

July 12, 2019

To  
The Manager  
Department of Corporate Services,  
BSE Limited  
Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai – 400 001  
**Scrip Code: 540775**

To  
The Manager  
The Listing Department,  
National Stock Exchange of India Limited  
C-1, G-Block, Bandra-Kurla Complex  
Bandra, (E), Mumbai – 400 0051  
**Scrip Symbol: KHADIM**

Dear Sir/Madam,

**Subject: Annual Report for the financial year ended March 31, 2019 in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the financial year 2018-19 along with the Notice dated May 17, 2019 convening the 38<sup>th</sup> (Thirty-Eighth) Annual General Meeting ('AGM') of the members of the Company scheduled to be held on August 08, 2019 at 11:30 a.m. at Kolkata.

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

This is for your information and record.

Thanking you,

Yours faithfully,

For **Khadim India Limited**



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

Encl: As above

**KHADIM INDIA LIMITED**

REGD. OFFICE : 'KANKARIA ESTATE', 5TH FLOOR, 6, LITTLE RUSSELL STREET  
KOLKATA-700 071, INDIA, Tel No. + 91-33-4009 0501, Fax No. + 91-33-4009 0500  
E-mail : [frontoffice@khadims.com](mailto:frontoffice@khadims.com); Website : [www.khadims.com](http://www.khadims.com)  
CIN : L19129WB1981PLC034337

**Khadim's®**

ANNUAL REPORT  
2018-2019

*In Step  
With Every  
Indian*

KHADIM INDIA LIMITED

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To view  
Annual Report 2018-19 Online, visit:  
[www.khadims.com](http://www.khadims.com)



# In Step with Every Indian

Over the years, rapidly changing global trends have transformed the landscape of fashion in India. Driven by shifts in income and the penetration of global brands in the Indian market, the evolution of preference change is dynamic. To remain current, Khadim needs to be dynamic too.

By focusing on quality and design, revamping our marketing strategy, and ensuring that the right products are placed in the right stores, we are continuously working towards matching and delivering on the preferences of a more youthful and trendy India, without compromising on comfort or quality. With our extensive product portfolio — from our 'Khadim's' brand, to all of our nine sub brands — we have the opportunity to target specific demographics at multiple price points. With a strong network of exclusive retail stores, franchises, and distributors, our reach across India is extensive.

**Khadim's<sup>®</sup>**

# At a Glance

Khadim India Limited is a five-decade old home-grown retail chain, based in Kolkata, offering an affordable range of footwear. We are one of India's largest branded footwear retail players, in terms of exclusive stores operating under the Khadim's brand. We have the largest presence in East India and are among the top three players in South India.



# Our Core Strengths

1

One of the largest footwear retailers in India

2

Largest Presence in East India

3

Presence both in retail and distribution segment

5

One of the largest footwear retail franchise network in India

4

One of the top 3 players in South India

## What makes us different?

### Our Business Model

We operate through two diverse business models – retail and distribution, each with its own customer base, product range and sales channels. We have established our growth and success in these two segments, with an objective of serving the needs of customers for affordable and quality footwear.

### Our Market Share

Our market share in the organised market stands at 5%, with around 10 brands and sub-brands in every price bracket.

### Establishing Strong Network

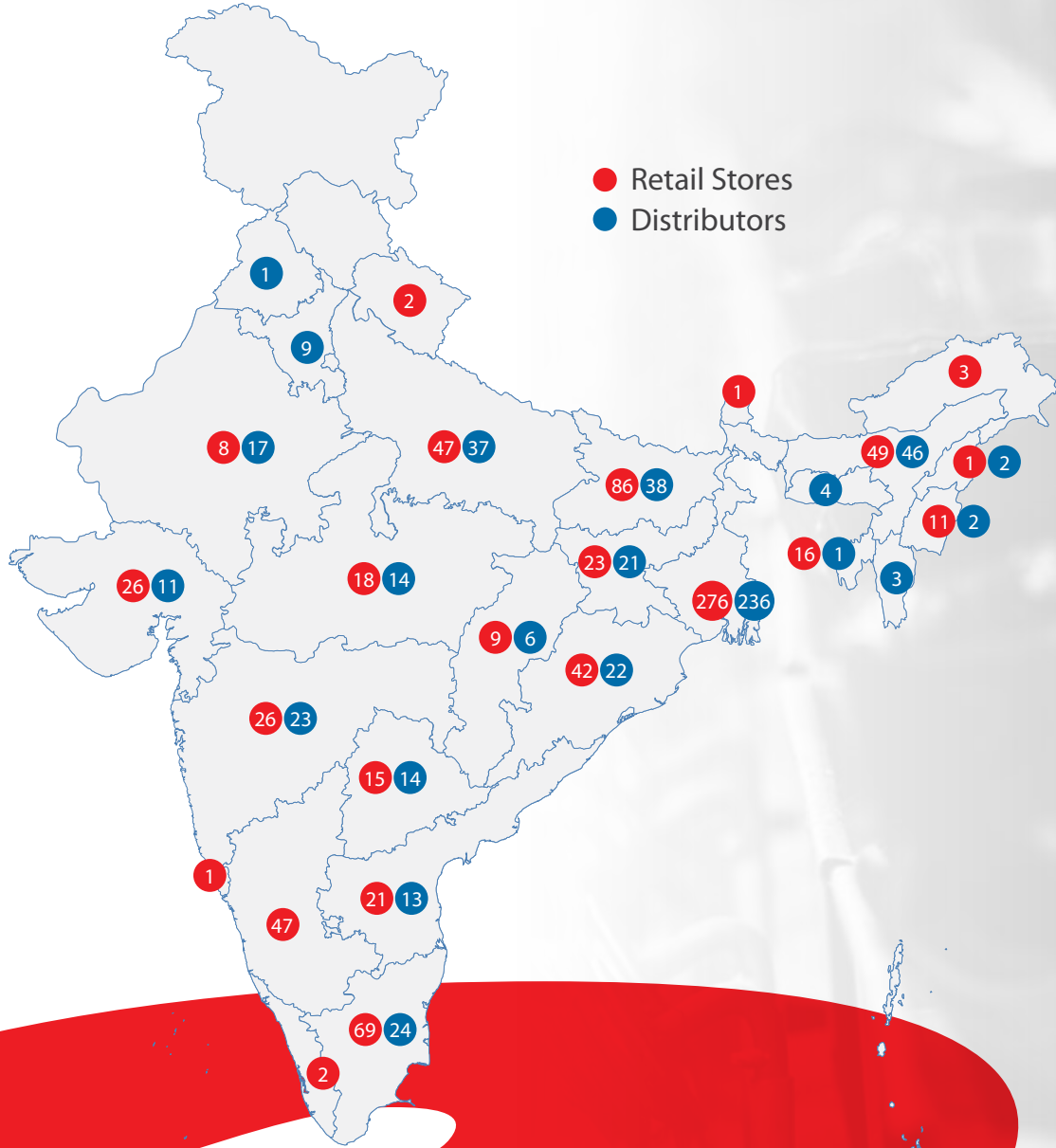
Our footwear retail franchise in India is the largest network, with a core purpose of ensuring Fashion for Everyone. Under Khadim, we own 799 branded exclusive retail stores across 23 states and 1 union territory, through our retail vertical. Our distribution business vertical has a strong network of 544 distributors. Khadim is capable of capitalising on the growth potential of both markets and de-risk dependence on any business.

### Delivering Quality to Our Customers

We understand the expectations of a 'price conscious' customer and we therefore unceasingly work on delivering value to the expanding middle class segment in India. We offer quality footwear that is affordable for the entire family.



## Our National Presence





# Our One-Upmanship



**Khadim's**

## India's leading footwear brand

- » One of the largest footwear retailers
- » Largest presence in East India
- » One of the top 3 players in South India
- » Emerging brand in West and North India



## Two-pronged market strategy

- » Straddling between two distinct business models (retail and distribution), each with its own customer base, product range and sales channels
- » Potential to capitalise on the growth potential of both markets and de-risk dependence on any one business



## Buoyant design capabilities

- » Understanding latest domestic and global fashion trends
- » Strong design capabilities have helped to create and grow sub-brands, drive premiumisation, and target and retain aspirational customers
- » Earning higher ASP and margins



## Asset-light model for growth

### Retail

- » Understanding latest domestic and global fashion trends
- » Outsourcing substantial portion of our product requirement

### Distribution

- » Highly scalable model on front end
- » Mix of in-house and contract manufacturing



## Widespread reach and presence

- » Retail presence across 23 states and 1 Union Territory
- » 799 branded retail stores
- » Wide network of 544 distributors selling to Multi-Brand Outlets

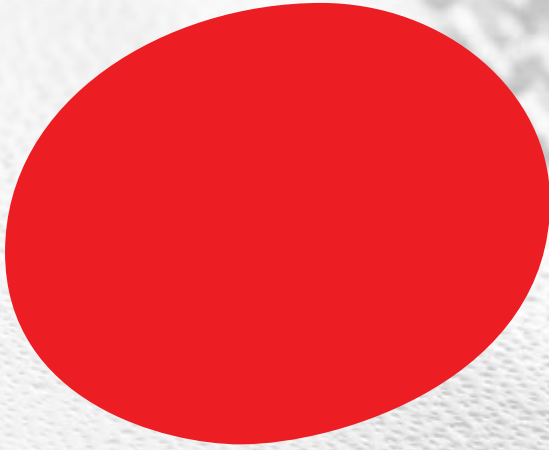


## Mounting market potential

- » Domestic footwear market projected to grow at 15% between FY2016-20
- » Branded footwear market projected to grow at 20% during the same period
  - Branded retail: 15% CAGR
  - Branded distribution: 23% CAGR



# Our Product Portfolio



Khadim's is comfort and durability perfectly combined with modern elegance in a beautiful collection of slippers, sandals and shoes for men, women and children. Available in a wide variety of styles and designs serving a range of utility, we offer products that suit the ever evolving taste of consumers. We employ a team of highly skilled designers with knowledge of the latest footwear trends and market dynamics, bringing forth products that make an impression and fulfil the fashion aspirations of our customers.



