned, compliances and industrial relation practices has been stable throughout the financial year 2016-17. The focus on the people processes to deliver the best of services to esteemed customers remains paramount. Your Company is professionally managed by group of experienced and competent senior leadership team, which continuously drives to achieve the business goals.

Your Company is always focused on introducing the most contemporary Human Resource practices and to recruit, retain and develop the highest quality people with diverse background and maintain a culture which boosts performance and parity.

Information Technology

During the year 2016-17, your Company has also implemented homegrown web based supply chain optimization tool named as the Theory of Constraints (TOC). TOC is a methodology for identifying the most important limiting factor (e.g. constraint) that stands in the way of achieving goal and then systematically improving that constraint until it is no longer the limiting factor. Based on this principle, this tool optimize the Supply Chain Management for the retail, distribution center, manufacturing units and vendors.

Initial Public Offer (IPO)

The Company intends to come out with an Initial public offering ("IPO") of its equity shares, which include a fresh issue of Equity Shares for raising funds for the Company in the tune of Rs. 50 Crores and an offer for sale of Equity Shares by Siddhartha Roy Burman, Chairman and Managing Director and Reliance Alternative Investments Fund – Private Equity Scheme I, a Private Equity partner (acting through its trustee, Fairwinds Trustee Services Private Limited) ("RAIF"). Consequently, RAIF which is presently holding 33.83% equity share capital of the Company, would exit as Private Equity partner on enlistment of the shares of the Company with the Stock Exchanges.

Employee Stock Option Plan 2017

Our Company has instituted the Employee Stock Plan, 2017 ("ESOP 2017") for issue of upto 186,465 options to eligible employees which may result in issue of up to 186,465 Equity Shares. In terms of the ESOP 2017, grants will be made based on determination of eligibility criteria prescribed under the ESOP 2017 and vesting period was to be indicated in the grant letter with minimum period of one year between the grant and vesting of options. After listing of the Equity Shares of our Company, the Vested Options can be exercised by an eligible employee within the exercise period of five years from the date of such vesting, or such other period as provided in the ESOP 2017 and determined by the Board or compensation committee. No options have been granted, vested or been exercised under the ESOP 2017 yet.

Changes in Memorandum and Articles of Association

In order to align the existing Memorandum and Articles of Association of the Company in line with the relevant provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 the Company has altered the existing Memorandum of Association and adopted new sets of Articles of Association in replacement of existing

Articles of Association vide its Board meeting dated 1st June 2017 and the shareholders have confirmed the said alterations / adoption vide its meeting dated 3rd June 2017.

Share Capital

The paid up equity Share Capital as on March 31, 2017 was ₹ 17,29,85,310/- divided into 1,72,98,531 equity Share of face value of ₹ 10/- each. No change in the Share Capital has been recorded during the financial year 2016-17.

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 of the Company 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.

Subsidiaries, joint ventures and associate companies

The Company does not have any subsidiary / associate / joint venture company.

Deposits

The Company has no unclaimed / unpaid matured deposit or interest due thereon. During the year under review the Company has not accepted any deposit from public within the meaning of "Chapter V- Acceptance of Deposits by Companies" under the Companies Act, 2013.

Corporate Social Responsibility (CSR)

The CSR Policy of the Company framed under the provisions of section 135 of the Companies Act, 2013 and rules made thereunder is available on the Company's website www.khadims.com. The Annual Report on CSR activities for the financial year ended 31st March 2017 is marked as **Annexure - I** and forms part of this Report. The composition of CSR Committee is also mentioned in the said Annexure.

Business Risk Management and Adequacy of Internal Financial Controls

Your Company's Risk Management System and Internal Financial Control ensure that all assets of the Company are safeguarded and protected, proper prevention and detection of frauds and errors and all transactions are authorized, recorded and reported appropriately. The Board of Directors has devised a Risk Management Policy, approved by your Board, which outlines the risk management framework for the functions involved within your Company. As per the said Policy, Risk Management Committee has been entrusted with the roles and responsibilities to formulate, monitor and review risk management plans of the Company.

Your Company has an adequate system of Internal Financial Controls, which includes policies and procedures pertaining to maintenance of records containing reasonable details, accurate and fair reflections of financial transactions and dispositions of the assets of the Company. The Internal Financial Controls, affecting the Financial Statements of your Company are adequate and are operating effectively.

Vigil Mechanism and Whistle Blower Policy

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standard of professionalism, honesty, integrity and ethical behavior the Company has adopted a comprehensive Vigil Mechanism / Whistle Blower Policy. A revised Vigil Mechanism / Whistle Blower Policy has been adopted by the Company duly approved by the Board in its meeting held on 15th June 2017. The revised Vigil Mechanism / Whistle Blower Policy has been uploaded in the website of the Company www.khadims.com and the same is available at the link <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 ("the Listing Regulations").

Mr. Siddhartha Roy Burman, Chairman and Managing Director has been re-appointed for a period of 3 years with effect from 1st April, 2016 till 31st March, 2019 by the members at the 35th Annual General Meeting held on 23rd September, 2016.

Prof. A.N. Sadhu, Independent Director and Ms. Tanusree Roy Burman, whole-time director of the Company has resigned from the directorship of the Company w.e.f. 30th January, 2017 and 30th April, 2017 respectively. Your Board placed on record its deep appreciation for their continuous guidance, support and contribution to the management of the Company in achieving higher growth.

The Board of Directors of the Company ("the Board") in its meeting dated 25th May 2017 has appointed Mr. Srinivasan Sridhar and Prof. (Dr.) Surabhi Banerjee as additional Directors, to be designated as Independent Directors, not liable to retire by rotation, effective 25th May, 2017 for a tenure of 5 years upto 24th May, 2022. As per Section 161 of the Companies Act, 2013 Mr. Srinivasan Sridhar and Prof. (Dr.) Surabhi Banerjee will vacate Office at the ensuing Annual General Meeting (AGM) of your Company and recommended for appointment as Independent Directors, not liable to retire by rotation, effective 25th May, 2017 for a tenure of 5 years upto 24th May, 2022 by the Members at the said AGM.

A brief profile of Mr. Sridhar and Ms. Banerjee along with the necessary disclosures has been annexed to the Notice convening the ensuing Annual General Meeting.

Mr. Siddhartha Roy Burman, Chairman and Managing Director, Ms. Ishani Ray, CFO and Mr. Abhijit Dan, Company Secretary and Head - Legal of the Company continue to be the Key Managerial personnel of your Company under the relevant provisions of the Companies Act, 2013.

Statements of declaration on Independence given by Independent Directors

All the Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013.

Meetings of the Board

For the Financial Year 2016-17, five meetings of the Board of Directors were held viz. on 24th June, 2016, 22nd July, 2016, 11th November, 2016, 6th March, 2017 and 30th March, 2017. The composition of

the Board and other details relating the Board meetings have been provided in the Corporate Governance Report enclosed herewith.

Audit Committee

The Company has a duly constituted Audit Committee in terms of the provisions of Section 177 of the Companies Act, 2013 read with rules framed thereunder. Composition of the Audit Committee, number of meetings held during the year under review, brief terms of reference and other details have been provided in the Corporate Governance Report which forms part of this Annual Report. Recommendation made by the Audit Committee are accepted by the Board.

Extract of Annual Return

The extract of the Annual Return in the format MGT-9 for the financial year 2016-17, has been enclosed with this report as Annexure - II.

Particulars of contracts and arrangement with Related Parties

During the year under report all the Transactions with the Related Parties as defined in the Companies Act, 2013 and rules framed thereunder were in the ordinary course of business and on Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual turnover as per the last audited financial statements, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions to be provided under section 134(3)(h) of the Companies Act, 2013, in Form AOC – 2 is not applicable.

Secretarial Auditor

In terms of the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board at its meeting held on 15th June 2017, appointed Ms. BKG & Company, Company Secretaries, 11A, Esplanade East, Kolkata-700069 as the Secretarial Auditors of the Company, to conduct the Secretarial Audit for the Financial Year ended March 31, 2018. The Secretarial Audit Report for the Financial Year ended March 31st, 2017 is annexed herewith, marked as Annexure -III to this report. The Secretarial Audit Report for the financial Year ended March 31, 2017 does not contain any qualification, reservation or adverse remark.

Directors Responsibility Statement

In terms of provisions of Section 134(5) of the Companies Act, 2013, your Directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 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; and
- e) 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 31st March, 2017.

Statutory Auditor and Auditors' Report

Ms. Deloitte, Haskins & Sells (Firm Registration No-302009E, Chartered Accountants) have been appointed as Statutory Auditors of the Company at the Annual General Meeting of the Company held on 29th September, 2014 for a period of 4 years till the Financial Year 2017-2018 which has been ratified by the members in the last Annual General Meeting held on 23rd September, 2016. They have confirmed their eligibility to the effect that ratification for their appointment, if made, in the ensuing Annual General Meeting would be within the prescribed limits mentioned in the Act and they are not disqualified for such ratification.

The Members are requested to ratify the appointment of the Statutory Auditors as aforesaid and fix their remuneration.

The Auditors' Report does not contain any qualification, reservation or adverse remarks.

Cost Auditor

Although the Company is not coming under the purview of compulsory cost audit as per the Companies Act, 2013, your Company has continued with the service of the Cost Auditor for the Financial Year 2017-2018 and for the succeeding Financial Year.

Particulars of Loans, Investments, Guarantees etc.

During the Financial Year 2016-17, the Company has not made any investment, have not given any loans, have not provided any guarantees, have not provided any security in connection with any loan, have 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

A) Conservation of energy

- a) Installation and commissioning of 4 x 100 KVAR capacitor banks to maintain power factor at 0.98 an average to obtain maximum utilization of active power (KW) in respect of apparent power (KVA).
- b) Upgrading to energy efficiency lighting solution such as Light Emitting Diode (LED) in place of conventional higher consumed lights.
- c) Installation of Translucent sheets along with natural air driven turbo vents on roof of the working shop to utilize day light as well as natural air circulation in shop floor area.
- d) Installation of Variable Frequency Drive (VFD) in motor operated conveyor for saving energy.
- e) Optimization of different processing steps for maximum utilization of input energy.
- f) Use of recycled water for cooling tower application.
- g) Campaign for retail outlet & warehouse staffs regarding awareness of energy saving.

(B) Technology absorption

I. The efforts made towards technology absorption:

- a) Company has developed and introduced softer formulations for the premium range PVC and colour Hawaii products
- b) Company has developed double colour injected PVC for the premium range product by making special kind of mould
- c) Company has developed and introduced TOC concept for coordination between various channels.

II. Benefits derived as a result of above efforts

- a) Improvement in quality of product,
- b) Giving more comfort to the end users
- c) Improved customer satisfaction
- d) Raised higher demand of product
- e) Improved the supply chain to ensure delivery on time
- f) Reduction in process cost

III. The Company has **not used any imported technology** during last three financial years. Hence the prescribed details are not applicable.

IV. Expenditure incurred on Research & Development during the year: ₹ 15 lakh

(C) Foreign exchange earnings and outgo

The details of foreign earnings and outgo are as follows:

		Amount in ₹
Sl.	Particulars	2016-17
(a)	Value of import on CIF basis	
	Raw material, components & spare parts	15,57,07,627
	Finished footwear	8,34,85,148
	Capital Goods - including Moulds	4,17,92,215
(b)	Foreign exchange Earning	2,02,22,071
(c)	Foreign exchange outgo	40,70,334
(d)	Others	NIL

Particulars of Employees and related disclosure

Information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been enclosed with this Report as Annexure – IV.

Disclosures under the Sexual Harassment of women at work place (Prevention, Prohibition & Redressal) Act, 2013

Policy under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed thereunder is available in the website of the Company at <https://www.khadims.com/policy-on-internal-compliance/> . An Internal Complaint Committee (ICC) with requisite number of representatives has been set up to redress complaints relating to sexual harassment, if any. No complaints relating to the sexual harassment has been received during the year under report.

Nomination and Remuneration Policy

In accordance with the provisions of Section 178(3) of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has remuneration policy in place. The objectives and key features of this Policy are:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of the Directors, Key Managerial Personnel (KMPs) and Senior Management Personnel;
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 positions in accordance with the criteria laid down in this policy;
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; and
6. Aligning the remuneration of Executive Directors, Key Managerial Personnel (KMPs) and senior management personnel with the Company's financial position, industrial trends, remuneration paid by peer companies etc.;

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

Corporate Governance

A separate report on Corporate Governance is enclosed as Annexure - V and forms part of this Annual Report.

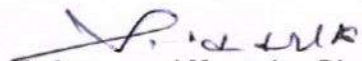
Fraud Reporting

During the year under review, no fraud has been reported by auditors under sub-section (12) of Section 143 of the Companies Act, 2013.

Acknowledgement

Your Directors would like to express their sincere appreciation for the assistance and cooperation received from the financial institution, banks, government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service by the executives, staffs and workers of the Company.

For on behalf of the Board of Directors


Chairman and Managing Director

DIN: 00043715

Place: Kolkata

Date: 15th June, 2017

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

a) CSR Policy - Brief Outline and Overview:

The Board of Directors at its meeting held on 25th March, 2016 approved the CSR Policy (revised) of your Company pursuant to the provisions of Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014. The main objective of CSR Policy is to lay down guidelines for Corporate Social Responsibility activities of the Company and undertake various social initiatives that complement corporate mandate and benefit the communities in the surrounding areas.

b) Web-Link to the CSR Policy:

<https://www.khadims.com/policy-on-csr/>

2. **The Composition of the CSR Committee as on 31st March, 2017:**

Prof. Ashoke Kumar Dutta	Chairman
Ms. Tanusree Roy Burman [^]	Member
Mr. Siddhartha Roy Burman	Member
Mr. Vinayak Vishwanath Kamath	Member
Ms. Namrata Chotrani	Member
Mr. Abhijit Dan	Secretary

[^] Ceases to be Member of the Committee w.e.f. 30th April, 2017 consequent to her resignation.