**British Walkers -**

*Premium formal shoes and sandals crafted from genuine leather, for the discerning few.*



**Lazard -**

*Trendy formal and semi-formal shoes and sandals for men made from top-grade leather and faux leather for office and after-office hours.*



**Turk -**

*Hardy, all terrain outdoor boots and sandals for adventure seekers made from premium quality faux leather.*



**Adrianna -**

*Cute and colourful shoes and sandals for pre-teen and teen girls in quality faux leather.*



**Bonito -**

*Colourful shoes and sandals for the little ones to add fun to their growing years in faux leather.*



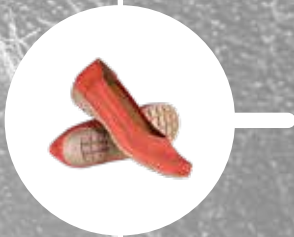
**Pro -**

*Sporty sneakers, floaters and slippers featuring mesh, synthetic and canvas uppers for active men and women.*



**Softouch -**

*Soft, comfortable shoes and sandals with special anatomical support crafted from top quality leather and faux leather.*



**Sharon -**

*Fashionable and functional shoes and sandals using premium grade faux leather for the multi-tasking woman.*

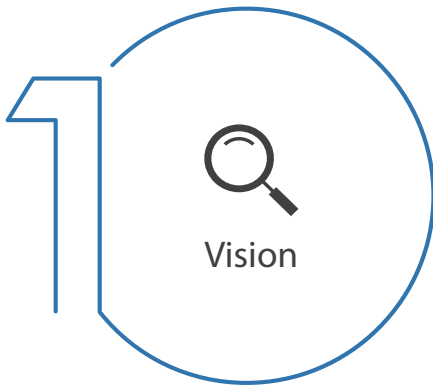


**Cleo -**

*Stylish, ultra-glam sandals and shoes for young women using high quality faux leather.*



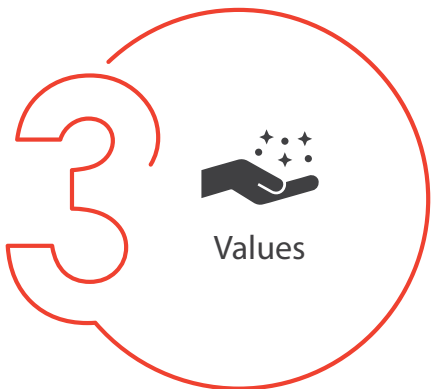
# Vision, Mission and Values



*To be in every Indian's step*



*Ensuring customer delight and stakeholders' return*



*Fashion for everyone*

***Khadim's***<sup>®</sup>



# Corporate Information

## Board of Directors

Mr. Siddhartha Roy Burman-  
*Chairman & Managing Director*

Dr. Indra Nath Chatterjee-  
*Independent Director*

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

Mr. Alok Chauthmal Churiwala-  
*Independent Director*

Ms. Namrata Ashok Chotrani-  
*Non-Executive Director*

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

## Chief Executive Officer

**Ms. Ishani Ray**

## Chief Financial Officer

**Mr. Indrajit Chaudhuri**

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

Mr. Abhijit Dan

## Statutory Auditors

M/s. Deloitte Haskins & Sells  
Chartered Accountants, Kolkata

## Secretarial Auditors

M/s. BKG & Company  
Company Secretaries, Kolkata

## Cost Auditors

M/s. B. Ray & Associates  
Cost Accountants, Kolkata

## Bankers

State Bank of India  
YES Bank Limited  
Axis Bank Limited  
ICICI Bank Limited  
HDFC Bank Limited  
Kotak Mahindra Bank Limited

## Registrar and Share Transfer Agent

M/s. Link Intime India Private Limited  
C -101, 247 Park,  
Lal Bahadur Shastri Marg,  
Vikhroli (West), Mumbai - 400083  
Email: mumbai@linkintime.co.in  
Tel: +91 22 49186000  
Fax: +91 22 49186060

## Registered Office

"Kankaria Estate", 5<sup>th</sup> Floor,  
6, Little Russell Street,  
Kolkata - 700071,  
West Bengal, India  
Phone: +91 33 40090501  
Fax: + 91 33 40090500  
Email: compliance@khadims.com  
CIN: L19129WB1981PLC034337  
Website: www.khadims.com

## Board Committees

### Audit Committee

Dr. Indra Nath Chatterjee  
*Chairman*

Prof. (Dr.) Surabhi Banerjee  
*Member*

Mr. Alok Chauthmal Churiwala  
*Member*

Ms. Namrata Ashok Chotrani  
*Member*

### Nomination & Remuneration Committee

Dr. Indra Nath Chatterjee  
*Chairman*

Prof. (Dr.) Surabhi Banerjee  
*Member*

Ms. Namrata Ashok Chotrani  
*Member*

### Corporate Social Responsibility (CSR) Committee

Prof. (Dr.) Surabhi Banerjee  
*Chairperson*

Mr. Siddhartha Roy Burman  
*Member*

Mr. Ritoban Roy Burman  
*Member*

### Stakeholders' Relationship Committee

Prof. (Dr.) Surabhi Banerjee  
*Chairperson*

Mr. Siddhartha Roy Burman  
*Member*

Mr. Ritoban Roy Burman  
*Member*





## CMD's Message to Shareholders



To strengthen our brand communication and visibility, we bolstered our promotion budgets significantly and took aggressive steps across multiple brand building activations.



Dear shareholders,

I am pleased to present to you the Annual Report for fiscal 2019.

FY2019 was a challenging year for your Company. Our revenue for the year stood at ₹7991.81 million as against ₹ 7487.06 million in the previous year, recording a growth of 6.7%. The gross profit was at ₹3027.20 million as against ₹2833.99 million, marking an increase of 6.8%. The gross margin remained stable at 37.9%. The EBITDA stood at ₹569.39 million versus ₹756.83 million for the previous year. There was a reduction in the EBITDA margin from 10.1% to 7.1%, while our PAT declined from 5.1% to 2.6%. This reduction in our PAT was primarily due to currency fluctuations and competitive market dynamics. We also faced a decline

in our overall footfalls, which had an adverse impact on the performance of the retail segment.

To closely examine the root causes of these market dynamics on our business, we commissioned a reputable agency to conduct an in-depth survey. This revealed a real need for strengthening our overall brand positioning. To this end, we have re-calibrated our strategy to focus more on our marketing plans to enhance consumer affinity towards our brand, instead of overly depending on in-store promotions to drive sales. We are also re-aligning our brand to resonate more closely with a younger, increasingly style conscious target audience.

To strengthen our brand communication and visibility, we bolstered our promotion budgets significantly and took aggressive steps across multiple brand building activations. For the first time ever, we chose to take on three highly recognisable brand ambassadors: Farhan Akhtar, Kangana Ranaut and Dinesh Karthik. As highly differentiated actors and athletes, we believe their star value, mass appeal and vast following by youthful India will take our brand to newer heights.

For quite a while, we have understood the strong emotional connection that Indians have with cricket. In this vein, we continued our sponsorship deals with Kolkata Knight Riders (KKR) and Chennai Super Kings (CSK) during the twelfth season of Indian Premier League (IPL). Moreover, we took our marketing endeavours further up a notch by selling figurines of MS Dhoni and Suresh Raina exclusively through Khadim's retail outlets. A special line of KKR branded products was also sold via both Khadim's retail and online channels.

### Magnifying Our Presence

There has been an upsurge in the footwear industry in India over the years, owing to a higher disposable income among consumers. The footwear industry is set to experience sustained growth in the coming years, driven by an increased traction in design and innovation. While branded footwear currently accounts for 44.5% of market share, by 2021, this segment will stand at half of the market size, aided by the growth of both, organised and online retail. This growth can be attributed to the increased adoption of footwear into the fashion market, and the shift from unbranded to

branded footwear. At Khadim's, we plan to leverage industry growth through our uninterrupted focus on the efficient execution of our key strategies.

While we took strong initiatives on the branding front, we also instituted a well-calibrated expansion strategy by adding 46 new retail stores and 89 distributors during the year under review. Furthermore, we are exploring other untapped markets through our two-pronged market strategy of exclusive retail and multi brand distributors. As our brand outreach continues to grow, our total network count stands at 799 retail stores and 544 distributors today.

### Segment-wise Performance

Our retail segment saw a growth of 1%, against the expected growth of 10-12%. During the year under review, there was a reduction in the sales volume. The margin in our retail segment was lower than budgeted, on account of various discount schemes run by the Company for bolstering sales. Through our repositioning of our brand and introducing exciting new designs in line with evolving fashion sense, we remain focused on enhancing the performance of our retail segment in the years ahead.

In our distribution segment, we observed lower margins due to an increase in raw material cost and foreign exchange fluctuations. However, our distribution business recorded a growth of 16.32% YoY in the sales volume during the year under report. Going ahead, we are expecting to see a further improvement in the growth of this segment with our strategy to deepen Khadim's geographical penetration.

Our institutional business recorded an uptrend during the financial year. The revenue of this vertical stood at ₹695.52 million for FY2019. As a low margin business, we are continuously looking at ways to improve both volumes and margins to make this part of our business more accretive and meaningful.

### Going Forward

As mentioned earlier, we have taken bold steps in building a strong brand connect with our customers. While we hold a good velocity in Tier I and II cities in Eastern India, we are also working towards establishing our geographical footprints in metro cities and geographies beyond East. Furthermore, our strategy to drive premiumisation through our strong range

of sub-brands will observe exclusive activities with a purpose to align our operations with the growth strategy of our Company.

To strengthen our management team, we have invested in seasoned experts in leadership roles to head respective verticals. We have also initiated internal restructuring of our people and processes in order to enhance our operational efficiency and productivity. We are hopeful that our brand positioning will gradually improve, and our performance will rebound.

Standing at this juncture, I am optimistic about our future growth prospects for the many pertinent reasons mentioned above. As a company with more than two decades of history, we've seen several ups and downs in business cycle and have emerged stronger through them. Going forward, I am confident in our strategic approach to this current business cycle and to the next phase of quality growth.

I would like to thank our dedicated management team and skilled workforce for helping us succeed in sustaining resilience. I also express my sincere gratitude to my colleagues on the Board and to all the shareholders.

Finally, I would like to acknowledge the support of all our stakeholders. I look forward to your continued support and trust in our journey ahead.

Yours Sincerely,

Siddhartha Roy Burman  
Chairman & Managing Director



Our strategy to drive premiumisation through our strong range of sub-brands will observe exclusive activities with a purpose to align our operations with the growth strategy of our Company.



## Board of Directors



**Siddhartha Roy Burman**  
*Chairman & Managing Director*

Is individual Promoter of the Company. He holds a bachelor's degree in Commerce from the University of Calcutta. He is responsible for the overall strategic decision making of the Company and provides leadership to all operations. He has been associated with the Company since its incorporation and was appointed as the Managing Director in April, 2005 and subsequently on November 26, 2012, he has been re-designated as Chairman & Managing Director and continuing as such. He has 36 years of experience in the footwear industry.



**Ms. Namrata Ashok Chotrani**  
*Non-Executive, Non-Independent Director*

Holds a bachelor's degree in Commerce from the H. R. College of Commerce & Economics, Mumbai University and a master's degree in business administration from INSEAD. She has been associated with Fairwinds Asset Managers Limited since 2012 and has a total experience of over 10 years in the field of private equity and M&A advisory. Prior to joining Fairwinds Asset Managers Limited, she was associated with KPMG. She had been associated with the Company since last 4 (Four) Years particularly from September 20, 2013 till March 09, 2016 as Non-voting observer and from March 10, 2016 till November 21, 2017 as nominee Director, representing Reliance Alternative Investments Fund - Private Equity Scheme I.



**Dr. Indra Nath Chatterjee**  
*Independent Director*

Holds a Post-Graduate Diploma in Management from the Indian Institute of Management, Calcutta and a Doctorate in Management from Symbiosis International University. He is a Fellow member of the Institute of Company Secretaries of India and a Fellow member of the Institute of Cost Accountants of India. He attended an Advanced Executive Program at Kellogg Graduate School of Business, Chicago, USA. He has been associated with the Company since 2006 and has 43 years of experience working in multi-national corporations, public sector undertakings, and educational institutions. Prior to joining our Company, he has been associated with Hinduja Group as Group President, Jindal Drilling & Industries Limited as Director and the Oil and Natural Gas Corporation Limited as Director (Finance). Further, he had also been associated with Tata Engineering and Locomotive Company Limited (currently known as Tata Motors Limited), Indian Airlines, Kamani Services Private Limited, Calcutta Business School, IFFCO- Tokio General Insurance Company Limited and Pioneer Insurance Services Limited.



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

*Independent Director*

Holds a master's degree in arts from the University of Leeds and a Doctorate in English from University of Calcutta. She has 38 years of experience as an academician. Prior to joining our Company, she was associated as Vice Chancellor with Netaji Subhas Open University, Gour Banga University and Central University of Orissa.



**Mr. Ritoban Roy Burman**

*Non-Executive, Non-Independent Director*

Son of Mr. Siddhartha Roy Burman, Chairman & Managing Director of the Company, he is a graduate in Mass Communication from St. Xavier's College, Kolkata. He joined Khadim India Limited in 2013 as Manager-Marketing and worked till 30<sup>th</sup> November 2017. He has gained good exposure in various aspects of footwear marketing during his tenure with the Company.



**Alok Chauthmal Churiwala**

*Independent Director*

Is a third generation stockbroker and an Angel Investor. He holds a Bachelor's degree in Commerce from H.R. College of Commerce & Economics, Mumbai. He also holds a Diploma in Securities Law from the Government Law College, Mumbai apart from executive learning programs from IIM, Ahmedabad & Indian School of Business, Hyderabad. He has a rich experience of over 21 years in the Indian Capital Markets. Churiwala Securities Private Limited (CSPL) is spearheaded by Mr. Alok Chauthmal Churiwala, whose focus and vision has helped the company to establish itself as a prominent and respected player in the industry. He has been responsible for starting the CDSL and NSE operations of the Churiwala Group. He was also responsible for the CSPL's tie up with Larsen & Toubro and Trade.com for their Internet venture (Ltrade.com).



# Our Leadership



**Ishani Ray**  
*Chief Executive Officer*

She was appointed as such with effect from April 1, 2018. Prior to this she was the CFO of the Company. Her association with the Company goes back to March 2006. She is a Fellow Member of the Institute of Chartered Accountants of India and also holds a master's degree in commerce from the University of Calcutta. She has about 27 years of experience in finance and accounts, taxation, audit, investor relation and business process reengineering. Prior to joining the Company she has worked with RPG Sanjeev Goenka Group, George Williamson Group and PWC. As a CEO she is responsible for the sales and marketing, supply chain, procurement and overall operations.



**Indrajit Chaudhuri**  
*Chief Financial Officer*

Mr. Chaudhuri was elevated to the position of CFO from General Manager- Commercial and Strategic Planning with effect from April 1, 2018. He joined the Company in May, 2007. He is a Fellow Member of the Chartered Accountants of India and also holds a master's degree in commerce from the University of Calcutta. He has an experience of over 17 years in Finance & Accounts, Taxation and Strategic Planning. He is responsible for the finance, accounts, taxation and treasury management and overall Financial Control. Additionally, he is also responsible for the Legal and Secretarial, Information Technology and General Administration.



**Abhijit Dan**  
*Company Secretary & Head Legal*

He joined the Company in May, 2015. He holds a Bachelor's Degree in Science (Economics Hons.). He is an associate member of the Institute of Company Secretaries of India and also holds a Bachelor's Degree in Law. Prior to joining the Company, he was associated with MCPI Private Limited, Emami Infrastructure Limited and Burnpur Cement Limited. He has more than 18 years of experience in secretarial and legal affairs. He is responsible for the overall secretarial and legal functions of the Company.



**Rittick Roy Burman**  
*Head - Merchandising & New Initiative*

He holds a bachelor's degree in Commerce from the University of Calcutta. Post his Graduation, he worked with the Company for 3 years in various departments to gain an overall understanding of the business. He completed his further studies in Berkeley, University of California as a Management Graduate and resumed work in the organisation, taking care of the long-term strategy of the organisation and drive all the new initiatives, ventures and merchandising of the Company.



**Jayanta Saha**  
*Head - Human Resources*

Is a B.A. Hons. in Economics with specialisation in Mathematical Economics and a Post Graduate Diploma in Personnel Management & Industrial Relation from Xavier Institute of Social Service. He joined the Company in April, 2016. He has over 26 years of work experience in varied industries like Retail, Consumer Durable, FMCG and Telecom. He has worked with India's largest business houses such as Reliance as well as some of the best MNCs like Heinz and Telenor, both at the regional and corporate level. He is currently working with

Khadim in the capacity of Head - HR. He has been in the leadership role for past 11 years and has played an important role in building the organisation through people development and latest HR practices. Some of the strategic areas of his work are culture building, performance management, capability building, IT enablement of HR processes, competency framework, processes and policies, HiPo management and succession planning.



### **Aranya Ray**

*General Manager - Supply Chain Management*

He joined the Company in August, 2005. He holds a master's degree in business administration from Sikkim Manipal University and a bachelor's degree in science from the University of Calcutta. He has overall 19 years of experience in supply chain and was associated with Companies like ICI India Limited and ITC Limited. He is responsible for supply chain, logistics and procurement in the Company.



### **Naveen Prakash**

*Assistant Vice President - Distribution and Sales*

He joined the Company in March, 2019. He holds a master's degree in business administration and a bachelor's degree in arts (Economics Hons.), both from Bihar University. He has also done Management Development Programme (MDP) from IIM, Indore and XLRI, Jamshedpur. He has more than 20 years of experience in the field of sales and distribution and was associated with Companies like Relaxo Footwear Limited, VST Industries Limited, Coca Cola etc. He is responsible for the distribution business of the Company.



### **Vineet Kumar Bajaj**

*General Manager - Head EBO/BO*

He joined the Company in February, 2019. He holds a bachelor's degree in commerce from the University of Calcutta. He has more than 21 years of experience in the field of Sales & Marketing and manufacturing in footwear domain and was associated with Companies like Desire Overseas Private Limited, Vinayak Industries, Inframech Solutions Private Limited. He is responsible for the franchisee business of the Company.



### **Tapas Ghosh**

*General Manager - Sales & Business Development*

He joined the Company in April, 1997. He holds a bachelor's degree in commerce from University of Calcutta. He has more than 23 years of experience in strategic planning, accounts, IT, business development and sales. He is responsible for the retail (COCO) business of the Company.



### **Rajeev Kumar Mishra**

*General Manager - Production*

He holds a bachelor's degree in science from Babasaheb Bhimrao Ambedkar Bihar University, Muzaffarpur. He joined the Company in April, 2014. He has an experience of 23 years in manufacturing of footwears and rubber. Before joining the Company, he was engaged with Diamond Footcare Udyog Private limited, Relaxo Footwear and Slapper Shoe Industries in Kenya. He is responsible for the entire manufacturing process of the Company.

*Our Product Portfolio:  
Delivering Quality,  
Creating Value.*

54%

Khadim's Share of  
Mass\* Footwear Segment

30%

Khadim's Share of  
Economy\*\* Footwear Segment

Khadim's brand presence and product range gives us the ability to address approximately 85% of the total Indian footwear market potential. With distinct brand positioning to target customers across all price segments, Khadim's is well positioned to tap into the industry growth potential through its retail and distribution business segments.

Khadim's product portfolio is a combination of comfort and durability, perfectly blended with modern elegance in a beautiful collection of slippers, sandals and shoes for men, women and children. Available in a wide variety



of styles and designs serving a range of utility, we offer products that suit the ever-evolving taste of consumers. We employ a team of highly skilled designers with knowledge of the latest footwear trends and market dynamics, bringing forth products that make an impression and fulfill the fashion aspirations of our customers.

\* Product range MRP less than ₹500 \*\* Product range MRP between ₹500 - ₹1,000

## Our Brand and Sub Brands

**Khadim's:** Catering to men, women and children, our products sold under this brand are positioned as fashionable and casual footwear for the value conscious customer. The price points for these shoes are attractive to India's masses, and makes up approximately 41% of our total market share. This brand is most successful at capturing the audience that is transitioning from the unorganised to organised footwear market.

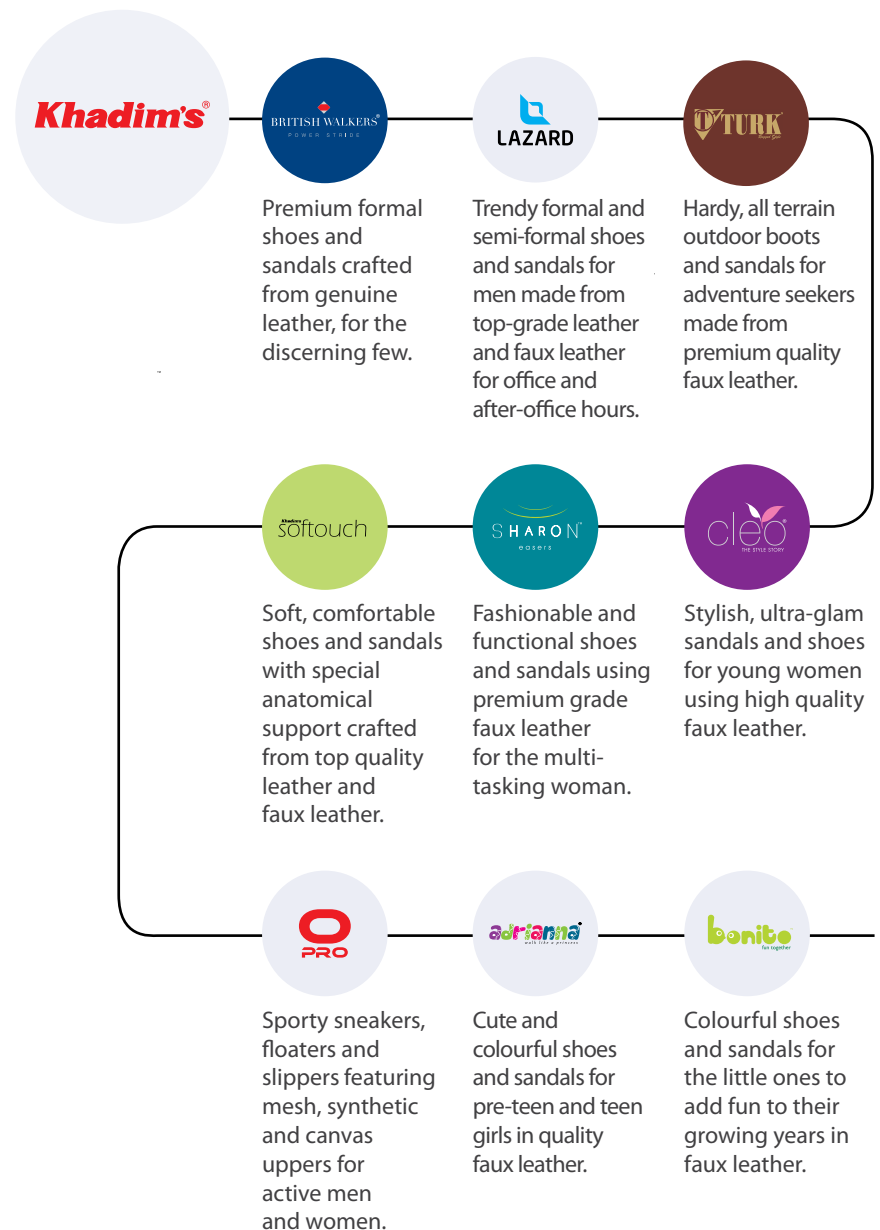
**Our Sub-Brands:** Apart from the Khadim's brand, our product portfolio consists of nine additional sub-brands, each with their distinct value propositions to different target audiences. These brands enable our product portfolio to cater to the entire family, for any occasion, at affordable prices. These sub-brands contribute approximately 59% to our total market share of our retail business.

These sub-brands — with comparatively premium quality products, contemporary designs, enhanced brand equity and customer loyalty — are meant to target and retain the aspirational customers of the Company. Each brand is uniquely positioned to target a specific demographics and price points within the realm of 'affordable fashion', ensuring that there is something for everyone.

## Our Premiumisation Strategy

Khadim's is well positioned to tap into the industry growth potential across both, the retail and distribution segments.

While we continue to target consumers and provide affordable fashion through our 'Khadim's' brand, our sub-brands helps us to target and retain our aspirational customers, especially given the significant years of brand equity we have built with them. Since our sub-brands encompass differentiated products, our ability to cater to aspirational customer has improved, driving an increase in our margins for these products. Our strategy is to systematically leverage the higher price points of our sub-brands by working on enhancing our brand recall through various marketing initiatives, and ensuring that our designs and quality surpass the expectations of the respective target audiences. Moving ahead, our objective is to continuously increase the market share of our premium brands within our portfolio.