3. Average Net Profit of the Company for the last three financial years:

Particulars	Amount (in ₹)	Amount (in ₹)
A. Net Profits of the Company for the:		
• Financial Year ended March 31, 2014	16,61,10,308.00	
• Financial Year ended March 31, 2015	(20,92,97,722).00	
• Financial Year ended March 31, 2016	26,39,05,089.00	
B. Average Net Profit of the Company for the last three financial years		7,35,72,558
C. Prescribed CSR Expenditure (2% of amount stated in Item no. B above)		14,71,451
D. Details of CSR Expenditure:		
Amount spent during the financial year		23,37,386*
Amount unspent		NIL

- * The amount includes Rs. 8,15,000/- (Rupees Eight Lakhs Fifteen Thousand only) spent towards CSR activities for the financial year 2015-16 for which provisions have already been made in the Annual Accounts for the financial year 2015-16.

4. Details of CSR Expenditure:

Details of CSR Activities undertaken by the Company:							
Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹ in Lacs)	Amount spent on the projects or programs sub-heads (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lacs)	Cumulative expenditure up to the reporting period (₹ in Lacs)	Amount spent Direct or through implementing agency
1.	Donation to Ramkrishna Mission Seva Pratishthan for purchase of	Promotion of health care including preventive health care	Kolkata, West Bengal	10.00	10.00	10.00	Direct

	C-PAP equipments for Paediatric Department						
2.	Donation of 3 (Three) Ambulances	Promotion of health care including preventive health care	i) Bhatpara West Bengal, North 24 Parganas ii) Kolkata West Bengal	13.37	13.37	13.37	Direct
			TOTAL	23.37	23.37	23.37	

5. In case the Company has failed to spend the two percent of the average net profit of the last three Financial Years or any part thereof, the Company shall provide the reasons for not spending the amount in the Board Report: Not Applicable.

6. **Responsibility Statement:**

On behalf of the CSR Committee, we hereby affirm that the implementation and monitoring of the CSR Policy is in compliance with CSR objectives and policy of the Company.



Siddhartha Roy Burman

Managing Director

(DIN: 00043715)



Ashoke Kumar Dutta

Chairman, CSR Committee

(DIN: 00045170)

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. Registration and other details:

i	CIN	U19129WB1981PLC034337
ii	Registration Date	03/12/1981
iii	Name of the Company	Khadim India Limited
iv	Category / Sub-Category of the Company	Public Company/ Limited by Shares
v	Address of the registered office and contact details	"Kankaria Estate", 5 th floor, 6 Little Russell Street, Kolkata - 700071 Tel. No. +91-33-40090501 Fax. No. +91-33- 40090500
vi	Whether listed company	No
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited 59C, Chowringhee Road, 3 rd Floor, Kolkata - 700020 Tel: 033 - 2289 0540, Telefax: 033 - 2289 0539 Email: kolkata@linkintime.co.in

II. Principal business activities of the company: Footwear Industry - Retailing and Direct sales

Business activities contributing 10 % or more of the total turnover of the company are:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Footwear – Retail [^]	47713	73%
2.	Footwear – Wholesale ^{^^}	46413	22%

[^] Retail consists of Company Owned and Operated Outlets (COOs), Franchisee Run and Managed outlets (FRMs), Branded Outlets (BOs) and Exclusive Branded Outlets (EBOs).

^{^^} Wholesale consists of Distribution Business.

III. Particulars of holding, subsidiary and associate companies

Sl. No.	Name and Address of The company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1.	Knightsville Private Limited	U45209WB2005PTC103948	Holding	50.51%	2 (46)

1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	5852093	-	5852093	33.83	5852093	-	5852093	33.83	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	5852093	-	5852093	33.83	5852093	-	5852093	33.83	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	5852093	-	5852093	33.83	5852093	-	5852093	33.83	-

C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	5852093	11446438	17298531	100	5852093	11446438	17298531	100	-

ii) Shareholding of Promoters and Promoter Group:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Mr. Siddhartha Roy Burman	2173149	12.56	-	2173149	12.56	-	-
2.	Ms. Tanusree Roy Burman	60	-	-	60	-	-	-
3.	Knightsville Pvt. Ltd.	8737829	50.51	-	8737829	50.51	-	-
4.	Khadim Development Co. Pvt. Ltd.	302950	1.751	-	302950	1.751	-	-
5.	Moviewallah Communications Pvt. Ltd	172450	0.99	-	172450	0.99	-	-
6.	Photo Imaging Pvt. Ltd.	25000	0.14	-	25000	0.14	-	-
7.	Tetenal Photochemie Pvt. Ltd.	35000	0.20	-	35000	0.20	-	-
	Total	11446438	66.17	-	11446438	66.17		

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Date of Change	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
No change in Promoters' Shareholding during the Financial year 2016-17						

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Particulars	Date of Change	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Reliance Alternative Investments Fund-Private Equity Scheme-I		5852093	33.83	No change in Shareholding during the Financial Year 2016-17	

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Particulars	Date of Change	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Siddhartha Roy Burman	-	2173149	12.56	No change in Shareholding during the Financial Year 2016-17	
2.	Ms. Tanusree Roy Burman*	-	60	-	Do	

*Ms. Tanusree Roy Burman, whole-time Director has resigned w.e.f. 30th April, 2017.

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payments

Amount in ₹

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,14,37,27,620	Nil	Nil	1,14,37,27,620
ii) Interest due but not paid	17,20,788	Nil	Nil	17,20,788
iii) Interest accrued but not due	2,13,972	Nil	Nil	2,13,972
Total (i+ii+iii)	1,14,56,62,380	Nil	Nil	1,14,56,62,380
Change in Indebtedness during the financial year				
• Addition	Nil	Nil	Nil	Nil
• Reduction	5,27,11,391	Nil	Nil	5,27,11,391
Net Change	5,27,11,391	Nil	Nil	5,27,11,391
Indebtedness at the end of the financial year				
i) Principal Amount	1,09,11,47,989	Nil	Nil	1,09,11,47,989
ii) Interest due but not paid	16,88,178	Nil	Nil	16,88,178
iii) Interest accrued but not due	1,14,822	Nil	Nil	1,14,822
Total (i+ii+iii)	1,09,29,50,989	Nil	Nil	1,09,29,50,989

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Amount in ₹

Sl. no.	Particulars of Remuneration	Name of the Director		Total Amount
		Mr. Siddhartha Roy Burman	Ms. Tanusree Roy Burman**	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,31,92,849	23,45,993	2,55,38,842
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961			
2.	Stock Option			
3.	Sweat Equity			
4.	Commission - as % of profit - Others, specify	41,53,226	NIL	41,53,226
5.	Others, please specify			
	Total (A)	2,73,46,075	23,45,993	2,96,92,068
	Ceiling as per the Act - 10% of Net profit.			

**Ms. Tanusree Roy Burman, whole-time Director has resigned w.e.f. 30th April, 2017.

B. Remuneration to other directors:

Amount in ₹

Sl. No.	Particulars of Remuneration	Name of directors			Total
		Dr. Indra Nath Chatterjee	Prof. Ashoke Kumar Dutta	Prof. Amar Nath Sadhu #	
1.	Independent director				
a.	Fee for attending Board / Committee meetings	2,00,000	2,00,000	NIL	4,00,000
b.	Commission	-	-	-	
c.	Others, please specify	-	-	-	
	Total (1)	2,00,000	2,00,000	NIL	4,00,000
2.	Other Non-Executive Directors	Mr. Vinayak Vishwanath Kamath	Ms. Namrata Chotrani	-	
a.	Fee for attending Board / Committee Meetings	-	-	-	-
b.	Commission	-	-	-	-
c.	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-

	Total (B)=(1+2)	2,00,000	2,00,000	NIL	4,00,000
	Total Managerial Remuneration				
	Overall Ceiling as per the Act	Sitting Fee paid to Non-Executive Director does not form a part of the Total Managerial Remuneration			

Prof. A.N. Sadhu, has resigned w.e.f. 30th January, 2017.

C. Remuneration to Key Managerial Personnel other than Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Mr. Abhijit Dan, CS & Head-Legal	Ms. Ishani Ray, CFO	Amount
				in ₹
				Total amount
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	20,18,076	49,18,493	69,36,569
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961			
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961			
2.	Stock Option			
3.	Sweat Equity			
4.	Commission - as % of profit - others, specify...			
5.	Others, please specify			
	Total (C)	20,18,076	49,18,493	69,36,569

VII. Penalties / punishment/ compounding of offences

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. Company					
Penalty Punishment Compounding	None				
B. Directors					
Penalty Punishment Compounding	None				
C. Other officers in default					
Penalty Punishment Compounding	None				

B K G & COMPANY
Company Secretaries

OFFICE:
11A, Esplanade East, 1st Floor
Kolkata – 700069.
Phone : 22108760, 98301-45662
Email- binodcs@rediffmail.com

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[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

Kankaria Estate, 5th Floor

6 Little Russell Street,

Kolkata-700071

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** (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.

➤ **Management's Responsibility for Secretarial Compliance**

The Company's management is responsible for preparation and maintenance of Secretarial records and devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

➤ **Secretarial Auditor Responsibility**

Our responsibility is to express an opinion on the Secretarial records, standard and procedure followed by the Company with respect to Secretarial Compliances. Our report is based on the Company's books, papers, minute books, forms filed and other records maintained by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit.

The company has, during the audit period covering the financial year ended on 31st March, 2017 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 **Khadim India Limited** ("the Company") for the financial year ended on 31st March, 2017 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; **(The shares of the Company are not listed on Stock Exchange, hence, not applicable).**
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. **(Not applicable to the Company during the Audit Period);**
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') **are not applicable to the Company, as the shares are not listed on any Stock Exchange.**
- 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, we believe that no specific law applicable to the Footwear Industries in India.

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

- Secretarial Standards as issued by The Institute of Company Secretaries of India and obligatory to the Company.
- The Listing Agreements entered into by the Company with Stock Exchanges; **(The shares of the Company are not listed on Stock Exchange, hence, not applicable).**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. Material Compliances are listed in the Annexure attached to this report and named as '**Annexure-B**'.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Nominee and Independent Directors and are 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.

We further report that during the Audit Period, the Company has not incurred any specific event/ action that can have a major bearing on the company's compliance responsibilities in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **B K G & COMPANY**
Company Secretaries

Place: Kolkata
Date: 15/06/2017

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

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

'ANNEXURE A'

To,
The Members,
Khadim India Limited
Kankaria Estate, 5th Floor
6 Little Russell Street,
Kolkata-700071

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.*

Place: Kolkata
Date: 15/06/2017

For **B K G & COMPANY**
Company Secretaries

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

'ANNEXURE B'

In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers and agents, we report that Company has, during the financial year under review, complied with the provisions of the Acts, Rules made there under and the Memorandum and Articles of Association of the Company with regard to:

1. Maintenance of various statutory registers and documents and making necessary entries therein;
2. Contracts, Common Seal, Registered office and publication of name of the Company;
3. Forms, returns, documents and resolutions required to be filed with the Registrar of Companies, Regional Director, Central Government, Company Law Board or such other authorities;
4. Service of documents by the Company on its Members, Directors, Auditors and the Registrar of Companies.
5. Constitution and Re-Constitution of the Board of Directors, Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee etc.
6. Appointment, re-appointment and changes of Directors including Managing Director and Whole-Time Director and payment of remuneration to them.
7. Disclosure of interest and concerns in contracts and arrangements, shareholdings and directorship in other Companies and interest in other entities by the Directors;
8. Disclosure requirements in respect to the eligibility of Directors for appointment, declaration of their independence and compliances with the applicable provisions of the Companies Act, 2013 and rules made there under;
9. All transactions with related parties were in the ordinary course of the business and arms length basis and were placed before Audit Committee whenever required.
10. Establishing a Vigil Mechanism and providing to Complainants, if any, unhindered access to the Chairman of the Audit Committee.
11. During the period, the provisions relating to Corporate Social Responsibility was applicable to the Company and as informed by the Management that during the year, the Company has spent the

required amount recommended by the CSR Committee on CSR activities through various beneficiaries.

12. During the period under review no changes has been made in the constitution of the board except resignation of Mr. Amar Nath Sadhu as an Independent director w.e.f 30th January, 2017, for which the company is required to find a suitable replacement.
13. Appointment and remuneration of Statutory Auditor, Secretarial Auditor and Cost Auditor.
14. Appointment of Internal Auditor.
15. Notice of meetings of the Board and Committee thereof.
16. Minutes of meetings of the Board and Committees thereof including passing of resolutions by circulation.
17. Notice convening the 35th Annual General Meeting of the Company held on 23rd September, 2016 and holding of the Annual General Meeting on that date.
18. Minutes of General Meeting.
19. Approvals of members, Board of Directors, Committees of Directors and Government Authorities, wherever required.
20. Form of Balance Sheet and Profit and Loss Account as on 31st March, 2016 as prescribed under part I of Schedule VI of Companies Act 2013.
21. Report of the Board of Directors for the Financial Year ended 31st March, 2016.
22. Borrowing, Satisfaction and Registration of charges.
23. Investment of the Company's Fund including inter corporate loans and investments.

Place: Kolkata
Date: 15/06/2017

For **B K G & COMPANY**
Company Secretaries

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

Annexure - IV

Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

NAME	AGE	DESIGNATION	REMUNERATION RECEIVED (Rs.)	NATURE OF EMPLOYMENT	QUALIFICATION & EXPERIENCE	DATE OF COMMENCEMENT OF EMPLOYMENT	LAST EMPLOYMENT HELD	SHARE HOLDING IN THE COMPANY	RELATION WITH OTHER DIRECTORS
Mr. Siddhartha Roy Burman	55	Chairman & Managing Director	2,73,46,075	Contractual	B.com with 34 years of experience	25/09/1990	NA	21,73,149	Husband of Ms. Tanusree Roy Burman (whole - time Director) @

@ Ms. Tanusree Roy Burman, whole - time Director has resigned w.e.f. 30th April 2017.

REPORT ON CORPORATE GOVERNANCE

The Company's philosophy for Corporate Governance is to apply best management practices, compliances of law in true letter and spirit and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders.

1. Board of Directors (the "Board")

I. Composition

The Company's policy is to maintain an optimum combination of Executive & Non-Executive Directors. The Board presently comprises **7 (SEVEN)** Directors, including **2(TWO)** Non-executive and Non-Independent Directors (Nominee Director), 1 (**ONE**) Executive and Non-independent Directors and **4(FOUR)** Non-executive and Independent Directors. The Directors are professionals and / or have expertise in their respective functional areas and bring a wide range of skills and experience to the Board. The composition of board of directors is given below:

Sr. No.	Name of the Director.	Executive / Non-executive.	Independent / Non-independent.	Members of the Board of other Public Limited Companies incorporated in India	Total number of Committee Membership held in other Public Limited Companies(excluding Private Limited Companies, Foreign Companies and Companies of Sec 8 of the Companies Act, 2013)	
					As Chairman	As Member
1	Mr. Siddhartha Roy Burman (Promoter)	Executive	Non-Independent	-	-	-
2	Dr. Indra Nath Chatterjee	Non - Executive	Independent	-	-	-
3	Prof. Ashoke Kr. Dutta	Non - Executive	Independent	3	-	-
4	Mr. Srinivasan Sridhar	Non - Executive	Independent	9	4	2

5	Prof. (Dr.) Surabhi Banerjee	Non - Executive	Independent	-	-	-
6	Ms. Namrata Chotrani	Non – Executive	Non- Independent (Nominee Director)	1	-	-
7	Mr. Vinayak Vishwanath Kamath	Non - Executive	Non- Independent (Nominee Director)	1	-	-

- a. None of the directors of the Company is a member of more than ten committees across all public limited companies in which he/she is a director.
- b. None of the directors of the Company is a chairman of more than five committees across all public limited companies in which he/she is a director.
- c. Every director has duly informed the Company about the committee positions he/she occupies in other companies.
- d. The terms of appointment of independent directors are in compliance with applicable provisions of (i) the Companies Act, 2013 (Companies Act) and (ii) Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations) other than sub- regulation (3) and (4) which deal with meetings of independent directors.
- e. There is no relationship between directors inter-se.
- f. Ms. Namrata Chotrani and Mr. Vinayak Vishwanath Kamath are nominee directors representing Reliance Alternative Investments Fund - Private Equity Scheme I, being a shareholder with 33.83% shareholding. Shares held by the remaining non-executive directors are Nil.

For the purpose of (a) and (b) above, chairman/membership of only the audit committee and/or the stakeholders' relationship committee has been considered in accordance with the SEBI LODR Regulations.

Attendance of Directors at the Board Meetings and at the last Annual General Meeting (AGM)

During the FY 2016-2017, the Board met five times. The details of Board Meetings held during the FY 2016-2017 are as under:

Date of Board Meeting	No. of Directors present
24 th June, 2016	6
22 nd July, 2016	7
11 th November, 2016	7
6 th March, 2017	6
30 th March, 2017	6

Attendance at the Board Meetings and also at AGM of the Directors was as follows:

Name of Directors	Number of Board Meetings		Attended last AGM held on 23rd September, 2016
	Held	Attended	
Mr. Siddhartha Roy Burman	5	5	Yes
Mrs. Tanusree Roy Burman *	5	5	No
Prof A.N. Sadhu**	5	3	Yes
Dr. Indra Nath Chatterjee	5	5	Yes
Prof. Ashoke Kr. Dutta	5	5	No
Mr. Srinivasan Sridhar ^	N.A.	N.A.	N.A.
Prof. (Dr.) Surabhi Banerjee ^	N.A.	N.A.	N.A.
Ms. Namrata Chotrani	5	5	Yes
Mr. Vinayak Vishwanath Kamath	5	4	No

* Resigned on 30 April, 2017

** Resigned on 30 January, 2017

^ Appointed with effect from 25 May, 2017

In addition to the Board Meetings, a meeting of independent directors is held without the presence of non-independent directors and members of management.

Familiarisation Programme for Independent Directors

Details of familiarization programmes imparted to independent directors shall be available at www.khadims.com

2. Committees of the Board

I. Audit Committee

- a) The Company has an Audit Committee which is duly constituted vide Board Meeting dated 8th March, 2006. The Committee was last reconstituted on **25/05/2017**. The terms of reference of the Audit Committee were last revised vide resolution dated **01/06/2017** which is in accordance with Section 177 of the Act and Regulations 18 and other applicable regulations of the SEBI LODR Regulations. The Committee has been reconstituted with following as members.
- b) The Composition of the Audit Committee is given below:

Sr. No.	Name of the Director (and designation in relation to membership of the committee)	Executive / Non-executive	Independent / Non-independent	No. of Meetings in FY 2016-17	
				Held	Attended
1	Dr. Indra Nath Chatterjee - Chairman*	Non - Executive	Independent	3	3
2	Prof. Ashoke Kr. Dutta - Member	Non - Executive	Independent	3	3
3	Mr. Srinivasan Sridhar – Member ^	Non - Executive	Independent	N.A.	N.A.
4	Prof. (Dr.) Surabhi Banerjee ^	Non - Executive	Independent	N.A.	N.A.
5	Mr. Vinayak Vishwanath Kamath - Member	Non - Executive	Non- Independent	3	3
6	Ms. Namrata Chotrani - Member	Non-Executive	Non- Independent	3	3

* Dr. Indra Nath Chatterjee, Independent Director has been designated as the Chairman of the Audit Committee w.e.f. 31st January 2017 by circular resolution dated 25th February 2017.

^ Appointed with effect from 25th May, 2017

Prof. A.N. Sadhu, the former Chairman of the Audit Committee who resigned on 30th January 2017, attended two audit committee meetings held on 22 July, 2016 and 11 November, 2016 in FY 2016-17.

During the financial year 2016-17 the Audit Committee met three times on 22nd July 2016, 11th November 2016 and 6th March 2017.

c) Terms of reference of Audit Committee:

- 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:
 - i. 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;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions; and
 - vii. 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;
- 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; and
- 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 victimisation 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;

II. Stakeholders Relationship Committee

a) The Company has constituted the Stakeholders Relationship Committee vide resolution dated **01/06/2017**, which is in accordance with Section 178 of the Companies Act and Regulation 20 and other applicable regulations of the SEBI LODR Regulations with following as members. The Composition of the Stakeholders Relationship Committee is given below:

Sr. No.	Name of the Director (and designation in relation to membership of the committee)	Executive / Non-executive	Independent / Non-independent
1.	Prof. Ashok Kr. Dutta, Chairman	Non - Executive	Independent
2.	Prof. (Dr.) Surabhi Banerjee, Member	Non - Executive	Independent
3	Mr. Siddhartha Roy Burman, Member	Executive	Non-Independent

Mr. Abhijit Dan, Company Secretary and Head-Legal is appointed as the Compliance Officer w.e.f. 1st June, 2017.

b) Terms of reference of Stakeholders' Relationship Committee:

- i. Redressal of grievances of shareholders, debenture holders and other security holders, including complaints related to the transfer of shares;
- ii. Approval of transfer or transmission of shares, debentures or any other securities;
- iii. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- iv. Non-receipt of declared dividends, balance sheets of our Company, annual report or any other documents or information to be sent by our Company to its shareholders; and
- v. Carrying out any other function as prescribed under the SEBI Listing Regulations, Companies Act, 2013 and the rules and regulations made thereunder, each as amended or other applicable law.”

III. Nomination and Remuneration Committee

a) The Remuneration Committee (now Nomination and Remuneration Committee) was constituted vide resolution dated 17/04/2006. The scope and functions of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act. The terms of reference of the Nomination and Remuneration Committee was revised vide resolution dated 1/06/2017 which is in accordance with Section 178 of the Companies Act and Regulation 19 of the SEBI Listing Regulations

and are given herein. The Nomination and Remuneration Committee has been reconstituted vide resolution dated 25/02/2017 (w.e.f. 31st January, 2017) with following as members.

b) The composition of the Nomination and Remuneration Committee is given below:

Sr. No.	Name of the Director (and designation in relation to membership of the committee)	Executive / Non-executive	Independent / Non-independent	No. of Meetings in FY 2016-17	
				Held	Attended
1.	Prof. Ashoke Kr. Dutta, Independent Director- Chairman	Non - Executive	Independent	2	2
2	Dr. Indra Nath Chatterjee, Independent Director – Member	Non - Executive	Independent	2	2
3.	Mr. Vinayak Vishwanath Kamath, Member	Non - Executive	Non-Independent	2	2
4.	Ms. Namrata Chotrani, Member	Non - Executive	Non-Independent	2	2

During FY 2016-2017, two meetings of the Committee were held on 22 July, 2016 and 11 November, 2016.

Details of remuneration paid/payable to the Executive Directors and Non-Executive Directors for FY 2016-2017 are as follows:

Name of Directors	Salary and other benefits			Sitting Fees #	
	Salary(including House Rent Allowance)	Commission	Other Perquisites	Board Meetings	Committee Meetings
Mr. Siddhartha Roy Burman @	22,848,000	4,153,226	344,849	-	-
Mrs. Tanusree Roy Burman* @	2,040,000	-	305,993	-	-
Dr. Indra Nath Chatterjee	-	-	-	100,000	100,000
Prof. Ashoke Kr. Dutta	-	-	-	100,000	100,000
Mr. Srinivasan Sridhar ^	-	-	-	N.A.	N.A.
Prof. (Dr.) Surabhi Banerjee ^	-	-	-	N.A.	N.A.
Ms. Namrata Chotrani	-	-	-	-	-

Mr. Vinayak Vishwanath Kamath	-	-	-	-	-
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* Resigned on 30 April, 2017.

^ Appointed with effect from 25 May, 2017

Sitting fees is not payable to executive directors and nominee directors

@ i) Service Contract – 3 years (from 1 April, 2016 to 31 March, 2019)

ii) Notice Period – 3 months

iii) Severance fees – Nil

iv) Commission- 1% of the net profit, depending on the achievement of yearly targets, as per the recommendation of the Board of Directors subject to the approval of the members of the Company.

No stock option was given to the Directors in FY 2016-17.

c) Terms of reference of Nomination and Remuneration Committee are as follows:

- i. 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;
- ii. Formulation of criteria for evaluation of independent directors and the Board;
- iii. Devising a policy on Board diversity;
- iv. 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. Our Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
- v. Analysing, monitoring and reviewing various human resource and compensation matters;
- vi. 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;
- vii. 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;
- viii. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- ix. 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) Regulations, 2014;

- x. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or
 - b. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;
- xi. 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; and
- xii. 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.

IV. Corporate Social Responsibility (CSR) Committee

- a) The Company has constituted a Corporate Social Responsibility Committee vide resolution dated 11/03/2014 which is in accordance with Section 135 of the Companies Act and Committee has been reconstituted on 19/04/2017 (w.e.f. 1st May, 2017) with following as members. The revised terms of reference of the Corporate Social Responsibility Committee had been adopted vide resolution dated 1st June, 2017.

Sr. No.	Name of the Director (and designation in relation to membership of the committee)	Executive / Non-executive	Independent / Non-independent
1.	Prof. Ashoke Kr. Dutta - Chairman	Non - Executive	Independent
2.	Mr Siddhartha Roy Burman- Member	Executive	Non-Independent
3.	Mr. Vinayak Vishwanath Kamath- Member	Non - Executive	Non- Independent
4	Ms. Namrata Chotrani, Member	Non - Executive	Non- Independent

b) Terms of reference of the CSR Committee:

- i. 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;
- ii. Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;

- iii. 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;
- iv. Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required;
- v. Delegating responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- vi. 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
- vii. 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."

V. Risk Management Committee

- a) The Company has constituted a Risk Management Committee vide resolution dated 11th March 2015 as per Companies Act, 2013 which has been reconstituted in accordance with Regulation 21 and other applicable regulations of the SEBI LODR Regulations in the Board meeting dated 15/06/2017 with following as members. The terms of reference of the Risk Management Committee has been revised on 15/06/2017

- b) **The composition of the Risk Management Committee is given below:**

Sr. No.	Name of the Director (and designation in relation to membership of the committee)	Executive / Non-executive	Independent / Non-independent
1.	Mr. Siddhartha Roy Burman – Chairman	Executive	Non-Independent
2.	Prof. Ashoke Kumar Dutta – Member	Non-Executive	Independent
3.	Prof. (Dr.) Surabhi Banerjee - Member	Non-Executive	Independent

In addition to the directors above, Ms. Ishani Ray, Chief Financial Officer and Mr. Subir Rakshit, Head-Internal Audit are also members of the Committee.

c) Terms of reference of the Risk Management Committee:

- i. Oversee and recommend the risk management policies and procedures of the Company;
- ii. Review and recommend changes as needed to ensure that the Company has in place at all times a Risk Management policy which addresses the strategic, operational, financial and compliance risks;
- iii. Implement and maintain a sound risk management framework which identifies, assesses, manages and monitors the Company's business risks;
- iv. Set reporting guidelines for management to report to the Committee on the effectiveness of the Group's management of its business risks;

3. General Body Meetings

Location and Time, where last three AGMs were held

AGM	FY	Date	Time	Place
33rd	2013-2014	Friday, 29 th September, 2014	12:30 PM	Kankaria Estate, 5 th Floor, 6, Little Russell Street, Kolkata-700071.
34th	2014-2015	Thursday, 24 th September, 2015	11:30 AM	-do-
35th	2015-2016	Friday, 23 rd September, 2016	2:30 PM	-do-

Special Resolutions passed at last three AGMs

FY	Items
2013-2014	i) The position of the Chairman and that of the Managing Director shall be held by a single individual who shall be designated as the Chairman and Managing
	ii) Payment of remuneration in excess of 10% of net profit to Mr. Siddhartha Roy Burman, Chairman and Managing Director and Mrs. Tanusree Roy Burman, Whole-time Director.
2014-2015	i) Payment of remuneration of Rs. 20,517,847 in aggregate to Mr. Siddhartha Roy Burman, Chairman and Managing Director and Mrs. Tanusree Roy Burman, Whole-time Director in case of no profit or inadequate profit of the

	Company for the financial year ended 31 March, 2015.
2015-2016	<p>i) Payment of remuneration of Rs. 22,563,371 in aggregate to Mr. Siddhartha Roy Burman, Chairman and Managing Director and Mrs. Tanusree Roy Burman, Whole-time Director in case of no profit or inadequate profit of the Company for the financial year ended 31 March, 2016.</p> <p>ii) Reappointment of Mr. Siddhartha Roy Burman, as "Chairman and Managing Director" (also as "Whole time Key Managerial Personnel"), with effect from 1st April 2016 till 31st March, 2019 (both days inclusive)</p> <p>iii) Reappointment of Ms. Tanusree Roy Burman, as Whole Time Director of the Company with effect from 1st April 2016 till 31st March, 2019 (both days inclusive)</p>

4. Address for correspondence:

Registered Office, Head & Corporate Office	<p>"Kankaria Estate", 5th Floor, 6, Little Russell Street, Kolkata-700071, India. Phone: +91-3340090501/+91-3340090500 Website: www.khadims.com</p>
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5. Other Disclosures:

Policy on dealing with Related Party Transactions shall be available at www.khadims.com

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KHADIM INDIA LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **KHADIM INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the

accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

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.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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, refer to our separate Report in "Annexure A". 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 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 its financial statements in accordance with the generally accepted accounting practice, also refer Note 32 to the 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 which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the



Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management. However, as stated in note 44 to the financial statements and as represented to us by the Management, amounts aggregating Rs 2,102,000 have been received for other than permitted transactions.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 302009E)



A. Bhattacharya
Partner
Membership No. 054110

Place: Kolkata
Date: 15th June, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date. .