At Khadim India, we are an established leader in the footwear space in India. We are committed to fortifying our presence with a strong portfolio of established brands.

For our distribution business, we are further aiming to introduce premium versions of the products offered in Hawaii, PVC and PU segments. Our continued

focus is to enhance our product range for this segment by enhancing our portfolio to increase the average selling price.

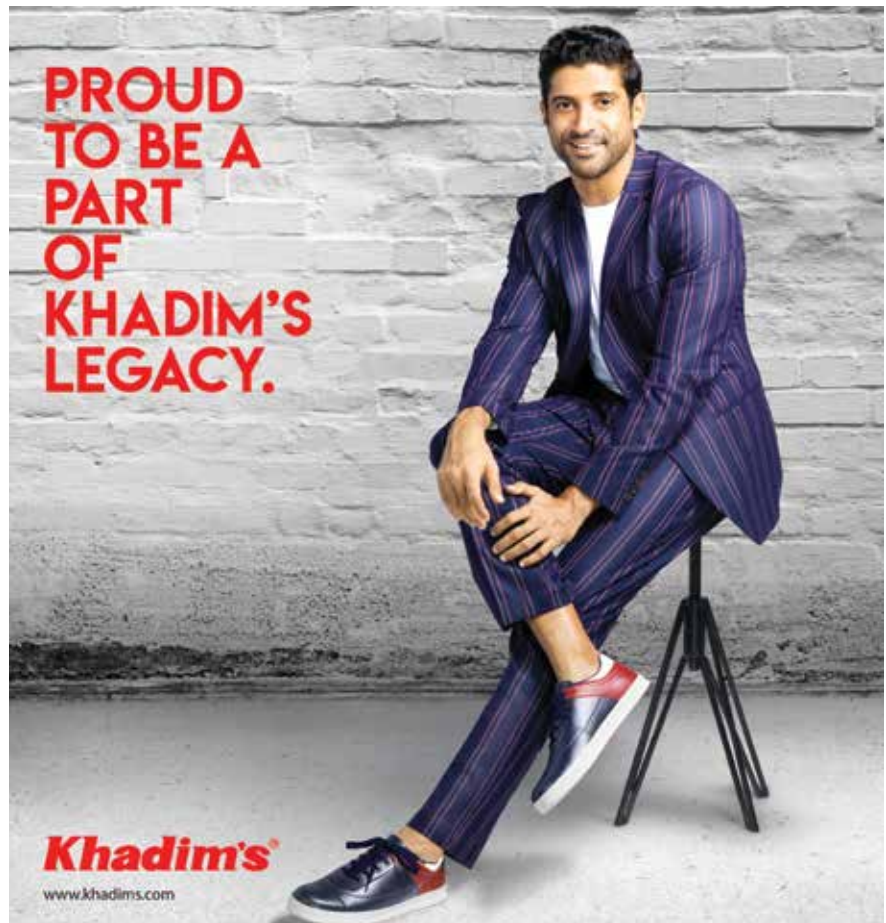


## Maximizing Our Marketing and Branding Endeavours

Apart from adding three new brand ambassadors, we also have a strong strategy in place to enhance our online and local brand recognition.

Developing and implementing impactful marketing strategies, while staying connected to our customers, is central to the positioning of Khadim's brand in the Indian footwear landscape.

At Khadim's, we are on the continuous journey of catering to the ever-changing tastes and preferences of the younger population. To enhance our brand recognition, we have collaborated with Bollywood stars **Farhan Akhtar** and **Kangana Ranaut**. As the new faces of Khadim's, we expect that this partnership will help our brand connect with an increasingly modern, dynamic and youthful India. To specifically promote our sports range "PRO", we have also teamed up with **Dinesh Karthik** — famous Indian cricketer — to drive the active wear collection through our different branding platforms.





For the first time ever, Khadim's has engaged three youthful and talented brand ambassadors to enhance the Company's brand aura, further resonating with a younger audience.

### Our Online Presence

**E-Commerce:** In today's digital world, consumers are turning to online platforms to experience the convenience of e-commerce. Over the years, our e-presence has grown, with an increase in the sales through our online partners Flipkart, Amazon, and Snapdeal, amongst other marketplaces. Our online channel is expanding our reach to a wide customer base in both, the retail and distribution segments.

**Social Media:** Interactive online platforms are not just fuelling customer relationships but is also amplifying brand recognition. Social media engagement with our customers has significantly grown from Facebook to Instagram and Twitter. Our partner digital agency has empanelled effective branding activities that have resulted in the increased exposure and awareness of the brand.

### Seasonal Campaigns at Khadim's

**Local Seasonal Campaigns:** With each season comes new opportunities for businesses to thrive on. In India, every season offers a window of possibilities to reconnect with current customers and engage with new ones. To leverage these opportunities, we launched wedding campaigns in Bihar and Uttar Pradesh; and a 'Back-to-School' campaign in South India to target local customers.

**Festival Season Campaigns:** In a country like India, seasonality of consumption trends have as much to do with cultural traditions and festivals, as they do with changes in weather. To maximise our exposure during the festival season, we released print advertisements and outdoor hoardings during Pre-Puja in the East and Pre-Diwali across India, which bolstered our reach among customers.

**Cricket Season Campaigns:** Cricket unites India – and businesses recognise this with an aim to drive their sales. Our association with the Kolkata Knight Riders and Chennai Super Kings in the twelfth season of the Indian Premier League and subsequent in-store activity has reinforced our retail stores and distribution business as well. Our distribution partners were also responsible for enhancing the brand visibility and improving sales by the means of our campaign materials and collaterals.



# ₹10.28mn

Spent on CSR activities

Since our inception, social responsibility has been at the core of our business. Our purpose is to deliver quality and innovation to our customers and at the same time, consistently strive to make the world place with positive change and improving lives.

We believe that the true growth of a company lies beyond the balance sheet or conventional economic indices. Through our CSR activities, we take sustainable initiatives in the areas of health, education, environment conservation, community development, amongst others. Our CSR programmes intend to benefit communities in and around the vicinity of its operations, and over a period of time, results in enhancing the quality of life of the people they serve.

### What we made possible in FY2019

During the financial year under review, Khadim spent ₹ 10.28 million on its CSR activities by contributing towards different causes centred around health, education and environment.

#### Good Health and Well-Being

What goes behind building prosperous societies around the world, is ensuring healthy lives and promoting well-being for everyone at all ages. We contributed ₹ 1.50 million to the Indian Institute of Liver Foundation (IILF), West Bengal for the purchase of medical equipment. We also associated ourselves with the Tata Medical Centre, a charitable cancer hospital providing world-class cancer treatment at subsidised rates to the underprivileged sections of the society. Towards this cause, we donated ₹ 1 million for the purchase of beds and medical equipment. An amount of ₹ 2 million has been spent for donation of x-ray machine along with monitor and other related accessories to the Institute of Child Health, Kolkata, which is a trust run,

non-government, non-profit hospital and a post Graduate medical centre working tirelessly to serve the weaker section of the society at an affordable charge. Furthermore, we donated an auto injector amounting to ₹1.30 million — used in C.T. scan machines — to Saroj Gupta Cancer Centre and Research Institute, Kolkata that is a philanthropic organisation dedicated to providing cancer treatment at an affordable cost. Lastly, we have allocated ₹ 1.52 million to Help Age India's Mobi-Healthcare Unit, Kolkata to facilitate mobile medical services to the underprivileged.

#### Quality Education and Employment

Quality education liberates the intellect, unlocks the imagination, and is fundamental to building a foundation for the youth of India. It is the key to economic prosperity and builds a platform for opportunities,





As our world grows more complex and interconnected, social responsibility is not only a competitive differentiator, but it is simply the right thing to do. We strongly believe that when we apply the strength of our business to the issues that people face around the world, we open the doors to noteworthy accomplishments, while making the world a better place to live.

Ms. Ishani Ray, CEO and Mr. Indrajit Chaudhuri, CFO attending the health care program of HelpAge India

making it possible for more people to contribute towards a progressive and healthy society. During the year, we donated ₹ 0.40 million to Child In Need Institute (CINI), Kolkata, which is a registered Indian Non-Governmental Organisation working towards sustainable development in health, nutrition, education and protection of children, adolescents and women in need for underprivileged communities. Our contribution went towards the implementation of the project "Educate A Child with CINI". We have also played

our part by donating ₹ 0.18 million to the Association for Social and Environmental Development, Kolkata, for conducting the "Green Rhinos Program" to create young leaders to ensure an ecologically resilient society. An amount of ₹ 1.02 million was allocated for Udayan Care, Kolkata for the project titled "Udayan Shalini Fellowship Programme". The programme is a unique academic excellence and personality development programme, for girls from weak socio-economic background, aiming to turn them into empowered and dignified women.

#### Life on Land

We are a part of the planet's ecosystem and have a responsibility to guard the environment. Promoting a sustainable use of our ecosystems and preserving biodiversity is not a cause but is the key to our own survival. We collaborated with South Dum Dum Municipality, Kolkata and donated ₹ 1.36 million towards the maintenance of Park and Garden under protection of flora and fauna.



### Glimpses of some CSR Activities during the year 2018-19

Donation to Udayan Care, Kolkata for the project "Udayan Shalini Fellowship Program"



Donation and exchange of MOU with CINI for the project "Educate A Child With CINI"



Donation and exchange of Agreement with ASED, Kolkata for conducting "The Green Rhinos Program"



Classes going on under the project "Educate A Child With CINI"



Ms. Ishani Ray, CEO participating in the classes conducted under "Udayan Shalini Fellowship Program"

CSR Project on maintainance and beautification of parks and gardens in collaboration with South Dumdum Municipality





# Management Discussion and Analysis

## Economic Overview

India has emerged as the fastest growing major economy and is expected to be one of the top three economic powers of the world over the next 10-15 years, led by its strong democracy and burgeoning population. India's real Gross Domestic Product (GDP) at constant (2011-12) prices in the year 2018-19 is estimated at ₹ 140.78 lakh crore, showing a growth rate of 6.81%. The nominal GDP for 2018-19 is estimated at ₹ 190.10 lakh crore, with a growth rate of 11.20% against ₹ 170.95 lakh crore for 2017-18.<sup>1</sup> With an accelerating growth rate, India has retained its position as the third largest start-up base in the world with over 4,750 technology start-ups. Its labour force is anticipated to touch 160-170 million by 2020, helped by an increase in the rate of population growth; a larger labour force participation; and higher education enrolment; amongst other factors, according to a study by The Associated Chambers of Commerce of India (ASSOCHAM). The interim Union Budget for 2019-20, announced on February 01, 2019, focuses on supporting farmers, economically less privileged population, workers in the unorganised sector, and salaried employees, while continuing the Government of India's thrust on better physical and social infrastructure.<sup>2</sup>

## Footwear Industry Overview

The footwear industry is one of the most rapidly expanding industries globally. Increasing demand for new and innovative footwear and emergence of various global as well as regional brands across segments in the category is primarily driving the market. Innovative and trendy footwear are being consistently manufactured by leading market players due to advancements in the footwear manufacturing process, technological innovations, and development of new material.<sup>3</sup>



India is globally the second largest footwear producer after China. India's footwear production accounts for approximately 9% of the global annual production of 22 billion pairs, as compared to China, which produces over 60%. Key production centres in the country include Kanpur and Agra in Uttar Pradesh, Ranipet, Vaniyambadi and Ambur in Tamil Nadu. The sector is fragmented and close to 75% production comes from the unorganised sector including very small, small and medium enterprises.<sup>4</sup>

<sup>1</sup> Ministry of Statistics and Programme Implementation (2018-2019)

<sup>2</sup> <https://www.ibef.org/economy/indian-economy-overview>

<sup>3</sup> <https://www.researchandmarkets.com/reports/4663091/a-study-of-indias-footwear-market-2018>

<sup>4</sup> <https://www.researchandmarkets.com/reports/4663091/a-study-of-indias-footwear-market-2018>

### High Growth Potential for Indian Footwear Market

Given changing preference for fashionable footwear, the per capita consumption of Indian consumers is likely to increase going ahead. With rising disposable incomes, robust economic growth and increasing awareness of fashion through opening of malls, the Indian footwear markets is well placed as a sweet spot.