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

Auditor's 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India 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. 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 Company's internal financial controls system over financial reporting.



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.

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 over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 302009E)



A. Bhattacharya
Partner
Membership No. 054110

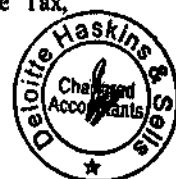
ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) With respect to immovable properties of acquired land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed / provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement except the following

Particulars of the land and building	Gross Block (as at the 31st March 2017) Rs	Net Block (as at the 31st March 2017) Rs	Remarks
Leasehold land at Laskarhat Kolkata measuring 34.25 cottah	1,71,25,000/-	1,53,59,030/-	Registration of 34.25 Cottah of Leasehold Land is pending till disposal of legal suit at Calcutta High court.

- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. There are no unclaimed deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax,



Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

- (b) There were no undisputed amounts payable in respect of Provident Fund, , Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable .
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Excise Duty, Customs Duty and Value Added Tax which have not been deposited as on March 31, 2017 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 (Rs.)
Income Tax Act, 1961	Income Tax	Deputy Commissioner of Income Tax	2007-08	10,27,885
Income Tax Act, 1961	Income Tax	Deputy Commissioner of Income Tax	2008-09	82,587
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax	2011-12	22,58,700
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax	2012-13	25,50,880
Central Excise Act, 1944	Excise Duty	Customs, Excise and Service Tax Appellate Tribunal	2007-08	1,62,832
Finance Act, 1994	Service Tax	Assistant Commissioner of Service Tax	2005-06 and 2006-07	1,51,000
West Bengal Value Added Tax Act, 2003	Sales Tax	West Bengal Taxation Tribunal	2011-12	9,46,675
West Bengal Value Added Tax Act, 2003	Sales Tax	West Bengal Taxation Tribunal	2015-16	2,56,249
WB Entry Tax Act, 2012	Entry Tax	Additional Commissioner of Commercial Tax, WB	2015-16	4,656,648
Bihar Value Added Tax Act, 2005	Sales Tax	Joint commissioner of Commercial Tax (Appeals)	2012-13	8,14,973
Bihar Value Added Tax Act, 2005	Sales Tax	Joint commissioner of Commercial Tax (Appeals)	2013-14	7,44,008
Bihar Value Added Tax Act, 2005	Sales Tax	Joint commissioner of Commercial Tax (Appeals)	2014-15	13,81,944
Central Sales Tax Act , 1956	Sales Tax	Commissioner Sales Tax	2012-13	3,616,830
Central Sales Tax Act , 1956	Sales Tax	Deputy Commissioner, Appeal, Thiruvananthapuram	2014-15	72,376
Kerala VAT Act, 2003	Sales Tax	Deputy Commissioner, Appeal, Thiruvananthapuram	2014-15	114,614
Kerala VAT Act, 2003	Sales Tax	Deputy Commissioner, Appeal, Thiruvananthapuram	2015-16	1,16,592
Kerala VAT Act, 2003	Sales Tax	Deputy Commissioner, Appeal, Thiruvananthapuram	2015-16	1,79,960



- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 302009E)


A. Bhattacharya
Partner

Membership No. 054110

Place: Kolkata
Date: 15th June 2017

KHADIM INDIA LIMITED

Balance Sheet as at 31st March 2017

(All amounts in Rupees, unless otherwise stated)

Particulars	Note No.	As at 31 March 2017	As at 31 March 2016
A EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	17,29,85,310	17,29,85,310
(b) Reserves and Surplus	4	1,67,65,77,939	1,37,10,16,815
2 Non- Current Liabilities			
(a) Long - Term Borrowings	5	20,00,000	7,06,78,000
(b) Deferred Tax Liabilities (Net)	6	5,77,41,055	6,41,20,166
(c) Other Long - Term Liabilities	7	9,24,68,948	8,79,60,986
(d) Long - Term Provisions	8	60,64,197	50,82,190
3 Current Liabilities			
(a) Short - Term Borrowings	9	1,03,96,47,989	97,64,21,619
(b) Trade Payables			
(i) Total outstanding dues to micro enterprises and small enterprises		2,16,39,758	2,12,59,144
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	10	87,65,98,934	54,72,03,218
(c) Other Current Liabilities	11	13,69,06,135	17,71,01,213
(d) Short - Term Provisions	12	1,33,77,016	2,92,76,756
Total		4,09,80,07,279	3,52,29,95,439
B ASSETS			
1 Non - Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	13	1,31,64,76,888	1,42,03,92,981
(ii) Intangible Assets	14	1,36,66,675	1,45,78,990
(iii) Capital Work - In - Progress		3,14,62,412	66,18,620
(b) Non - Current Investment	15	-	4,82,451
(c) Long - Term Loans and Advances	16	28,49,54,793	29,10,64,741
(d) Other Non-Current Assets	17	1,14,94,303	1,14,94,303
2 Current Assets			
(a) Current Investments	18	-	1,05,00,000
(b) Inventories	19	1,14,46,02,603	1,00,89,48,641
(c) Trade Receivables	20	77,16,60,668	34,85,51,629
(d) Cash and Bank Balances	21	16,63,66,343	19,42,12,825
(e) Short Term Loans and Advances	22	21,48,85,932	15,04,34,217
(f) Other Current Assets	23	14,25,18,082	6,37,16,091
Total		4,09,80,07,279	3,52,29,95,439

See accompanying notes forming part of the financial statements.

In terms of our Report attached

For Deloitte Haskins & Sells
Chartered AccountantsA. Bhattacharya
PartnerPlace: Kolkata
Date: 15th June 2017

For and on behalf of Board of Directors

Siddhartha Roy Burman
Chairman & Managing DirectorDr. Indra Nath Chatterjee
Independent DirectorBhanti Jay
Chief Financial OfficerAbhijit Dan
Company Secretary & Head - Legal

KHADIM INDIA LIMITED
Statement of Profit and Loss for the year ended 31st March 2017
 (All amounts in Rupees, unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2017	For the year ended 31 March 2016
I. Revenue from Operations (Gross)	24	6,21,73,07,994	5,35,11,28,873
Less: Excise Duty		48,13,629	59,16,044
Revenue from Operations (Net)		6,21,24,94,365	5,34,52,10,829
II. Other Income	25	4,29,79,994	4,30,92,622
III. Total Revenue (I + II)		6,25,54,74,359	5,38,83,03,451
IV. Expenses :			
Cost of Materials Consumed	26	1,05,09,66,881	76,17,85,652
Purchase of Stock-In-Trade	27	2,78,29,84,319	2,46,71,16,247
Changes in Inventories of Finished Goods, Work- In-Progress and Stock-In-Trade	28	(11,97,71,436)	13,08,86,411
Employee Benefits Expense	29	55,18,75,614	45,28,25,765
Finance Costs	30	13,46,34,286	14,55,00,392
Depreciation and Amortisation Expense	14.1	15,90,17,283	16,28,79,980
Other Expenses	31	1,28,87,19,709	1,00,92,93,122
Total expenses		5,84,84,16,466	5,13,00,87,669
V Profit before tax (III - IV)		40,70,57,703	25,82,15,882
VI Tax expenses			
(1) Current tax expense		15,08,33,777	5,00,00,000
(2) (Less) MAT credit entitlement		-	(4,19,76,119)
(3) (Excess)/Short provision for tax (net) relating to prior years (includes MAT Credit receivable of earlier years Rs 4,68,16,545 (Previous year Nil))		(4,47,69,067)	37,93,891
(4) Net current tax expense		10,60,64,710	1,18,17,772
(5) Deferred tax		(63,79,131)	(60,39,458)
Net tax expense		9,94,96,579	57,78,314
VII. Profit for the year (V - VI)		30,75,61,124	25,24,37,568
VIII. Earnings per equity share : [Nominal Value per Share Rs.10/- (Previous year Rs.10/-)]	34		
(1) Basic		17.78	14.59
(2) Diluted		17.78	14.59

See accompanying notes forming part of the financial statements.

In terms of our Report attached

For and on behalf of Board of Directors

 For Deloitte Haskins & Sells
 Chartered Accountants



 A. Bhattacharya
 Partner


 Siddhartha Roy Burman
 Chairman & Managing Director


 Dr. Indre Nath Chatterjee
 Independent Director


 Mahant Ray
 Chief Financial Officer


 Abhijit Dan
 Company Secretary & Head - Legal

 Place: Kolkata
 Date: 15th June 2017


KHADIM INDIA LIMITED

Cash Flow Statement for the year ended 31st March 2017

(All amounts in Rupees, unless otherwise stated)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	40,70,67,703	25,62,15,882
Adjustments for:		
Depreciation and amortisation expense	15,90,17,283	16,26,79,990
Loss on sale/discard of Assets - Net	90,82,224	56,89,207
Interest Received	(1,16,64,373)	(1,03,70,467)
Dividend Income from Current Investments	-	(20,588)
Gain on Sale of Non-Current Investments	(1,08,007)	-
Gain on Sale of Current Investments	(18,69,926)	-
Liabilities/Provisions no longer required written back	(34,77,748)	(26,26,409)
Government grant received	(11,14,031)	(50,69,081)
Provision for doubtful debts, advances and other assets	32,68,137	35,80,965
Debts/Advances written off	41,98,411	11,35,057
Foreign Currency translations and transactions - Net	(8,21,868)	(9,17,770)
Finance cost	13,46,34,286	14,56,00,392
Operating Profit before Working Capital Changes	69,84,83,090	55,79,97,168
Adjustments for:		
Trade Receivables, Loans and Advances and Other Assets	(61,63,60,796)	(14,34,86,973)
Inventories	(13,66,83,982)	12,88,34,085
Trade Payables, Other Liabilities and Provisions	36,07,06,187	(1,18,91,154)
Cash Generated from Operations	39,81,64,619	63,14,63,186
Payment of Direct Taxes	(8,91,16,331)	(3,28,43,753)
Net cash flow from Operating Activities	30,90,68,188	49,86,09,383
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(18,21,07,088)	(9,20,39,729)
Sale of Fixed Assets	46,63,067	48,63,012
(Increase)/Decrease in Margin Account	-	1,94,007
Investments in bank deposits under lien	(7,67,64,868)	(3,82,92,183)
Maturity of bank deposits under lien	3,93,60,692	1,84,07,316
Purchase of Current Investments	-	(1,05,00,000)
Sale of investments	1,27,79,384	-
Dividend Income from Current Investments	-	20,588
Interest Received	1,43,64,885	52,63,140
Net Cash from/(used in) Investing Activities	(18,78,04,009)	(11,20,63,849)
C CASH FLOW FROM FINANCING ACTIVITIES		
Net increase/(decrease) in working capital, demand loans and buyer's credit	6,40,83,469	(7,38,14,376)
Interest Paid	(13,47,66,046)	(14,96,84,977)
Repayment of Term Loans	(11,68,06,000)	(11,24,25,500)
Repayment of Vehicle Loan	-	(5,00,667)
Net Cash used in Financing Activities	(18,64,89,667)	(33,64,25,710)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(6,62,24,378)	5,01,19,794
Exchange differences on translation of foreign currency cash and cash equivalents	(27,381)	(3,145)
Cash and Cash Equivalents at beginning of year	9,38,06,664	3,36,69,905
Cash and Cash Equivalents at end of year	1,88,64,785	8,38,06,664



KHADIM INDIA LIMITED
Cash Flow Statement for the year ended 31st March 2017
(All amounts in Rupees, unless otherwise stated)


Notes:

- I The above Cash Flow Statement has been prepared under "Indirect Method" as set out in the Accounting Standard - 3 on "Cash Flow Statement".
- II Cash and Cash Equivalents represent cash and bank balances:
- | | | |
|------------------------------------|--------------|--------------|
| Cash and Cash Equivalents: | | |
| Cash and Cash Equivalents as above | 1,85,84,795 | 8,38,08,554 |
| Other Bank Balances | 14,78,10,548 | 11,04,06,271 |
| Cash and Bank Balances (Note 21) | 16,63,95,343 | 19,42,12,825 |
- III Previous year's figures have been regrouped, wherever necessary, to conform current year's presentation

See accompanying notes forming part of the financial statements.

In terms of our Report attached

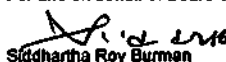
For Deloitte Haskins & Sells
Chartered Accountants

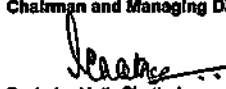

A. Bhattacharya
Partner

Place: Kolkata
Date: 15th June 2017



For and on behalf of Board of Directors


Siddhartha Roy Burman
Chairman and Managing Director


Dr. Indra Nath Chatterjee
Independent Director


Ishani Ray
Chief Financial Officer


Abhijit Dan
Company Secretary & Head - Legal

KHADIM INDIA LIMITED

Notes to Financial Statements for the year ended 31st March 2017
(All amounts in Rupees, unless otherwise stated)

1 Corporate Information

Khadim India Limited (the "Company") is an unlisted Public Limited Company engaged in the manufacturing / retail business of footwear and leather accessories.