In 2018, the footwear market was valued ₹ 63,520 crore and it is expected to grow to ₹ 95,350 crore by 2021. At a compounded annual growth rate of 14.5%, it is the fastest growing category among lifestyle products.<sup>5</sup>

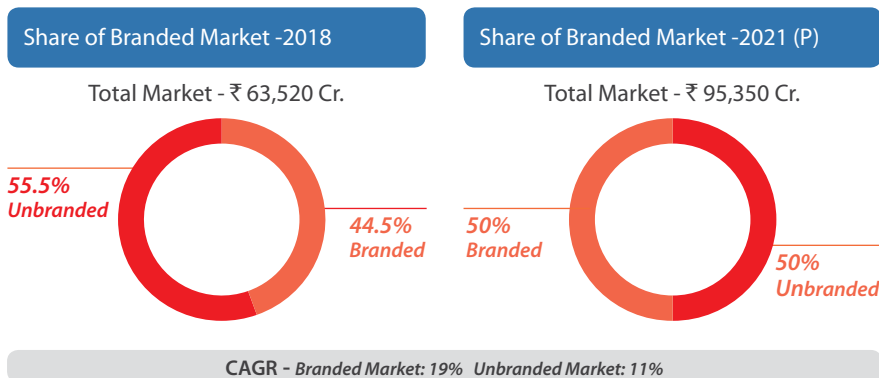
By 2021, the branded segment is expected to make up half of the market, aided by the rapid growth in both organised and online retail.

### Footwear Industry dynamics in India

Footwear market is segmented based on different price-points: India's footwear industry can be divided into four sub segments based on retail selling price namely mass (less than ₹ 500/pair), economy (₹ 500-1000/pair), mid (₹ 1000-3000/pair) and premium (more than ₹ 3000/pair) segments.

### Branded vs Unbranded Footwear in India

Emerging as a distinct category — with a significant presence of both, retail and distribution led brands — players in the footwear market have adopted best practices to drive growth and provide an effective customer experience. This market enjoyed the highest branded quotient across retail categories, and is expected to grow at a robust CAGR (2018-2021) of 19%.



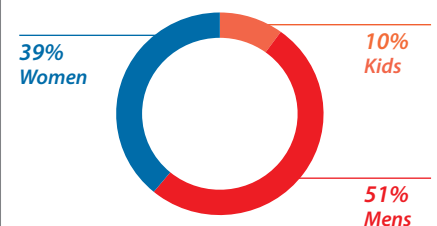
## ₹1,00,000 crore

Projected size of India's footwear market by 2021

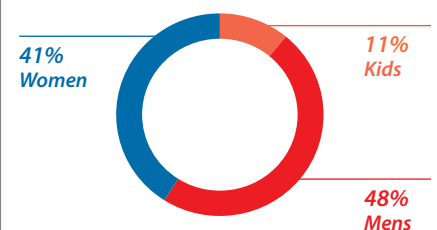
### Aspirational Women's Market expected to drive Growth of Footwear Industry in India

As the contribution share of footwear within the retail basket is expected to increase from 1.25% to 1.35% over the next few years, the expected market opportunity for 2021 is around ₹ 95,000 crores.

#### Breakup of Market by Gender (%) - 2018



#### Breakup of Market by Gender (%) - 2021 (P)



CAGR - Men: 12% Women: 16.5% Kids: 20%

The contribution of womenswear, currently at 39% of the market share, is expected to increase to 41% in two years, at a CAGR of 16.5%, driving the overall growth of this sector. Over the same time period, menswear is expected to decrease their overall market share from 51% to 48%, as the growth rate is lower at 12%. Although the kids' footwear segment is growing by 20%, the base is still small at 10%.

<sup>5</sup> Source: Redseer



## Management Discussion and Analysis

One of the largest footwear retailers in India, with an extensive product range, offering 'affordable fashion' options for every occasion.

### Growth Drivers for Indian Footwear Industry

Increased preference for branded footwear: Currently, large part of India's population is below 45 years of age, and with factors like growing younger population and rising middle-class, there has been a significant rise in demand for branded products across categories, especially Footwear. Moreover, the younger generation is more aspirational, well-connected and networked, tech-savvy, and has high spending power. India's demographic dividend in the form of higher youth population with rising incomes is likely to have a significant impact on retailing and consumption of many categories and products as this class is likely to consume more number of categories with increasing preference for branded products.

Premiumisation opportunity and focus on kids/youth segment: domestic footwear brands are seeing good traction in premium segments on the back of new launches in the womenswear category, apart from increasing sales of high priced leather footwear. The rising share of premium footwear is expected to drive the gross margins for the companies in the coming time led by rising Average Selling prices. Additionally, kid's footwear segment, which currently contributes only 10% of total market, is seeing a rapid growth. Indian players have launched or added new variants in the kids segments to cater to the increasing demand of the same.

Evolution of E-com channel to drive next leg of growth: Brick and Mortar retailers have started venturing into omni channel or E-retailing, and are finding out ways to bridge the gap between offline and digital channels. The E-com platform in India is on a rapid growth trajectory and is expected to reach 8% to 9% of total

retail sales by FY25. The e-retail sector's market size has grown on the back of rising internet penetration, increasing awareness of online shopping, and lucrative deals and discounts. But despite growing at a high rate, e-retail accounted for a mere ~2-3% of the total retail sales in FY17, indicating its enormous growth potential. However, after the initial phase where e-retailers focused only on gaining market share through discounts, the next phase will be majorly driven by consolidation of e-com players, geographical diversification, business realignment and working on customer stickiness.

### Company Overview

Your Company is one of the largest footwear retailers in India, with a product range that offers 'affordable fashion' options for the entire family, for every occasion. Along with having our largest presence in East India, your Company is one of the top three players in South India, and is an emerging brand in West and North India.

As the domestic footwear market is expected to grow at 15% between FY2016 to FY2020, and the branded footwear market is projected to observe a 20% growth in the same period, your Company is well placed to benefit from the increasing size of these markets.

Your Company operates with a two-pronged market strategy, which straddles two distinct business segments — Retail and Distribution — each with its own customer base, product range and sales channel. This strategy enables us to capitalise on the growth potential of both the markets and reduces the risk of depending on only one business segment.

Your Company's business model for both segments follows an asset-light approach. Around 74% of retail business operates through our extensive franchise network and, as of financial year 2018-19, we also outsourced 90% of our product requirements. Your Company's distribution business is also a highly scalable model, operating with a mix of in-house and contract manufacturing.

Your Company also has an extensive reach and presence across the country. Our retail network is spread across 23 states and one union territory. As of March 2019, we counted 799 operational stores under "Khadim's" brand name, with an additional extensive network of 544 distributors selling to Multi Brand Outlets (MBOs) across India.

Your Company's design capabilities are geared towards understanding the latest domestic and global fashion trends. These capabilities have helped us to create and grow our sub-brands, driving the premiumisation of our product portfolio, and to target and retain aspirational customers, which enables us to enhance our gross margins.

The financial performance of your Company was stable in financial year 2018-19. The revenue stood at ₹ 7,992 million. The Compound Annual Growth Rate (CAGR) of our Company from FY2015 to financial year 2018-19 was 15%, with the retail and distribution business at 11.6% and 34.3% respectively. The EBITDA margin for the financial year was 7.1%, with retail and distribution business at 8% and 5.9% respectively. The PAT margin of your Company stood at 2.6%.

# ₹7,992mn

Khadim's revenue in financial year 2018-19

### Our Business Model

Based on the two-pronged market strategy of straddling retail and distribution markets, your Company's business model is an integrated model, that allows us to de-risk our dependence on any one business, and cross leverage our experience in each segment to capitalise on the potential of both the business opportunities.

#### Retail Business

Your Company's retail business includes 799 exclusive branded outlets under the "Khadim's" brand name. The target audience for this segment includes middle and upper middle-income consumers in metro cities, including mini metros, and Tier I to III cities. The product range consists of leather, non-leather sandals, slippers, boots, ballerinas, stilettos, moccasins, sports shoes and accessories, all available under the Khadim's brand, or one of our various sub brands.

#### Distribution Business

Your Company's distribution network is spread across 544 distributors supplying to Multi Brand Outlets (MBOs) in India. With the larger audience of lower and middle-income consumers in Tier I to III cities, our distribution business product portfolio has a wide and affordable price range. Available under the "Khadim's" brand and sub-brands, the product range for this segment includes EVA, basic and premium, PVC, PVC DIP and PU, and Stuck On products.

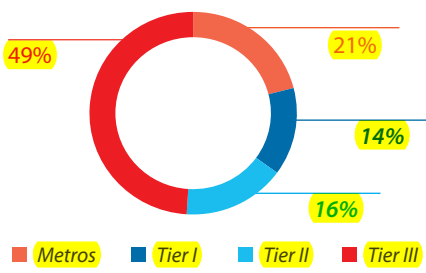
### Our Geographical Reach and Penetration

Your Company is present across 23 states and one union territory in India. As of 31<sup>st</sup> March 2019, we have 799 retail stores, under which 204 stores are Company-Owned-Company-Operated (COCO) and 595 stores franchises. Our Company further plans to expand into new markets by opening new COCO stores and augment the presence via its franchise network. 74% of Khadim's retail presence is through its franchise network.

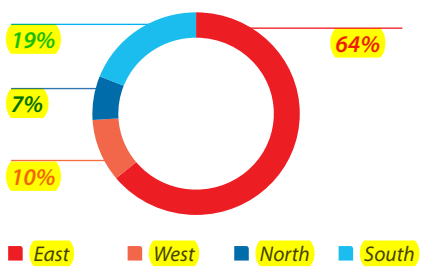
As of 31<sup>st</sup> March, 2019 we have a distribution network of 544 distributors. The distribution business of Khadim is a highly scalable model to capitalise on retail brand recall and target new markets.



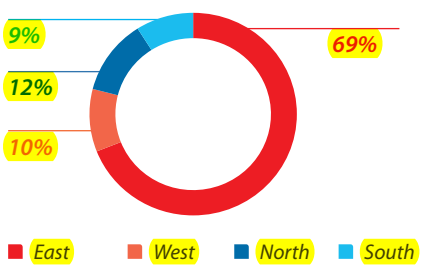
Retail Stores – Tier Wise



Retail Stores – Region Wise



Distributors – Region Wise



#### Institutional Business

Your Company has conducted institutional business in the states of West Bengal, Tamil Nadu, Uttar Pradesh, and Punjab. The revenue from institutional business for financial year 2018-19 was ₹ 696 million.

#### Marketing and Branding

During the financial year 2018-19, your Company launched pan-national campaigns through elaborate outdoor hoardings and market specific hoardings in different states and regions of the country that helped boost overall sales. The Print and Outdoor campaigns conducted after identifying important sale phases, targeting specific locations or zones, were particularly helpful to increase the overall footfall in stores during the peak sale periods. The wedding campaigns in Bihar and Uttar Pradesh and Back-to-School campaign in South India targeted local customers and benefitted from communication that was markedly different from the regular summer and festive campaigns. These zonal activities not only gave desired exposure to the brand, but also helped in increasing sales throughout the respective seasons. During the festive season, Pre-Puja in the East and Pre-Diwali across India, we also launched a series of Print Advertisements to support our Outdoor Hoardings.

## Management Discussion and Analysis

Your Company's e-commerce presence has been consistently growing and has witnessed an increase in sales through major online players like Flipkart, Amazon and Snapdeal, including other marketplaces, which continue to help us reach a wide customer base in areas with Khadim's stores as well as Multi Brand Outlets.

Your Company's social media presence has grown from Facebook to Instagram and Twitter. Our branding activities carried out by an empanelled digital agency has also resulted in increased exposure and awareness of the brand.

Your Company's association and sponsorship of team Kolkata Knight Riders and Chennai Super Kings in the twelfth IPL season and subsequent in-store activity has further supported both our retail stores and distribution business.

In the Distribution sector, the channel partners were provided branding materials and collaterals to enhance the visibility and improve sales.

Moreover, to make the "Khadim's" brand more contemporary, and to appeal to a younger audience, your Company roped in celebrated personalities — namely Farhan Akhtar and Kangana Ranaut — as our brand ambassadors. We are planning to leverage their celebrity through different media usage and at various points of sale.

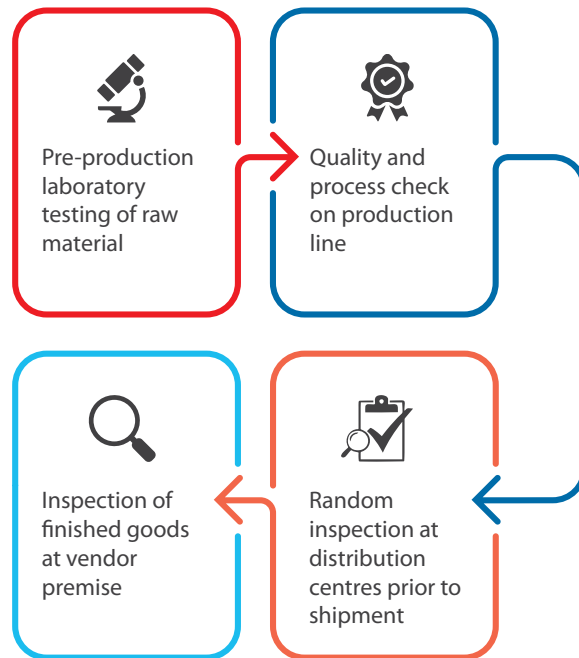
To promote our active wear and sports range product named "PRO", which has the highest revenue share among the sub-brands, your Company has also engaged the famous Indian cricketer Dinesh Karthik, and his campaigns will be used across every branding platform.

### Our Backend Infrastructure

#### Procurement and Quality Control

Your Company procures substantial portion of its products for the retail business from outsourced vendors, as of financial year 2018-19. Your Company has a uniform process and standard set for the procurement of raw materials from vendors. The required materials are procured from the nominated vendors, ensuring they meet the standard specifications. To incur cost benefits, direct open costing is obtained from vendors supplying our raw materials. Your Company has set up a laboratory for the procurement department that undertakes pre-production material testing.

#### Our Four Stage Quality Control Process:



#### Manufacturing

Your Company operates two manufacturing facilities in West Bengal. In addition to this, we work with two contract manufacturing facilities located in West Bengal and Haryana. The raw material to these facilities is supplied by Khadim, catering primarily to the distribution business. The quality control process in the manufacturing facilities are stringent and are in the accordance with the guidelines.

#### Retail

Our dedicated design team keeps track of developments and changes in the latest trends and ensures that our product portfolio is updated with the latest styles. We have sub-contracted steadfast vendors who specialise in manufacturing certain types of footwear. This enables us to have a shorter turnaround with the latest trends while controlling costs. The portion of products procured from outsourced vendors amounts to ±90% of our products.



### Distribution

Your Company's in-house manufacturing facilities help us achieve economies of scale and exercise better control over cost and quality. Our two factories are located at Panpur and Kasba in West Bengal.

### Warehousing and Logistics

Your Company has four distribution centres across India, located at Bantala and Titagarh in West Bengal, Chennai in Tamil Nadu and Sonipat in Haryana. Our centres in Bantala and New Delhi also serve as purchase hubs for products purchased from outsourced vendors. The Titagarh centre exclusively caters to our distribution business. Your Company selects transportation vendors on the basis of their location and load distribution. We monitor the entire process till the completion of delivery.

### Supply Chain Management

In the retail business of your Company, each SKU is classified on the basis of the location where such product is intended to be sold and an estimate of the quantity of such SKU – "Norm" is done. The orders placed by COCOs are automated, based on the norms set. The orders placed by EBOs are based on actual sales for each SKU. This enables your Company to maintain complete visibility over inventory at all levels and manage orders and procurement against actual sales, which prevents stock outs and dead stock.

### Our Growth Strategy and Outlook

Your Company continues to expand both its retail and distribution network consistently with every passing year. Our strategy, as we go ahead, is to concentrate on strengthening our brand image through effective marketing activities to increase footfalls in our stores. Our focus is more inclined towards implementing marketing activities. Having appointed three celebrated personalities as brand ambassadors, we are working towards increasing brand recognition and creating a desirable aura around the Khadim's brand. We believe that these measures will positively impact our sales and customer traction for the near to medium term.

Additionally, we plan to expand our presence in Western and Northern India, and further strengthen your Company's penetration in Eastern and Southern India. In the retail business, we are



**Our strategy, as we go ahead, is to increase our average footfalls by strengthening our brand image through effective marketing activities.**

focused on expanding our retail footprint in the markets across South India, West India, Uttar Pradesh and Rajasthan in North India. We are also working on detailed micro-mapping to understand customer's profile, purchasing habits, competition, average footfalls, amongst others. In our distribution business, we are focusing on penetrating the existing markets in Eastern and Southern India and capitalise on retail brand recall and target markets in West and North India.

Your Company also plans to further optimise our asset-light model led growth. In the retail business, we expect to enter into new markets through COCOs and further augment

our presence in these markets through our franchisees. Furthermore, we will continue to leverage the advantages of outsourced manufacturing for the fashion-oriented range of products. In our distribution business, we are concentrating on increasing the utilisation of our existing installed capacity, and invest in machines and moulds at existing manufacturing facilities. We are also engaging contract manufacturers to restrict investment in properties and buildings.

Overall, your Company's strategy is to strengthen its brand image and reach, while also working on the premiumisation of our product portfolio.



## Management Discussion and Analysis

For our retail business, given the aspirational nature of our customer base, we are increasing our attention towards the quality and design of our sub-brand product portfolio. While our mother brand “Khadim’s” helps us to capture the target audience that is transitioning from the unorganised to organised foot-wear market, the sub-brands help us to target and retain aspirational customers. In our distribution business, we will continue to introduce premium version of product offerings in Hawaii, PVS and PU, further enhancing our product range and increasing our average selling prices.

# 6.74%

Jump in the net sales of Khadim’s



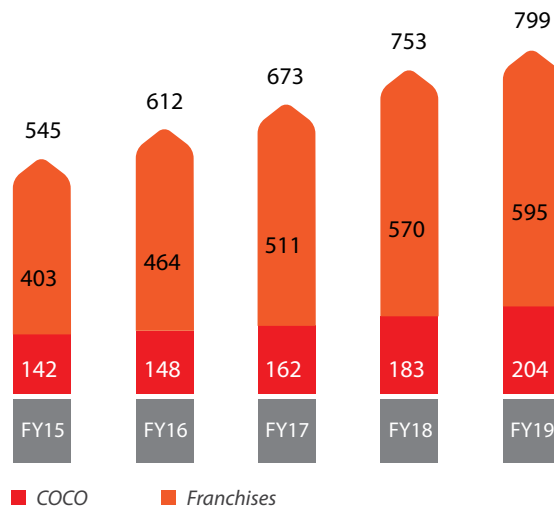
### Financial and Operational Overview

#### Financial Summary

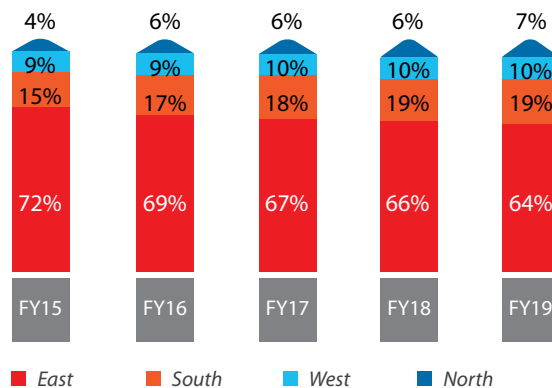
In financial year 2018-19, the net sales for your Company increased to ₹7991.81 million as against ₹7,487.06 million in the previous year, marking a jump of 6.74%. The operating EBITDA decreased to ₹569.39 million as against ₹756.82 million in the previous year, down by 24.77%. The operating EBITDA margin decreased to 7.12% of net sales as against 10.11% in the previous year. Profit Before Tax (PBT) decreased to ₹332.04 million as against ₹569.61 million in the previous year, down by 41.71%. The Profit After Tax (PAT) decreased to ₹211.70 million as against ₹379.01 million in the previous year, down by 44.14%.

#### Operational Summary

##### Number of Retail Stores

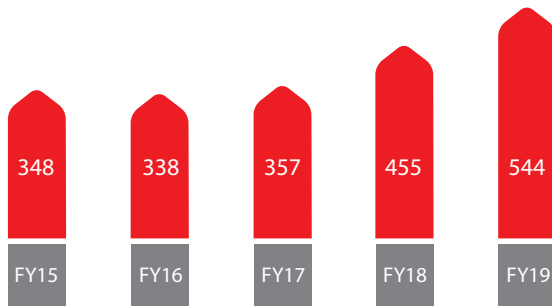


##### Retail Stores – Region-Wise Break Up

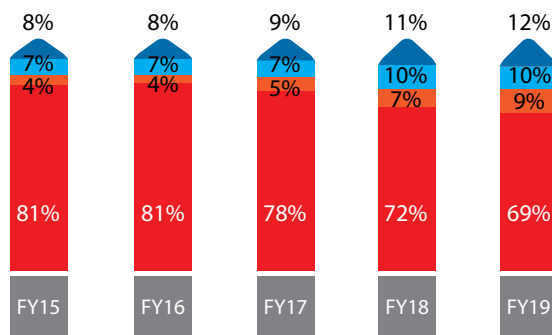


To further enhance the operations of our distribution business, we will continue to enhance our product range by introducing premium Hawaii, PVC and PU options, increasing our average selling prices.

Number of Distributors



Distributors – Region-Wise Break Up



## Management Discussion and Analysis

### Financial Ratios

	FY2019	FY2018	Reason
Debtors Turnover Ratio	0.17	0.17	-
Inventory Turnover Ratio	0.19	0.17	-
Interest Coverage Ratio	3.85	5.61	Due to lower operating margins, there was an impact on the interest coverage ratio.
Current Ratio	1.45	1.49	-
Debt Equity Ratio	0.38	0.26	During financial year 2018-19, in order to mitigate the shortfall in cash accruals, the borrowings were high.
Operating Profit Margin	7.12%	10.11%	Retail sales grew at 1% YoY. The margins were lower in the retail segment on account of various discount schemes run by the Company to enhance the sales. Also, margins in the distribution segment were lower on account of increase in raw materials cost and foreign exchange fluctuations.
Net Profit Margin	2.65%	5.06%	As a result of lower operating profit, the net profit margin was also low.
Return on Net Worth	8%	15.45%	Return on net worth was lower on account of lower net profit during the year.