The Company is incorporated and domiciled in Republic of India. The address of its Registered office is "Kankaria Estate", 5th Floor, 6, Little Russell Street, Kolkata - 700071.

2 Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

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 Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non current classification of assets and liabilities.

2.2 Use of Estimates:

The preparation of the Financial Statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of Assets and Liabilities and the disclosure of contingent liabilities as at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to the accounting estimates is recognised in the period in which the results are known/materialised.

2.3 Revenue Recognition

- i) Items of income and expenditure are recognised on accrual basis.
- ii) Sales, net of trade discounts and taxes but inclusive of excise duty are recognised on delivery of goods / merchandise to the dealers / customers.
- iii) Revenue from displays and sponsorships are based on the period for which the products / displays are sponsored or carried out.
- iv) Income on investments is accounted for when the right to receive the payment is established.
- v) Revenue from services is recognised on rendering of services.

2.4 Fixed Assets

- i) Fixed Assets (comprising both tangible and intangible items) are stated at cost. The cost includes the original cost of asset, freight, taxes (Net of CENVAT) and other incidental expenses relating to the acquisition and installation.
- ii) Cost of Leasehold rights of Land and Buildings, including incidental charges thereto are amortised over the period of lease.
- iii) Intangible assets (Computer Software) are stated at their cost less accumulated amortisation. An intangible asset is recognised where it is probable that the future economic benefits attributable to the asset will flow to the Company and where its costs can be reliably measured. The carrying value is reviewed at each Balance Sheet date.
- iv) Capital expenses, pending installation/commercial use and certain expenses which can be regarded as incidental and directly related to the project set up are transferred to Capital Work-in-Progress. These expenses are allocated to fixed assets in the year of installation/commencement of commercial usage.
- v) Expenditure on software development eligible for capitalisation are carried as intangible assets under development where such assets are not yet ready for their intended use.
- vi) Impairment loss, if any, is recognised wherever the carrying amount of fixed assets of a cash generating unit exceeds its recoverable amount i.e. net selling price or value in use, whichever is higher.

2.5 Depreciation

Depreciation (including amortisation) is calculated in the following manner :

- (a) Leasehold land is amortised over the period of lease.
- (b) Depreciation on other fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of certain Furniture and fixtures in whose case life of the assets has been assessed at 8 years, based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.
- (c) Intangible assets are depreciated over the useful life (generally 3-5 years) on straight line basis.

2.6 Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost and fair-value whichever is lower. Long term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary in the value of the investments, such reduction being determined and made for each investment individually.

2.7 Inventories

Inventories are valued at cost and net realisable value, whichever is lower. For this purpose, basis of ascertainment of cost is as under:

- Raw-Materials and Packing Materials : At cost on First-in-First-out basis (FIFO).
- Stock in process: Raw material cost plus conversion cost upto the stage of completion.
- Finished goods : Raw-material cost and other related overhead cost inclusive of excise duty payable on clearance
- Trading goods : At landed cost plus related overhead cost, determined on FIFO basis.



KHADIM INDIA LIMITED

Notes to Financial Statements for the year ended 31st March 2017
(All amounts in Rupees, unless otherwise stated)

2.8 Taxation

Current Tax in respect of taxable income is provided for the year based on applicable tax rates and laws. Deferred Tax is recognised subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are reviewed at each Balance Sheet date to re-assess realisation. No deferred tax asset on unabsorbed depreciation and carry forward of losses are recognised unless there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

2.9 Employee Benefits

- (i) Short-term Employee benefits (i.e. benefits payable within one year) are recognised in the period in which the employee services are rendered.
- (ii) Contributions to Provident Fund and other funds in accordance with the relevant plans / schemes (Defined Contribution Schemes) are charged to Statement of Profit and Loss on accrual basis.
- (iii) Gratuity is maintained as a defined benefit retirement plan and contribution is made to Life Insurance Corporation Of India as per Company's Scheme. Provision/ Write back, if any, is made on the basis of the present value of the liability as at the Balance Sheet date as determined by actuarial valuation following projected unit credit method.
- (iv) Leave encashment (Defined Benefit Scheme) is provided annually based on actuarial valuation carried out by an independent actuary using projected unit credit method as at the Balance Sheet date. Regular contributions are made to SBI Life Insurance Company Limited as per Company's Scheme

2.10 Treatment of Prior Period, Extraordinary Items and Changes in Accounting Policies

- (i) Any material items (other than those arising out of over / under-estimation of earlier years) arising as a result of error or omission in preparation of earlier years Financial Statements are separately disclosed.
- (ii) Any material gains/ losses, which arise from the events or transactions which are distinct from ordinary activities of the Company are separately disclosed.

2.11 Foreign Currency Transactions and Translation

Foreign Currency transactions are recorded at the prevalent exchange rates as on the dates of the respective transactions. Year-end monetary assets/liabilities, denominated in foreign currencies, are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost. Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

2.12 Borrowing Costs

Borrowing Cost, if any, that are attributable to the acquisition, construction or production of 'Qualifying Assets' are capitalised as part of cost of such assets. A 'Qualifying Asset' is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as expenses in the period in which they are incurred.

2.13 Leases

Lease arrangements, where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight line basis.

2.14 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation as at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

2.15 Derivative Transactions

Premium / discount on forward exchange contracts are amortised over the period of the contracts. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

2.16 Government Grants

Government Grants are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received. Grants related to depreciable fixed assets are treated as deferred income. The deferred income is recognised in the Statement of Profit and Loss on a systematic and rational basis over the useful life of assets to which the grant relates to. Such allocation to income is made over the periods and in proportions in which depreciation on related assets is charged.

2.17 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share) relating to the dilutive potential equity shares, by the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential dilutive equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.



KHADIM INDIA LIMITED

Notes to Financial Statements for the year ended 31st March 2017
(All amounts in Rupees, unless otherwise stated)

3 SHARE CAPITAL**Authorised**

6,00,00,000 (31st March 2016 : 6,00,00,000) Equity Shares of Rs.10/- each

Issued, Subscribed and Paid up

1,72,98,531 (31st March 2016 : 1,72,98,531) Equity Shares of Rs.10/- each

Total

As at 31 March 2017	As at 31 March 2016
60,00,00,000	60,00,00,000
17,29,85,310	17,29,85,310
17,29,85,310	17,29,85,310

3.1 Reconciliation of the number of Equity shares

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number	Amount	Number	Amount
Balance as at the beginning of the year	1,72,98,531	17,29,85,310	1,72,98,531	17,29,85,310
Balance as at the end of the year	1,72,98,531	17,29,85,310	1,72,98,531	17,29,85,310

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

Name of Shareholder	As at 31 March 2017		As at 31 March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Knightsville Private Limited (Holding Company)	87,37,829	50.51	87,37,829	50.51
Siddhartha Roy Burman	21,73,149	12.56	21,73,149	12.56
Reliance Alternative Investments Fund - PE Scheme I	58,52,093	33.83	58,52,093	33.83

3.3 Rights, Preferences and Restrictions attached to Equity Shares

The Company has one class of Equity Shares having a face value of Rs.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 ensuing 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.

3.4 Equity Shares allotted as fully paid up bonus shares for the period of five years immediately preceding 31st March 2017

The Company had issued bonus shares during the year ended 31st March 2014 to the shareholders in the ratio of 1:3 aggregating 3,64,05,714 number of equity shares of Rs.10 each as fully paid by utilising balance in General Reserve Account and Surplus in Statement of Profit and Loss Account to the extent of Rs. 43,39,000 and Rs 35,97,18,140 respectively.

3.5 Equity Shares allotted as fully paid pursuant to contract without payment being received in cash during the period of five years immediately preceding 31st March 2017

During the year 2014-15 the Company issued 51,83,293 Equity Shares of face value Rs.10 each at a conversion premium of Rs.140.03 per share on conversion of Zero Coupon Compulsorily Convertible Debentures (Unsecured) issued in 2013-14, as per the formula set out in, and each with rights, preferences and privileges contained in the Securities Subscription and Share Purchase Agreement



KHADIM INDIA LIMITED**Notes to Financial Statements for the year ended 31st March 2017**
(All amounts in Rupees, unless otherwise stated)**4 RESERVES AND SURPLUS**

	As at 31 March 2017	As at 31 March 2016
Capital Reserve - Amalgamation Reserve (Refer Note 4.1)	23,19,16,072	23,19,16,072
Securities Premium Account	76,11,49,151	76,11,49,151
Surplus In Statement of Profit and Loss		
Opening Balance	37,79,51,892	12,55,14,024
Profit for the year	30,78,51,124	25,24,37,568
Closing Balance	68,58,12,716	37,79,51,892
Total	1,67,85,77,939	1,37,10,16,815

4.1 Pursuant to the Scheme of Amalgamation approved by the Hon'ble High Court at Calcutta with effect from 1st October, 2004, the surplus of net assets over the Equity Shares issued as purchase consideration has been treated as Capital Reserve.



KHADIM INDIA LIMITED

Notes to Financial Statements for the year ended 31st March 2017

(All amounts in Rupees, unless otherwise stated)

5 LONG TERM BORROWINGS**SECURED LOANS**

Term Loans

From Banks

	As at 31 March 2017	As at 31 March 2016
State Bank of India Term Loan	-	91,10,000
AXIS Bank Term Loan I	-	3,75,00,000
AXIS Bank Term Loan II	-	99,68,000
Small Industries Development Bank of India	20,00,000	1,40,00,000
Total	20,00,000	7,05,78,000

6 DEFERRED TAX LIABILITIES (NET)

Tax effect of items constituting deferred tax liabilities:

On difference between book balance and tax balance of fixed assets

Tax effect of items constituting deferred tax assets:

Provision for Leave Encashment

Provision for Doubtful Debts And Advances

Provision for slow moving inventories

	As at 31 March 2017	As at 31 March 2016
	7,56,66,061	7,63,13,413
	8,98,169	5,66,256
	83,37,160	44,37,314
	1,16,88,697	71,89,657
Total	8,77,41,055	6,41,20,196

7 OTHER LONG TERM LIABILITIES

Others:

Security Deposits

Deferred Government Grant

	As at 31 March 2017	As at 31 March 2016
	8,60,31,779	8,03,99,797
	64,37,167	75,51,191
Total	9,24,68,946	8,79,50,988



KHADIJA INDIA LIMITED

Notes to Financial Statements for the year ended 31st March 2017
(All amounts in Rupees, unless otherwise stated)

5.1 Nature of Security and Terms of repayment for Secured borrowings

Nature of Security
<p>1 Primary security - Secured by mortgage of 7 owned properties situated at Bhuvanagwar, Sarapone, Chinsurah, Chandernagore, Danjiling, Howrah and Rashbehari Avenue alongwith hypothecation of Interiors, furniture and fixtures and all other assets therein, leasehold property situated at Calcutta Leather Complex, 24 Paraganas (South), 24 leased properties situated at Anuravati, Railiam, Jaedimelia, Marathalli, Pultenahalli, Aera Colony, Kolar Road, Durg, Lucknow, Dumbop, Ujjain, Srinivasnagar, Velachery, B B Ganguly Street, B T Road, Porur, Cross Cut Road, Madurai, Annanagar, TVS Road, Dharampet, Sabon, Barasat and Bhilai.</p> <p>Collateral security - 2nd charge on entire current assets of the Company both present and future on pari passu basis with other consortium member banks, mortgage over 4 properties situated at Rajkot, Jamnagar, Kasbe, Salt Lake City, leasehold properties situated at Bangalore, Coimbatore, Chennai, Mysore, Hyderabad and Akola, pledge of fixed deposit, in the name of Khadim India Limited, personal guarantees of promoter directors and corporate guarantees of group companies.</p> <p>The securities have already been released</p>
<p>2 Primary security - Exclusive charge on movable and immovable fixed assets related to the factory for manufacturing of Hwai products at Panpur and second pari passu charge on the current assets (both present and future)</p> <p>Collateral security - Personal guarantees of promoter directors.</p>
<p>3 Primary security - Exclusive charge on freehold property at 31/32, G T Road, PO - Ushagram, PS - Asansol, Burdwan.</p> <p>Collateral security - Personal guarantees of promoter directors.</p> <p>The securities have already been released</p>

Terms of Repayment and rate of interest
<p>1 Repayable - By way of 16 quarterly instalments of Rs.1,19,60,000 each starting from December 2011, followed by 4 quarterly instalments of Rs.1,32,80,000 each, 3 quarterly instalments of Rs.53,20,000 each and final instalment of Rs.51,20,000. However the loan has been fully repaid during the year.</p> <p>Rate of interest - 12.80% per annum</p>
<p>2 Repayable - By way of 20 equal quarterly instalments of Rs.0.94 crore each starting from June 2013</p> <p>Rate of interest ranging from 13.50% per annum to 13.75% per annum</p>
<p>3 Repayable - By way of 59 equal monthly instalments of Rs.8,34,000 each starting from April 2013 followed by a final instalment of Rs.7,94,000. However, the loan has been fully repaid during the year.</p> <p>Rate of interest ranging from 13.50% per annum to 13.75% per annum</p>



KHADIM INDIA LIMITED

Notes to Financial Statements for the year ended 31st March 2017
(All amounts in Rupees, unless otherwise stated)