### Financial Outlook

In financial year 2018-19, your Company witnessed lower sales because of a subdued growth in retail sales and continuous pressure on the distribution gross margin. The sales from our institutional business was positive during the year under review. However, being a low margin business, the impact on the overall sales was minimal.

Your Company's focus is on the improving asset turnover, profitability, return ratios and free cashflows. In financial year 2018-19, we observed a significant improvement in the revenues/capital employed ratio, which stood at 20.70%. Our aim is to further emphasise it by leveraging our asset light model. Our objective is to enhance the operating margins of your Company by concentrating on the premiumisation of our product portfolio through our sub brands, and positive operating leverage. We aim to achieve a higher asset turnover and improve our margins, leading to higher return ratios. By limiting capital expenditure on store expansion, we expect that our existing capacities — including machinery supply at contracted facilities — will lead to positive free cashflows in the coming years.

### Threats and Concerns

#### Continued onslaught of e-commerce:

During online portal's periodic sales, deep discounts on footwear tilt the competing field. A recent survey highlighted that footwear was the highest selling category in the marquee sales. A major cause for this anomaly is that since footwear is an above average expense, and not incurred regularly, people are increasingly finding it more convenient to buy it online when available at a heavy discount.

We have updated our website and android based app and added more categories of our products to the online channel. While it contributes 1% of our total revenue, we plan to increase this to 3% of the total revenue .

#### Marketing and Branding by peers:

Increased social media engagements via celebrity endorsements was observed across all our peers, even among forthcoming newly launched brands. Furthermore, influencer led marketing has gripped the industry and multiple brands are vying for the screen time of the customers simultaneously. We have pro-actively engaged Farhan Akhtar, Kangana Ranaut and Dinesh Karthik and increased our advertising budget accordingly.

### Human Resources

Your Company maintains its focus on Human Resource Development and Management through several interventions. Enhancing the quality of Human Capital has been the major focus of the Company to ensure business results.

Your Company revisited alignment through extensive Key Responsibility Area (KRA) framing exercise. Additionally, it maintained and strengthened the development of store staffs through rigorous on-the-job-training. Assessment Centres were carried out in your Company to ensure multi-fold assessment of sales force and their



individual development with the help of project-based studies. Khadim has maintained its strong relationships with the premium institutes of the country in the domain of footwear, manufacturing, retail, and management while taking it forward by placing high potential employees for their further professional development. Internal process in your Company in terms of recruitment has been streamlined further for both lateral as well as campus hire. Your Company has also developed internal HR tools to evaluate the job positions in order to maintain industry parity. Furthermore, the Reward and Recognition program of the Company runs smoothly enhancing the engagement and commitment of employees.

During the year, Khadim has also tied up with the Government for assisting in the skill development programme in the state of Kerala and Karnataka.

As on March 31, 2019 there were 822 permanent employees on the rolls of your Company.

### Internal Control Systems and Adequacy

#### Internal Audit

Internal Audit of your Company is keeping a close vigil on a regular basis on the overall adequacy and effectiveness of the organisation's framework on

governance, risk management and control (that is, the organisation's system of internal control). This is achieved through a defined plan of audit work approved by the Audit Committee. In addition to the planned transaction audit, Internal Audit has taken up operational audit and proprietary audit in the framework. During the year, an initiative of proprietary audit has been taken up at the factory locations and multiple dealers points of your Company, in order to assess control over the production process and smooth functioning of large number of dealers with enhanced sales.

Khadim has an adequate system of internal control procedures, which is commensurate with the size and nature of business. All the assets are safeguarded and protected against loss. Furthermore, all the transactions are authorised, recorded and reported correctly. The internal control systems of your Company are monitored and evaluated by internal auditors and their audit reports are periodically reviewed by the Audit Committee.

**Khadim has a deep appreciation for each and every employee, and our Rewards and Recognition program continues to enhance employee engagement within the Company.**



# Board's Report

The Directors are pleased to present the 38<sup>th</sup> Annual Report on the business and operations of **Khadim India Limited** ("the Company") together with the Audited Financial Statements for the financial year ended March 31, 2019.

## Financial Highlights

The Financial Highlights are set out below:

Particulars	in ₹ million	
	2018-19	2017-2018
Revenue from Operations	7991.81	7487.06
Other Income	63.38	92.64
<b>Total Income</b>	<b>8055.19</b>	<b>7579.70</b>
Less: Expenditure	7422.42	6730.24
<b>Profit before Depreciation, Interest and Tax</b>	<b>632.77</b>	<b>849.46</b>
Depreciation	184.31	156.17
Interest	116.42	123.68
<b>Profit Before Tax</b>	<b>332.04</b>	<b>569.61</b>
Provision for Taxation		
- Current and Deferred Tax	120.34	190.60
<b>Profit for the year after tax</b>	<b>211.70</b>	<b>379.01</b>

## Dividend

The Directors of your Company are pleased to recommend a dividend of ₹ 1/- per equity share of face value of ₹ 10/- each for the financial year ended March 31, 2019, subject to the approval of the shareholders of the Company at the ensuing Annual General Meeting. The total cash out flow on account of the dividend payment would be ₹ 21.66 million.

The dividend payout is in accordance with the Company's dividend distribution policy which has been voluntarily adopted by the Company vide its Board meeting dated May 17, 2019. The said policy is available on the Company's website [www.khadims.com](http://www.khadims.com) at the link <https://www.khadims.com/dividend-distribution-policy/>.

## General Reserve

No amount has been transferred to the General Reserve for the financial year ended March 31, 2019.

## Operations and State of Company's Affairs

The revenue generated from operations for the financial year 2018-19 stood at ₹ 7991.81 million which was higher by 6.74% from the financial year 2017-18. The profit for the year was ₹ 211.70 million in comparison to ₹ 379.01 million for the last financial year.

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

## Internal Controls

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

## Employee Stock Option Plan

There has been no material change in the Employee Stock Option Scheme (ESOP) during the year under report. Disclosures with respect to ESOP as required under regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, are available in the Notes to the Financial Statements. A certificate from M/s. Deloitte Haskins & Sells, Statutory Auditors of the Company with respect to the implementation of the Company's ESOP would be placed before the shareholders at the ensuing Annual General Meeting. A copy of the same will also be available for inspection at the registered office of the Company.

## Board's Report

### Share Capital

During the year, 4,417 Equity Shares of ₹ 10/- each, fully paid up were issued and allotted upon exercise of 4,417 options under the Employee Stock Option Plan of the Company. Consequently, the issued, subscribed and paid up share Capital of your Company stands increased to ₹ 17,96,96,140 divided into 1,79,69,614 Equity Shares of face value of ₹ 10/- each.

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

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

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

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

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

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

### Subsidiaries, joint ventures and associate companies

The Company does not have any subsidiary company / associate company / joint venture company. However, the Company is in the process of incorporating a wholly owned subsidiary Company in Bangladesh in accordance with the in principle approval given by the Board of Directors vide its meeting dated February 07, 2019.

### Deposits

The Company has not accepted any deposit from public within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 and as such no unclaimed / unpaid matured deposits or interest thereon was due as on March 31, 2019.

### Corporate Social Responsibility

Your Company believes that Corporate Social responsibility (CSR) is an integral part of its business. It seeks to operate its business in a sustainable manner which would benefit the Society at large in alignment with the interest of its stakeholders. As per the requirements of Section 135 of the Companies Act, 2013 pertaining to Corporate Social Responsibilities, your Company has duly constituted a CSR Committee.

The CSR Policy of the Company framed under the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 is available on the Company's website [www.khadims.com](http://www.khadims.com). The Annual Report on CSR activities for the financial year ended March 31, 2019 along with the composition of CSR Committee is marked as Annexure - I and forms part of this Report.

### Risk Management Policy

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

### Vigil Mechanism / Whistle Blower Policy

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



## Board's Report

### Directors and Key Managerial Personnel

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

The Independent Directors have confirmed that they meet the criteria of Independence as required under sub Section 7 of Section 149 of the Companies Act, 2013 and the Listing Regulations.

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

There has been no change in the circumstances affecting their status as independent directors of the Company.

Ms. Namrata Ashok Chotrani (DIN: 00390845) and Mr. Ritoban Roy Burman (DIN: 08020765), were appointed as Non-Executive Directors (additional) of the Company with effect from December 14, 2017 by the Board of Directors of the Company.

Mr. Alok Chauthmal Churiwala (DIN: 02043221), was appointed by the Board as an Independent (additional) Director of the Company with effect from May 11, 2018.

The said appointments had been confirmed by the members vide its Annual General Meeting dated September 06, 2018.

A Postal Ballot Notice dated March 26, 2019 has been sent to all the members seeking their consent for continuation of office of Dr. Indra Nath Chatterjee (DIN: 00122677) as an Independent Director of the Company on attaining 75 years of age on June 15, 2019 and his re-appointment as an Independent Director for a second term of 5 consecutive years commencing from September 29, 2019 till September 28, 2024.

Ms. Namrata Ashok Chotrani (DIN: 00390845), Non-Executive Director, retires by rotation at the ensuing Annual General Meeting, and being eligible, offered herself for re-appointment. The brief profile of Ms. Chotrani and other relevant information under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings with respect to Director seeking re-appointment has been provided in the Notice convening Annual General Meeting. Your Directors recommend her re-appointment at the ensuing Annual General Meeting.

The Board has re-appointed, subject to approval of the members of the Company, Mr. Siddhartha Roy Burman (DIN: 00043715) as the Chairman & Managing Director (also as Whole-time "Key Managerial Personnel") of the Company for a period of 5(five) years with effect from April 01, 2019. Approval of the members of the Company is being sought by way of special resolution at the ensuing Annual General Meeting of the Company for the said re-appointment.

**Pursuant to the provisions of Section 203 of the Companies Act, 2013 the Key Managerial Personnel of the Company as on March 31, 2019 are:**

Mr. Siddhartha Roy Burman, Chairman & Managing Director, Ms. Ishani Ray, Chief Executive Officer, Mr. Indrajit Chaudhuri, Chief Financial Officer and Mr. Abhijit Dan, Company Secretary & Head – Legal.

The Board of Directors at its meeting held on March 26, 2018, has approved the appointment of Ms. Ishani Ray as the Chief Executive Officer (CEO) and Mr. Indrajit Chaudhuri as the Chief Financial Officer (CFO) of the Company with effect from April 01, 2018. Prior to this Ms. Ishani Ray and Mr. Indrajit Chaudhuri held the position of CFO and General Manager- Commercial & Strategic Planning of the Company respectively.

### Familiarisation Programme for Independent Directors

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

### Separate Meeting of Independent Directors

In terms of requirements of Schedule IV of the Companies Act, 2013 and the Listing Regulations, the Independent Directors of the Company met separately on November 2, 2018 and March 26, 2019.

## Board's Report

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

The Company has been following a policy namely "Nomination and Remuneration Policy" with respect to appointment and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel. The appointment of Directors, KMP and Senior Management is subject to the recommendation of the Nomination and Remuneration Committee (NRC). Based on the recommendation of the NRC, the remuneration of Executive Director comprises of Basic Salary, Perquisites, Allowances and Commission in accordance with the provisions of the Companies Act, 2013. The remuneration of Non-Executive Directors comprises of sitting fees and commission in accordance with the provisions of Companies Act, 2013.

### Nomination and Remuneration Policy

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of the Directors, Key Managerial Personnel and Senior Management Personnel;
- Devising a policy on Board diversity;
- 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;
- Directors' induction and continued updation as and when required of their roles, responsibilities and liabilities;
- Formulation of criteria for performance evaluation of the Board, its Committees and Directors including Independent Directors/ Non-Executive Directors;
- Aligning the remuneration of Executive Directors, Key Managerial Personnel and Senior Management Personnel with the Company's financial position, industrial trends, remuneration paid by peer companies etc.; and
- Recommend to the Board all the remuneration in whatever form, payable to the Senior Management.