5.1 Nature of Security and Terms of repayment for Secured borrowings

Nature of Security													
4	<p>Primary security - Secured by hypothecation of all the moveable assets (including Current Assets), both present and future. The charge is subservient to all the existing and prospective charges created on the said assets in favor of other banks which have extended loans for the same business as SIDBI.</p> <p>Collateral security - Personal guarantee of Promoter Directors and Corporate Guarantee of Holding Company.</p>												
5	<p>The scheduled maturity of these term loans is mentioned as under:</p> <table border="1"> <thead> <tr> <th>Name of the Bank</th> <th>2017-18</th> <th>2018-19</th> </tr> </thead> <tbody> <tr> <td>AXIS Bank Term Loan I</td> <td>3,75,00,000</td> <td>-</td> </tr> <tr> <td>SIDBI</td> <td>1,20,00,000</td> <td>20,00,000</td> </tr> <tr> <td>Total</td> <td>4,95,00,000</td> <td>20,00,000</td> </tr> </tbody> </table>	Name of the Bank	2017-18	2018-19	AXIS Bank Term Loan I	3,75,00,000	-	SIDBI	1,20,00,000	20,00,000	Total	4,95,00,000	20,00,000
Name of the Bank	2017-18	2018-19											
AXIS Bank Term Loan I	3,75,00,000	-											
SIDBI	1,20,00,000	20,00,000											
Total	4,95,00,000	20,00,000											
6	Represents Current maturities of long term debt (refer Note 11 - Other Current Liabilities)												

Terms of Repayment and rate of interest	
4	<p>Repayable - By way of 50 monthly instalments of Rs.10,00,000 each starting from 36 months from the date of first disbursement (25th March 2011).</p> <p>Rate of interest 13.50% per annum</p>



KHADIM INDIA LIMITED

Notes to Financial Statements for the year ended 31st March 2017
(All amounts in Rupees, unless otherwise stated)

8 LONG TERM PROVISIONS

Provisions for employee benefits
Leave Encashment

Total

As at 31 March 2017	As at 31 March 2016
68,64,197	50,82,190
68,64,197	50,82,190

9 SHORT TERM BORROWINGS**SECURED**

Loans repayable on demand

Cash Credit / Working Capital Demand Loans from Banks

State Bank of India Cash Credit [Refer Note 1 of 9.1]
State Bank of India - Standby Line of Credit [Refer Note 1 of 9.1]
State Bank of Hyderabad Cash Credit [Refer Note 2 of 9.1]
YES Bank Cash Credit [Refer Note 1 of 9.1]
ICICI Bank Demand Loan [Refer Note 3 of 9.1]
Axis Bank Cash Credit [Refer Note 1 of 9.1]
ICICI Bank Cash Credit [Refer Note 1 of 9.1]
HDFC Bank Cash Credit [Refer Note 1 of 9.1]
HDFC Bank Short Term Loan [Refer Note 4 of 9.1]

Buyer's Credit from Banks

State Bank of India [Refer Note 1 of 9.1]

Total

As at 31 March 2017	As at 31 March 2016
43,24,27,479	48,28,44,483
4,00,00,000	-
16,08,89,372	25,16,45,260
3,25,17,790	2,77,08,082
6,00,00,000	8,00,00,000
5,23,02,837	4,57,77,691
2,86,02,685	-
9,89,40,504	9,71,42,482
10,00,00,000	-
1,08,68,50,357	96,49,17,888
3,27,97,832	1,18,03,631
1,03,99,47,889	97,64,21,619



KHADIM INDIA LIMITED

Notes to Financial Statements for the year ended 31st March 2017

(All amounts in Rupees, unless otherwise stated)

9.1 Nature of Security of Working Capital Demand Loans and Buyer's credit from Banks

Nature of Security

- 1 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 - 2nd charge on the primary security for all State Bank of India Term loans, equitable mortgage of properties at Kancharapara, Vadodara, KG Road, Bangalore and Civil Station, Bangalore, on pari-passu basis with other working capital members banks under the consortium, personal guarantees of promoter directors and corporate guarantees of group companies.
- 2 Primary security** - Same as State Bank of India Cash Credit (Refer Note 1 above).
Collateral security - Equitable mortgage of properties at Kancharapara, Vadodara, KG Road, Bangalore and Civil Station, Bangalore, on pari-passu basis with other working capital members banks under the consortium, exclusive charge on property at P-43 and P-43A at Kasba Industrial Estate, Kolkata, subservient charge on all the movable and immovable assets of the Company, personal guarantees of promoter directors and corporate guarantees of group companies.
- 3 Primary security** - Secured by hypothecation of all credit card receivables both present and future, mortgage of factory building at S19, S20 and S21 at Kasba, Kolkata, retail outlet at Rashbehari Avenue, Kolkata, liquid security in form of fixed deposits, Corporate guarantee of the Holding Company and personal guarantee of Managing Director.
- 4 Secured by personal guarantee of Managing Director.**



KHADIM INDIA LIMITED

Notes to Financial Statements for the year ended 31st March 2017
(All amounts in Rupees, unless otherwise stated)

10 TRADE PAYABLES

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

Acceptances

Other than Acceptances

Employee Benefits Payable

Total

As at 31 March 2017	As at 31 March 2016
3,95,11,900	3,58,70,940
81,31,93,555	49,08,47,345
2,38,93,479	2,04,84,933
87,65,98,934	54,72,03,218

11 OTHER CURRENT LIABILITIES

Current maturities of long - term debt

Term Loans

Interest accrued but not due on borrowings

Interest accrued and due on borrowings

Advance from customers

Security Deposits

Investors Education and Protection Fund (the fund) shall be credited by the following amount

Unclaimed/Unpaid Dividend [Refer Note 11.1]

Other payables:

Statutory remittances (VAT and Sales Tax, Contribution to Provident and Other Funds, Withholding Tax)

Payables on purchase of fixed assets

Deferred Government Grant

Others (Coupon liability, Provision for Corporate Social Responsibility etc.)

Total

As at 31 March 2017	As at 31 March 2016
4,95,00,000	9,87,28,000
1,14,822	2,13,872
16,88,178	17,20,788
2,10,41,691	2,37,31,949
61,11,125	53,04,420
1,335	1,335
3,30,77,202	2,19,82,426
1,91,61,637	2,34,18,372
11,14,031	11,14,038
60,86,314	28,85,813
13,69,08,136	17,71,01,213

11.1 There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956/Section 125 of the Companies Act, 2013 as at the year end.

12 SHORT TERM PROVISIONS

Provision for employee benefits

Leave Encasement

Others

Provision for Income Tax [Net of advance taxes Rs.8,28,22,357; Previous Year Rs.7,73,64,127]

Total

As at 31 March 2017	As at 31 March 2016
7,90,870	8,13,812
1,25,86,148	2,84,82,944
1,33,77,018	2,92,96,756



KNADIM INDIA LIMITED
Notes to Financial Statements for the year ended 31st March 2017
(All amounts in Rupees, unless otherwise stated)

13

TANGIBLE ASSETS	GROSS BLOCK - AT COST		DEPRECIATION/ AMORTISATION		NET BLOCK			
	As at 01 April 2016	Additions during the year	Sales/ Adjustment during the year	As at 31 March 2017	As at 01 April 2016	For the Year	As at 31 March 2017	As at 31 March 2016
Freehold Land	1,67,64,096	-	-	1,67,64,096	-	-	1,67,64,096	1,67,64,096
Leasehold Land (Refer Note 13.1)	16,04,69,149	-	2,01,85,368	14,02,72,781	1,92,91,228	24,45,026	12,19,62,190	14,12,06,921
Freehold Buildings	77,78,08,702	-	8,43,67,819	69,34,39,883	10,83,61,761	1,72,61,945	68,49,65,084	68,94,44,941
Plant and Machinery	52,36,25,303	8,20,61,288	2,14,72,126	58,42,14,478	21,17,79,563	4,70,44,787	33,80,22,976	31,19,45,740
Furniture and Fixtures	98,11,89,550	5,94,54,423	2,36,06,482	62,70,33,491	33,78,17,163	7,79,24,674	23,35,16,428	25,33,71,387
Vehicles	2,39,64,913	22,84,620	1,66,45,611	1,00,13,922	1,38,27,418	18,67,955	65,87,926	95,37,486
Office Equipments	5,36,40,096	35,11,388	5,09,366	5,66,42,117	3,66,17,714	70,70,707	1,46,36,189	1,82,22,381
Total	2,14,70,67,808	14,73,21,528	16,67,96,972	2,12,85,78,768	72,66,64,847	15,36,14,974	1,31,64,70,888	1,42,03,92,961



KNADUR INDIA LIMITED
Notes to Financial Statements for the year ended 31st March 2017
 (All amounts in Rupees, unless otherwise stated)

13 TANGIBLE ASSETS	GROSS BLOCK - AT COST			DEPRECIATION AMORTISATION			NET BLOCK		
	As at 01 April 2016	Additions during the year	Sabot Adjustment during the year	As at 31 March 2016	As at 01 April 2016	For the Year	On Sales/ Adjustments during the year	As at 31 March 2016	As at 31 March 2015
Freehold Land	1,67,64,086	-	-	1,67,64,086	-	-	-	1,67,64,086	1,67,64,086
Leasehold Land [Refer Note 13.1]	15,99,32,656	6,35,493	-	16,04,68,149	1,68,09,621	24,51,707	-	14,12,06,821	14,30,23,155
Buildings : Leasehold	4,53,63,938	-	4,53,63,938	-	1,66,23,391	-	1,66,23,391	-	2,85,40,447
Freehold	77,72,26,165	5,77,517	-	77,78,06,702	5,10,60,060	1,73,01,701	-	68,94,44,941	69,61,69,125
Plant and Machinery	48,06,33,958	6,31,58,517	2,01,67,172	62,36,25,303	18,12,41,596	4,01,65,147	1,96,27,080	31,19,45,740	28,93,92,452
Furniture and Fixtures	59,16,45,852	3,98,49,094	3,03,05,339	66,11,68,550	27,49,89,090	8,64,43,406	2,36,15,303	26,33,71,387	30,66,56,792
Vehicles	2,25,66,117	20,43,928	22,45,132	2,33,64,913	1,27,32,628	33,39,922	22,45,132	95,37,495	99,33,489
Office Equipments	5,47,90,840	14,32,009	23,72,754	6,38,40,098	2,92,74,180	78,37,869	14,94,365	1,82,22,361	2,55,06,660
Total	2,13,69,16,843	10,85,95,499	10,64,54,233	2,14,70,67,208	63,26,30,346	16,76,39,772	6,35,85,271	1,42,03,92,961	1,60,69,66,196

13.1 Leasehold land includes Rs.2,25,00,000 paid to Kolkata Metropolitan Development Authority (KMUDA) as lease premium for a land at Lockhart, Kolkata having a lease term of 99 years. The Company has received possession for 10.75 katha. The related lease deed has been executed subsequently. Remaining portion of the said land measuring 34.26 catas is under dispute for which legal proceeding is pending.



KHADIM INDIA LIMITED
 Notes to Financial Statements for the year ended 31st March 2017
 (All amounts in Rupees, unless otherwise stated)

14 INTANGIBLE ASSETS	GROSS BLOCK - AT COST		AMORTISATION		NET BLOCK				
	As at 01 April 2016	Additions during the year	Sales/ Adjustments during the year	As at 31 March 2017	As at 01 April 2016	For the Year	On Sales/ Adjustments during the year	As at 31 March 2017	As at 31 March 2016
Software (acquired)	3,97,81,488	49,90,024	1,57,59,862	2,87,22,661	2,52,12,539	54,02,309	1,57,59,862	1,48,55,988	1,39,53,875
Totals	3,97,81,488	49,90,024	1,57,59,862	2,87,22,661	2,52,12,539	54,02,309	1,57,59,862	1,48,55,988	1,39,53,875
Previous Year	5,82,62,898	1,10,43,859	2,95,15,183	3,97,81,488	4,69,43,822	53,40,208	2,70,71,481	2,52,12,539	1,45,79,960

14.1 Details of Depreciation and Amortisation Expenses

	Year Ended 31 March 2017	Year Ended 31 March 2016
Depreciation of Tangible Assets	16,36,14,974	15,75,36,772
Amortisation of Intangible Assets	64,02,309	53,40,208
Net Depreciation charged to Statement of Profit and Loss	16,90,17,283	16,28,73,980



KHADIM INDIA LIMITEDNotes to Financial Statements for the year ended 31st March 2017
(All amounts in Rupees, unless otherwise stated)**16 NON CURRENT INVESTMENTS
(At Cost)**

Investments in Mutual Fund

Quoted :

UTI Infrastructure Fund of Ra.21.09 each

Total

Aggregate book value of Investments

Quoted

Unquoted

Total

Aggregate market value of quoted investments

As at 31 March 2017		As at 31 March 2016	
Number	Amount	Number	Amount
-	-	22,876	4,82,451
	-		4,82,451
	-		4,82,451
	-		4,82,451
	-		4,84,819



KHADIM INDIA LIMITED

Notes to Financial Statements for the year ended 31st March 2017

(All amounts in Rupees, unless otherwise stated)

16 LONG-TERM LOANS AND ADVANCES**Unsecured, Considered Good**

Capital Advances

Security Deposits

Other Loans and advances:

Prepaid expenses

Advance income tax (Net of Provision for Income Tax Rs.4,17,92,642; Previous Year Rs.4,17,92,642)

MAT Credit entitlement

Other long term advances

Total

As at 31 March 2017	As at 31 March 2016
1,17,28,681	85,79,003
29,81,00,343	19,41,52,588
2,78,79,836	2,86,50,075
26,39,086	2,15,05,958
2,83,06,818	4,19,78,119
67,08,280	62,01,000
28,49,64,733	29,10,84,741

17 OTHER NON-CURRENT ASSETS

Government Grant Receivable

Total

As at 31 March 2017	As at 31 March 2016
1,14,94,303	1,14,94,303
1,14,94,303	1,14,94,303

18 CURRENT INVESTMENTS

(At lower of cost and fair value, unless otherwise stated):

Investments in Mutual Fund

Quoted :

NIL Units of Rs.10 each of DSP Blackrock Ultra Short Term Fund (Previous Year : 4,72,846 units)

NIL Units of Rs.1000 each of Reliance Money Manager Fund (Previous Year : 2,762 units)

Aggregate amount of quoted investments

Aggregate market value of listed and quoted investments

As at 31 March 2017	As at 31 March 2016
-	50,00,000
-	55,00,000
-	1,05,00,000

-	1,86,00,000
-	1,86,00,000

19 INVENTORIES

(Refer Note 19.1)

Raw Material, packing material and components

Work-in-progress (footwear)

Finished goods*

Total

As at 31 March 2017	As at 31 March 2016
18,82,48,392	9,20,03,048
4,99,34,394	5,55,59,568
98,64,22,617	88,13,68,965
1,14,46,02,663	1,00,89,28,641

*Finished goods include stock in trade of footwear and accessories, as both are stocked together.

19.1 Refer Note 2.7 above for mode of valuation



KHADIM INDIA LIMITED

Notes to Financial Statements for the year ended 31st March 2017
(All amounts in Rupees, unless otherwise stated)

20 TRADE RECEIVABLES

Outstanding for a period exceeding six months from the date they are due for payment.

Secured, considered good
Unsecured, considered good
Unsecured, considered doubtful

Less : Provision for doubtful debts

Other trade receivables

Secured, considered good
Unsecured, considered good*
Unsecured, considered doubtful

Less : Provision for doubtful debts

Total

As at 31 March 2017	As at 31 March 2016
92,60,752	72,24,420
1,62,74,828	45,67,564
1,73,83,208	1,51,49,801
4,29,24,688	2,89,41,788
1,73,83,208	1,51,49,801
2,66,41,380	1,17,91,984
6,01,43,578	3,58,46,512
69,69,95,710	30,08,13,133
3,44,617	2,65,288
74,64,83,306	33,70,24,933
3,44,617	2,65,288
74,61,39,288	33,67,69,645
77,16,80,668	34,85,51,629

*Includes debts due from KM Khadim and Co. which is a firm in which a director is a partner

14,271

3,09,800

21 CASH AND BANK BALANCES

Cash and Cash Equivalents

Cash on hand
Cheques/drafts on hand
Balances with banks
On Current Accounts
On Fixed deposits*

Other Bank Balances

On Dividend Accounts
On Fixed Deposits*
- Against guarantees and letter of credit
- As security with Sales Tax Authorities
- Pledged against credit facilities
- Other fixed deposits

Total

As at 31 March 2017	As at 31 March 2016
77,39,904	77,36,315
-	10,85,000
1,08,14,691	7,29,85,239
-	20,00,000
1,98,64,795	8,38,66,644
1,338	1,335
6,29,85,433	2,79,31,311
3,28,669	3,02,095
9,13,92,736	8,21,71,530
31,08,488	-
14,78,10,648	11,04,86,271
16,03,66,343	19,42,12,828

*Represents deposits with original maturity of more than 3 months and includes deposits with remaining maturity of more than 12 months from the balance sheet date Ra.4,99,31,089 (Previous Year Ra.19,24,719)

22 SHORT TERM LOANS AND ADVANCES

Unsecured, Considered Good

Advance to Suppliers:
Trade advances to related parties
Other trade advances

Others:

Employee Advances
Advance to Government Authorities
Prepaid expenses
Gratuity
Others (advance against expenses)

Total

As at 31 March 2017	As at 31 March 2016
	80,274
3,13,70,363	1,10,89,476
11,03,071	14,72,450
14,76,56,406	11,08,84,220
3,16,14,488	2,44,89,868
27,84,804	24,07,385
1,87,403	50,712
21,46,86,532	16,94,34,217

23 OTHER CURRENT ASSETS

Interest Receivable
Fixed assets held for sale
Government Grant Receivable
Others (Accrued export incentive, etc.)

Total

As at 31 March 2017	As at 31 March 2016
46,82,734	73,83,248
13,84,71,057	5,24,83,339
6,01,697	31,15,645
9,82,674	7,23,861
14,28,16,082	6,37,16,891



KHADIM INDIA LIMITED

Notes to Financial Statements for the year ended 31st March 2017

(All amounts in Rupees, unless otherwise stated)

24 REVENUE FROM OPERATIONS

Sale of products (Refer Note 24.1)

Other operating revenues

Sale of packing materials

Scrap Sales

Export Incentive (Duty drawback, etc.)

REVENUE FROM OPERATIONS (gross)

Less : Excise Duty

REVENUE FROM OPERATIONS (net)

	For the year ended 31 March 2017	For the year ended 31 March 2016
Sale of products (Refer Note 24.1)	6,14,95,64,352	5,29,49,27,993
Other operating revenues	4,77,44,871	4,43,95,985
Sale of packing materials	1,60,99,649	97,80,696
Scrap Sales	19,09,122	20,22,210
Export Incentive (Duty drawback, etc.)		
REVENUE FROM OPERATIONS (gross)	6,21,73,07,994	6,36,11,26,873
Less : Excise Duty	48,13,929	59,16,044
REVENUE FROM OPERATIONS (net)	6,21,24,94,168	6,34,62,10,829

24.1 Details of sale of products

Footwear and accessories

Gold Jewellery

Total

	For the year ended 31 March 2017	For the year ended 31 March 2016
Footwear and accessories	6,14,95,64,352	5,11,79,81,765
Gold Jewellery	-	17,69,46,198
Total	6,14,95,64,352	5,29,49,27,993

25 OTHER INCOME

Interest :

- On deposits with Banks

- On deposits with others

- On Income Tax Refunds

Dividend Income from Non-Current Investments

Gain on Sale of Non-Current Investments

Gain on Sale of Current Investments

Other non-operating Income:

Net gain on foreign currency transactions

Royalty

Government Grant received

Insurance Claim

Liabilities/Provisions no longer required written back

Rent Income

Miscellaneous Income

Total

	For the year ended 31 March 2017	For the year ended 31 March 2016
Interest :		
- On deposits with Banks	93,91,789	1,01,99,111
- On deposits with others	1,74,921	1,71,378
- On Income Tax Refunds	19,97,983	-
Dividend Income from Non-Current Investments	-	20,598
Gain on Sale of Non-Current Investments	1,08,007	-
Gain on Sale of Current Investments	16,98,929	-
Other non-operating Income:		
Net gain on foreign currency transactions	19,92,649	1,83,765
Royalty	12,418	2,98,460
Government Grant received	11,14,831	50,89,081
Insurance Claim	26,04,286	9,40,460
Liabilities/Provisions no longer required written back	34,77,748	26,28,409
Rent Income	1,48,64,682	1,38,48,113
Miscellaneous Income	59,73,164	1,02,59,289
Total	4,20,79,994	4,30,92,622



KHADIM INDIA LIMITED

 Notes to Financial Statements for the year ended 31st March 2017
 (All amounts in Rupees, unless otherwise stated)

26 COST OF MATERIALS CONSUMED

 Opening Inventory
 Add: Purchases (Net)

 Less: Closing Inventory
 Materials Consumed

Total

For the year ended 31 March 2017	For the year ended 31 March 2016
9,20,03,048	8,85,80,808
1,08,71,99,025	76,52,07,894
1,16,92,02,073	89,37,88,700
10,82,45,392	9,20,03,048
1,05,09,56,681	76,17,85,652
1,05,09,56,681	76,17,85,652

26.1 Details of Materials (including Components and packing materials) consumed:
Indigenous

 PVC Compound
 (Previous Year)

Value	Percentage
16,77,07,840	16
15,85,08,051	21

 Packing materials
 (Previous Year)

24,36,86,988	23
20,29,00,788	27

 EVA Compound (Injected)
 (Previous Year)

2,17,11,614	2
1,97,72,394	2

 Leather
 (Previous Year)

1,31,13,823	1
2,02,62,241	3

 Natural rubber
 (Previous Year)

11,44,12,886	11
8,23,21,467	8

 EVA Compound (Compressed)
 (Previous Year)

5,61,04,740	5
4,72,81,374	6

 PU Compound
 (Previous Year)

1,63,04,041	2
3,99,285	0

 Others
 (Previous Year)

26,89,50,321	26
19,07,11,294	25

(Previous Year)

A	90,19,91,832	86
	89,91,38,954	92

Imported:

 EVA Compound (Compressed)
 (Previous Year)

11,26,81,408	11
8,26,48,798	8

 PVC Compound
 (Previous Year)

3,62,83,441	3
-------------	---

(Previous Year)

B	14,89,64,849	14
	8,26,48,798	8

(Previous Year)

A+B	1,05,09,56,681	100
	76,17,85,652	100



KHADIM INDIA LIMITED

Notes to Financial Statements for the year ended 31st March 2017
 (All amounts in Rupees, unless otherwise stated)

27 PURCHASE OF STOCK-IN-TRADE

Footwear and accessories
 Gold and Jewellery

Total

For the year ended 31 March 2017	For the year ended 31 March 2016
2,78,29,84,319	2,43,87,85,821
-	3,03,30,428
2,78,29,84,319	2,46,91,16,249

28 CHANGES IN INVENTORIES OF FINISHED GOODS,**WORK-IN-PROGRESS AND STOCK-IN-TRADE**

Inventories at the end of the year

Work - in - progress (footwear)
 Finished goods

Inventories at the beginning of the year

Stock-in-trade
 Work - in - progress (footwear)
 Finished goods

Increase/(Decrease) in excise duty on inventories

TOTAL NET (INCREASE)/ DECREASE

For the year ended 31 March 2017	For the year ended 31 March 2016
4,99,34,384	5,56,68,568
98,64,22,817	88,13,88,985
1,03,63,67,211	91,69,45,593
-	13,20,38,325
6,66,66,898	6,57,47,731
86,13,88,985	85,14,14,844
91,69,45,593	1,04,92,01,800
(11,94,11,618)	13,22,66,367
(3,69,818)	(15,69,888)
(11,97,71,436)	13,06,86,411



KHADIM INDIA LIMITED

Notes to Financial Statements for the year ended 31st March 2017
(All amounts in Rupees, unless otherwise stated)

29 EMPLOYEE BENEFITS EXPENSE

Salaries and wages

Contribution to Provident and other funds

Staff Welfare Expenses

Total

For the year ended 31 March 2017	For the year ended 31 March 2016
49,07,29,336	40,33,60,503
1,58,63,815	1,50,52,772
4,52,63,461	3,43,82,490
56,18,75,614	46,28,25,766

29.1 Employee Benefits

The Company has recognised, in the Statement of Profit and Loss for the year ended 31st March, 2017 an amount of Rs.1,33,59,888 (Previous Year Rs.1,19,66,600) as expenses under defined contribution plans (Employer's Contribution to Provident Fund).

29.2 Defined Benefit Plan

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 based on 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. The obligation for leave encashment is recognized in same manner as gratuity and managed by SBI Life Insurance Company Limited.



KHADIM INDIA LIMITED

Notes to Financial Statements for the year ended 31st March 2017

(All amounts in Rupees, unless otherwise stated)

28.3 Reconciliation of Opening and Closing Balances of the Present Value of Defined Benefit Obligation and Planned Assets as below :

	Gratuity (Funded)		Leave Encashment (Funded)	
	2016-17	2018-16	2016-17	2015-16
I. Components of Employer Expense				
a. Current Service cost	31,45,167	27,05,806	37,47,263	15,49,960
b. Interest cost	22,17,570	21,56,339	8,08,413	8,51,045
c. Expected return on plan assets	(24,12,277)	(22,76,724)	(3,28,248)	(2,35,179)
d. Net Actuarial (gain) / loss recognised during the year	(4,48,523)	5,00,751	3,99,659	17,42,168
e. Total expenses recognised in the Statement of Profit and Loss	25,03,927	30,85,972	46,26,087	39,09,014
The Gratuity expenses have been recognised in "Contribution to Provident and other Funds" and Leave Encashment in "Salaries, Wages and Bonus" in Employee Benefit Expense (Refer Note 29)				
II. Actual Returns	22,48,290	25,69,766	3,35,301	2,34,469
III. Net Asset/(Liability) recognised in the Balance Sheet				
a. Present value of obligations at the end of the year	3,14,10,984	2,77,24,232	1,14,01,356	1,01,02,990
b. Fair value of plan assets at the end of the year	3,41,95,768	3,01,31,617	45,46,289	42,06,988
c. Funded Status (Surplus/(Deficit))	27,84,804	24,07,385	(88,55,067)	(58,96,002)
d. Net Asset/(Liability) recognised in the Balance Sheet	27,84,804	24,07,385	(88,55,067)	(58,96,002)
- Current	27,84,804	24,07,385	(7,90,870)	(8,13,612)
- Non-Current	-	-	(60,64,197)	(50,82,190)
IV. Changes in present value of Defined Benefit Obligations (DBO)				
a. Present value of obligations at the beginning of the year	2,77,24,232	2,60,36,940	1,01,02,990	1,11,15,004
b. Interest Cost	22,17,570	21,56,339	8,08,413	8,51,045
c. Current Service Cost	31,45,167	27,05,806	37,47,263	15,49,960
d. Benefits paid	(10,65,485)	(9,68,435)	(36,66,022)	(31,54,517)
e. Actuarial (gain)/loss on obligations	(6,10,510)	7,93,782	4,10,712	17,41,498
f. Present value of Obligations at the end of the year	3,14,10,984	2,77,24,232	1,14,01,356	1,01,02,990
V. Best estimate of Employers' expected contribution for the next year	50,68,732	47,48,102	62,43,982	30,99,668
VI. Change in the fair value of plan assets				
a. Fair value of plan assets at the beginning of the year	3,01,31,617	2,67,86,471	42,06,988	16,72,499
b. Expected return on plan assets	24,12,277	22,76,724	3,28,248	2,35,179
c. Actual company contributions	28,81,346	47,43,826	38,66,022	74,54,517
d. Benefits paid	(10,65,485)	(9,68,435)	(36,66,022)	(31,54,517)
e. Actuarial gain/(loss) on plan assets	(1,63,887)	2,93,031	11,053	(690)
f. Fair value of plan assets at the end of the year	3,41,95,768	3,01,31,617	45,46,289	42,06,988



KHADIM INDIA LIMITED

Notes to Financial Statements for the year ended 31st March 2017

(All amounts in Rupees, unless otherwise stated)

28.3 Reconciliation of Opening and Closing Balances of the Present Value of Defined Benefit Obligation and Planned Assets (contd.):

VII. Actuarial Assumptions	2016-17		2015-16	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
a. Discount Rate (%)	7.50%	7.50%	8.00%	8.00%
b. Expected rate of return on Plan Assets	7.50%	7.50%	8.00%	8.00%
c. Salary Escalation	5.00%	5.00%	5.00%	5.00%
d. Mortality	Indian Assured Lives Mortality (2006-08) 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.

VIII. Major Category of Plan Assets as a % of the Total Plan Assets	% Invested as at 31st March, 2017	% Invested as at 31st March, 2016
Gratuity - Funds managed by Insurer (LIC) in Group Gratuity Scheme	100%	100%
Leave Encashment - Funds managed by Insurer (SBI Life Insurance Company Limited)	100%	100%

In the absence of detailed information regarding plan assets which is funded with Insurance Companies, 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.

IX. Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)	2016-17		2016-16		2014-15		2013-14		2012-13	
Gratuity										
Present value of DBO	3,14,10,964	2,77,24,232	2,60,36,940	2,42,30,794	1,85,83,379					
Fair value of plan assets	3,41,95,768	3,01,31,617	2,67,86,471	2,24,05,936	1,78,14,289					
Funded status (Surplus / (Deficit))	27,84,804	24,07,385	7,49,531	(18,25,258)	(10,69,090)					
Experience gain / (loss) adjustments on plan liabilities*	(17,43,284)	-	(7,83,965)	1,06,291	-					
Experience gain / (loss) adjustments on plan assets*	(1,63,987)	2,93,031	699	(22,337)	-					
Leave Encashment										
Present value of DBO	1,14,01,356	1,01,02,990	1,11,15,004	1,80,94,473	1,21,03,472					
Fair value of plan assets	45,46,289	42,06,988	16,72,499	10,49,899	4,00,000					
Funded status (Surplus / (Deficit))	(68,55,067)	(58,96,002)	(94,42,505)	(1,70,44,574)	(1,17,03,472)					
Experience gain / (loss) adjustments on plan liabilities*	(6,97,481)	-	(3,62,903)	43,31,789	36,67,461					
Experience gain / (loss) adjustments on plan assets*	(11,053)	690	(428)	(15,345)	(18,000)					

* Information provided to the extent the same is available with the Company.



KHADIM INDIA LIMITED

Notes to Financial Statements for the year ended 31st March 2017
(All amounts in Rupees, unless otherwise stated)

30 FINANCE COSTS

Interest Expense
Other borrowing costs

Total

For the year ended 31 March 2017	For the year ended 31 March 2016
12,31,77,798	12,99,03,406
1,14,86,488	1,55,96,986
13,46,34,286	14,55,00,392

31 OTHER EXPENSES

Consumption of Stores
Power and Fuel
Rent
Rates and Taxes
Bank Charges
Insurance
Repairs:
Buildings
Plant and Machinery
Other
Travelling and Conveyance Expenses
Stationery and Printing
Postage, Telephone and other Communication Expenses
Advertising, Marketing and Sales Promotion Expenses
Freight Charges, Transport and Delivery
Jobwork and Hallmarking Charges
Professional Fees
Commission and Discount
Legal Expenses
Debts/Advances written off
Loss on sale/discard of Assets - Net
Provision for doubtful debts, advances and other assets
Security Hire Charges
Miscellaneous Expenses (Refer Note 31.4)

Total

For the year ended 31 March 2017	For the year ended 31 March 2016
14,06,183	9,61,598
11,45,32,568	9,79,18,581
19,89,66,609	17,46,94,451
3,11,25,012	2,62,15,815
1,20,74,687	1,15,21,818
1,85,94,803	1,47,89,327
21,13,745	11,19,633
81,82,098	69,54,590
8,76,93,007	7,20,42,315
4,76,58,210	4,19,25,288
46,21,424	37,68,454
4,86,58,134	2,78,09,462
22,81,83,862	17,98,47,187
17,55,55,988	13,18,19,162
11,82,83,841	7,48,72,298
4,83,71,161	4,61,48,984
9,32,16,227	5,69,74,073
91,685	61,156
41,98,411	11,35,057
90,82,224	68,89,207
32,68,137	35,80,985
1,67,80,325	1,46,08,163
1,92,93,911	1,47,49,540
1,28,87,19,709	1,00,92,93,122

31.1 Miscellaneous Expenses include :

Amount paid /payable to Auditors (excluding service tax)

- Statutory Audit
- Tax Audit
- Other matters
- Out of pocket expenses



Total

For the year ended 31 March 2017	For the year ended 31 March 2016
13,00,000	13,00,000
3,00,000	3,00,000
34,600	30,000
1,63,307	1,93,026
17,97,907	18,23,026

KHADIM INDIA LIMITED

Notes to Financial Statements for the year ended 31st March 2017
(All amounts in Rupees, unless otherwise stated)

- 31.2 The Company has entered into operating Lease arrangements primarily for various commercial premises / retail outlets and distribution centres. Some of the significant terms and conditions are :
- These leasing arrangements which are not non - cancellable range between 11 months and 40 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms.

Rent in respect of the above amounting to Rs.10,89,66,509 (Previous Year - Rs.17,48,94,451) has been charged to Statement of Profit and Loss in "Other Expenses" - Note 31.

32 Contingent Liabilities in respect of -

Claims not acknowledged as debts :

- a. Sales Tax Matters under dispute
- b. Income Tax Matters under dispute
- c. Service Tax matters under dispute
- d. Excise Duty matters under dispute

As at 31 March 2017	As at 31 March 2016
1,09,21,411	1,79,54,247
11,10,472	11,10,472
1,51,000	1,51,000
1,87,832	22,50,632

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.

33 Capital Commitment (Net of capital advances Rs.53,03,542; Previous Year - Rs.77,26,095)

35,68,548	47,03,753
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KHADIM INDIA LIMITED

Notes to Financial Statements for the year ended 31st March 2017
(All amounts in Rupees, unless otherwise stated)

34 Earnings Per Share (EPS) - The numerator and denominator used to calculate Basic and Diluted EPS :

		Year Ended 31 March 2017	Year Ended 31 March 2016
Profit after Tax attributable to the Equity Shareholders	A	30,75,61,124	25,24,37,588
Basic			
i. Number of Equity Shares at the beginning of the year		1,72,98,531	1,72,98,531
ii. Number of Equity Shares at the end of the year		1,72,98,531	1,72,98,531
iii. Weighted average number of Equity Shares outstanding during the year	B	1,72,98,531	1,72,98,531
iv. Nominal Value of each Equity Share (Rs)		10/-	10/-
Basic Earnings per Share (Rs.)	A/B	17.78	14.59
Diluted			
v. Weighted average number of Equity Shares for Basic EPS		1,72,98,531	1,72,98,531
vi. Weighted average number of Equity Shares for Diluted EPS	C	1,72,98,531	1,72,98,531
vii. Nominal Value of each Equity Share (Rs)		10/-	10/-
Diluted Earnings per Share (Rs.)	A/C	17.78	14.59

35 The Company is primarily engaged in the business of Manufacturing / Retail business of Footwear and Leather Accessories catering predominantly to the domestic market and therefore, according to the management, this is a "Single Segment" Company, as envisaged in the Accounting Standard (AS) 17-Segment Reporting.



KHADIM INDIA LIMITED

 Notes to Financial Statements for the year ended 31st March 2017
 (All amounts in Rupees, unless otherwise stated)

30 Related Party Disclosures in keeping with Accounting Standard 18 on "Related Party Disclosures"
A) List of Related Parties

Holding Company	Keightley Private Limited
Key Management Personnel (KMP)	Mr. Siddhartha Roy Burman - Chairman and Managing Director Mrs. Tanushree Roy Burman - Vice-Chief Director Mrs. Ashni Roy, Chief Financial Officer Mr. Abhijit Dan, Company Secretary and Head Legal
Enterprises over which KMP and their Relatives have substantial interest	Khadim Financial Services Private Limited Khadim Development Company Private Limited Khadim Enterprises K.M.Khadim & Co. St. Mary's Clinic & Drug Stores Sheela Departmental Stores Private Limited See Tea Enterprise MovieWatch Communications Private Limited
Relatives of KMP	Mrs. Namita Roy Burman (Mother of Mr. Siddhartha Roy Burman) Mr. Ritoban Roy Burman (Son of Mr. Siddhartha Roy Burman) Mr. Rutvik Roy Burman (Son of Mr. Siddhartha Roy Burman)

B) Particulars of transactions during the year ended 31st March, 2017 :

Particulars	Year Ended 31 March 2017		Year Ended 31 March 2016	
(i) Holding Company				
(ii) Key Management Personnel				
a) Remuneration				
- Siddhartha Roy Burman	2,73,46,075		2,04,11,425	
- Tanushree Roy Burman	33,65,863		21,51,940	
- Ashni Roy	49,16,493		41,87,390	
- Abhijit Dan	20,16,076	3,68,29,537	19,91,966	2,84,42,327
b) Rent paid to Siddhartha Roy Burman		60,000		60,000
c) Year - end Balance		26,85,604 (Cr.)		5,000 (Cr.)
- Siddhartha Roy Burman				
(iii) Enterprises over which KMP and their relatives have substantial interest				
a) Royalty received from K M Khadim & Co.		13,410		2,98,460
b) Rent paid to Khadim Development Co Pvt Ltd		6,38,000		6,36,000
c) Commission paid				
- Khadim Enterprises	3,39,596		3,29,673	
- See Tea Enterprises	7,31,673		7,32,661	
- Sheela Departmental Stores Pvt Ltd	6,72,603		6,89,812	
- St. Mary's Clinic & Drug Stores	1,21,061	16,67,103	1,17,686	16,70,021
d) Rent received from K M Khadim & Co.		11,504		-
e) Year - end Balance				
- Khadim Enterprises	3,22,687 (Cr.)		6,18,949 (Cr.)	
- Khadim Enterprises	4,18,629 (Cr.)		16,59,987 (Cr.)	
- See Tea Enterprises	23,51,569 (Cr.)		18,29,201 (Cr.)	
- Sheela Departmental Stores Pvt Ltd	34,734 (Cr.)		60,274 (Cr.)	
- St. Mary's Clinic & Drug Stores	47,700 (Cr.)		47,700 (Cr.)	
- Khadim Development Co Pvt Ltd	14,271 (Dr.)	31,43,108 (Cr.)	3,09,600 (Dr.)	37,76,049 (Cr.)
- K M Khadim & Co.				
(iv) Relatives of Key Management Personnel				
a) Remuneration		34,62,606		32,48,266
b) Year - end Balance (Net)		-		-



KHADIM INDIA LIMITED

Notes to Financial Statements for the year ended 31st March 2017

(All amounts in Rupees, unless otherwise stated)

	Year Ended	%	Year Ended	%
	31 March 2017		31 March 2016	
37 Value of Imported and Indigenous Consumption of Stores				
	Value		Value	
Imported	-	-	-	-
Indigenous	14,06,183	100	9,51,598	100
	14,06,183	100	9,51,598	100
38 C.I.F. Value of Imports :				
(a) Raw materials	15,67,07,627		6,80,05,797	
(b) Finished Footwear	6,34,88,146		9,48,71,386	
(c) Capital Goods	4,17,92,216		3,57,75,929	
	28,09,84,990		19,84,53,122	
39 Expenditure in Foreign Currency :				
(a) Travelling	10,30,291		6,71,974	
(b) Interest on foreign currency term loan	-		3,52,642	
(c) Others	30,40,043		-	
	40,70,334		12,24,616	
40 Earnings in Foreign Exchange				
(a) Export of goods calculated on FOB basis	2,02,22,071		1,88,83,188	

41 Foreign Exchange Contracts:
The Company uses forward exchange contracts to hedge its exposures in foreign currency.

41.1 Outstanding forward exchange contracts entered into by the Company

Currency	Amount as at 31st March 2017	Buy/Sell	Cross Currency
USD	5,05,835	Buy	Rupees
(USD)	(1,73,423)	(Buy)	(Rupees)

Note: Figures in brackets relate to the previous year

41.2 The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

As at 31st March 2017			As at 31st March 2016		
Receivable/ (Payable) in Rupees	Currency	Receivable/ (Payable) in foreign currency	Receivable/ (Payable) in Rupees	Currency	Receivable/ (Payable) in foreign currency
2,66,00,819	USD	3,84,839	83,33,432	USD	1,25,629
(1,82,09,225)	USD	(2,49,983)	(3,11,88,238)	USD	(4,89,878)



KHADIM INDIA LIMITED

Notes to Financial Statements for the year ended 31st March 2017

(All amounts in Rupees, unless otherwise stated)

42 Micro, Small and Medium scale business entities:

A sum of Rs.2,18,39,756 is payable to Micro and Small Enterprises as at 31st March, 2017 (2016 - Rs.2,12,58,144). There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March, 2017. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

43 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 represents contributions for promoting health care - Rs.15,22,386 (Previous Year - Rs.8,15,000).**44 Disclosure in respect of specified bank notes (SBN) is as follows-**

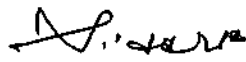
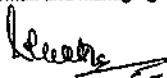
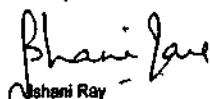
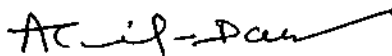
Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8th November, 2016	76,94,500	8,49,260	85,43,760
(*) Permitted receipts	-	19,69,37,842	19,69,37,842
(*) Other than permitted receipts*	21,02,000	-	21,02,000
(-) Permitted payments	-	2,66,52,437	2,66,52,437
(-) Other than permitted payments	-	-	-
(-) Amount deposited in Banks	97,88,500	16,10,58,518	17,08,55,018
Closing cash in hand as on 30th December, 2016	-	1,00,76,169	1,00,76,169

*Mistakenly accepted from customers at different retail outlets.

45 Previous year's figures have been regrouped/rearranged wherever necessary.

Signatures to Notes '1' to '45'

For and on behalf of Board of Directors


Siddhartha Roy Burman
Chairman and Managing Director

Dr. Indra Nath Chatterjee
Independent Director

Ashani Ray
Chief Financial Officer

Abhijit Dan
Company Secretary & Head - Legal

Place: Kolkata

Date: 15th June 2017