### The guiding principles of the Policy are:

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

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

### Meetings of the Board

During the year, five meetings of the Board were held. The details of meetings of the Board held during the financial year 2018-19 have been provided in the Corporate Governance Report which forms part of the Report.

### Audit Committee

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

## Board's Report

### Extract of Annual Return

The details forming part of extract of the Annual Return in Form MGT-9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, has been enclosed with this report as Annexure II and uploaded in the website of the Company [www.khadims.com](http://www.khadims.com).

### Particulars of contracts and arrangement with Related Parties

All transactions entered by the Company with Related Parties during the financial year 2018-19 as defined under Section 2(76) of the Companies Act, 2013 read with the Companies (Specification of Definitions Details) Rules, 2014 were in the Ordinary Course of Business and at Arm's Length pricing basis. There were no materially significant transactions with Related Parties during the financial year 2018-19, which were in conflict with the interest of the Company. Suitable disclosures as required under Ind AS 24 have been made in the Notes to the financial statements.

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

### Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rules made thereunder, the Company had re-appointed Mr. Binod Kumar Gupta (Membership No. A12965, C.P. No. 3242) of M/s. BKG & Company, Company Secretaries to conduct the Secretarial Audit for the Financial Year 2019-20.

The Secretarial Audit Report for the Financial Year ended March 31, 2019 is annexed herewith and marked as Annexure - III to this report.

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

### Secretarial Standards

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

### Directors' Responsibility Statement

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

- a) in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) the Directors had selected such accounting policies and applied them consistently and made 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 March 31, 2019 and of the profit of the Company for the year ended on that date;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) proper internal financial controls are followed by the Company and that such financial controls are adequate and are operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the financial year ended March 31, 2019.



## Board's Report

### Auditors

M/s. Deloitte Haskins & Sells (Firm Registration No. 302009E, Chartered Accountants) was re-appointed by the members of the Company at the 37<sup>th</sup> Annual General Meeting as Statutory Auditors of the Company for a second term of 5 (Five) consecutive years commencing from the conclusion of the Annual General Meeting held on September 06, 2018 till the conclusion of the 42<sup>nd</sup> Annual General Meeting to be held in the year 2023.

The Auditors' Report on the Annual Accounts of the Company forms part of the Annual Report of the Company.

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

There is no incident of fraud requiring reporting by the Auditors under Section 143 (12) of the Companies Act, 2013.

### 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 services of the Cost Auditor for the financial year 2018-2019 and for the succeeding financial year.

### Particulars of Loans, Investments and Guarantees

During the financial year 2018-19, the Company has not made any investment, has not given any loans, has not provided any guarantees, has not provided any security in connection with any loan, has not acquired securities by way of subscription, purchase or otherwise in excess of the thresholds provided in Section 186 of the Companies Act, 2013.

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

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

### Managerial Remuneration, Particulars of Employees and related disclosure

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

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

Your Company strongly believes in providing a safe and harassment free workplace for each and every individual working for the Company through various interventions and practices and has zero tolerance for sexual harassment at workplace. It is the continuous endeavour of the management of the Company to create and provide an environment to all its employees that is free from discrimination and harassment including sexual harassment. The Company has adopted a policy on Prevention of Sexual Harassment at Workplace. An Internal Complaint Committee (ICC) with requisite number of representatives has been set up to redress complaints relating to sexual harassment, if any. The Policy is gender neutral. All employees (permanent, contractual, temporary, trainees) are covered under this Policy.

The Policy under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed thereunder is available in the website of the Company at [www.khadims.com](http://www.khadims.com). No complaints relating to the sexual harassment has been received during the year under report.

### Annual Performance Evaluation of the Directors

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

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

## Board's Report

### Corporate Governance

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

### Management Discussion and Analysis Report

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

### Cautionary Statement

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

### Acknowledgement

Your Directors would like to express their sincere appreciation for the assistance and cooperation received from the financial institution, banks, merchant bankers, legal consultants, registrar, government authorities, customers, vendors and members during the year under review. Your Directors also acknowledge the continued support received from investors and shareholders and the confidence reposed by them. 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 and on behalf of the Board of Directors

Place: Kolkata  
Date: May 17, 2019

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

# Annexure - I

## 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:

#### Introduction

Your Company believes that the true and full measure of growth, success and progress lies beyond balance sheets or conventional economic indices. It is best reflected in the difference that business and industry make to the lives of people. Through its CSR activities, your Company takes sustainable initiatives in the areas of health, education, environment conservation, community development etc.

Your Company plans to take up CSR programme, which benefits the communities in and around the vicinity of its operational presence and over a period of time, results in enhancing the quality of life of the people in those areas.

During the financial year ended March 31, 2019, your Company, inter alia, donated medical equipments as a part of CSR activities and also focussed on promotion of education by donation to the Non-profit Organizations.

#### a) CSR Policy - Brief Outline and Overview:

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

#### b) Web-Link to the CSR Policy:

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

### 2. The Composition of the CSR Committee:

Prof. (Dr.) Surabhi Banerjee <sup>§</sup>	Chairperson
Mr. Siddhartha Roy Burman	Member
Mr. Ritoban Roy Burman	Member
Mr. Abhijit Dan	Secretary

§ Appointed as the Chairperson of the CSR Committee w.e.f. April 24, 2018.

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

Particulars	In ₹ million	
	Amount	Amount
<b>A. Net Profits of the Company for the:</b>		
• Financial Year ended March 31, 2016	263.91	
• Financial Year ended March 31, 2017	405.61	
• Financial Year ended March 31, 2018	533.33	
<b>B. Average Net Profit of the Company for the last three financial years*</b>		<b>400.95</b>
<b>C. Total CSR amount for the financial year 2018-19</b>		
• Prescribed CSR Expenditure (2% of amount stated in Item no. B above)	8.02	
• Unspent amount during the financial year 2017-18	2.12	
<b>Total</b>		<b>10.14</b>
<b>D. Details of CSR Expenditure:</b>		
<b>Amount spent during the financial year 2018-19</b>		<b>10.28</b>
<b>Amount unspent</b>		<b>NIL</b>

\*Calculated as per section 198 of the Companies Act, 2013.



## Annexure - I

### Manner in which the amount spent during the Financial Year is detailed below:

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 ₹ million)	Amount spent on the projects or programs sub-heads (1) Direct expenditure on projects or programs (2) Overheads (in ₹ million)	Cumulative expenditure up to the reporting period (in ₹ million)	Amount spent Direct or through implementing agency
1.	Donation for purchase of medical equipments	Under promotion of health care including preventive health care	Indian Institute of Liver Foundation (IILF), West Bengal	1.50	1.50	1.50	Direct
2.	Donation for purchase of beds and medical equipments.	Under promotion of health care including preventive health care	Tata Medical Center, Cancer Hospital, Kolkata	1.00	1.00	2.50	Direct
3.	Donation of X-Ray Machine along with Monitor and other related accessories	Under promotion of health care including preventive health care	Institute of Child Health , Pediatric Hospital, Kolkata	2.00	2.00	4.50	Direct
4.	Donation of Auto Injector, used in C.T. Scan Machine for Cancer treatment	Under promotion of health care including preventive health care	Saroj Gupta Cancer Centre & Research Institute (SGCCRI), Kolkata	1.30	1.30	5.80	Direct
5.	Donation to facilitate mobile medical services	Under promotion of health care including preventive health care	Help Age India's Mobi - Healthcare Unit, Kolkata	1.52	1.52	7.32	Direct
6.	Donation for implementation of the project titled, "Educate A Child with CINI"	Under Promoting education, including Special Education and employment enhancing vocation skills	Child in Need Institute, Kolkata	0.40	0.40	7.72	Direct
7.	Donation for conducting the "the Green Rhinos Program" to create youth nature leaders to ensure an ecologically resilient society	Under Promoting education, including Special Education and employment enhancing vocation skills	Association for Social and Environmental Development, Kolkata	0.18	0.18	7.90	Direct

## Annexure - I

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 ₹ million)	Amount spent on the projects or programs sub-heads (1) Direct expenditure on projects or programs (2) Overheads (in ₹ million)	Cumulative expenditure up to the reporting period (in ₹ million)	Amount spent Direct or through implementing agency
8.	Donation for the project titled "Udayan Shalini Fellowship Programme" to educate girl child	Under Promoting education, including Special Education and employment enhancing vocation skills	Udayan Care, Kolkata	1.02	1.02	8.92	Direct
9.	Maintenance of Park & Garden in collaboration with South Dumdum Municipality, Kolkata	Maintenance and Beautification of Gardens / Parks etc. (under protection of Flora and Fauna)	Kolkata	1.36	1.36	10.28	Direct
<b>TOTAL</b>				<b>10.28</b>	<b>10.28</b>	<b>10.28</b>	

4. 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's Report – Not Applicable

5. **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.

For and on behalf of Board of Directors

Place: Kolkata  
Date: May 17, 2019

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

**Surabhi Banerjee**  
Chairperson, CSR Committee  
DIN: 07829304

# Annexure - II

## FORM NO. MGT- 9

### EXTRACT OF ANNUAL RETURN as on the Financial Year ended March 31, 2019

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

#### I REGISTRATION & OTHER DETAILS:

i	CIN	L19129WB1981PLC034337
ii	Registration Date	December 03, 1981
iii	Name of the Company	Khadim India Limited
iv	Category/Sub-category of the Company	Company limited by Shares / Non-govt company
v	Address of the Registered office and contact details	Kankaria Estate, 5 <sup>th</sup> Floor 6, Little Russell Street, Kolkata, West Bengal - 700071
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C-101, 1 <sup>st</sup> Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai - 400083 Tel: +91 22 49186000 Fax: +91 22 49186060 Email: mumbai@linkintime.co.in

#### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY - RETAILING AND DIRECT SALES

All the business activities contributing 10% or more of the total turnover of the company are:

Sl. No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the Company
1	Footwear - Retail <sup>^</sup>	47713	63%
2	Footwear - Wholesale <sup>^^</sup>	46413	26%

<sup>^</sup> Retail consists of Company Owned and Operated Outlets (COCOs), Franchisee Run and Managed outlets (FRMs), Branded Outlets (BOs) and Exclusive Branded Outlets (EBOs).

<sup>^^</sup> Wholesale consists of Distribution Business.

#### III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:

Sl. No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Knightsville Private Limited	U45209WB2005PTC103948	Holding	48.63	2(46)

Note: Post Completion of IPO on 14<sup>th</sup> November, 2017, the shareholding of Knightsville Private Limited has come down to 48.63% from 50.51%. However, Knightsville Private Limited remains as Holding Company since it continues to control the Company.

## Annexure - II

## IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

## (i) Category-wise Share Holding

Category of Shareholders	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change during the year
	Demat	Physical	Total % of Total Shares	Demat	Physical	Total % of Total Shares	
<b>A Shareholding of Promoter and Promoter Group</b>							
<b>1 Indian</b>							
a Individuals / Hindu Undivided Family	1451209	0	1451209 8.08	1459209	0	1459209 8.12	0.04
b Central Government / State Government(s)	0	0	0.00	0	0	0.00	0.00
c Financial Institutions / Banks	0	0	0.00	0	0	0.00	0.00
d Any Other (Specify)							
e Bodies Corporate	9273229	0	9273229 51.62	9273229	0	9273229 51.61	-0.01
Sub Total (A)(1)	10724438	0	10724438 59.70	10732438	0	10732438 59.73	0.03
<b>2 Foreign</b>							
a Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0.00	0	0	0.00	0.00
b Government	0	0	0.00	0	0	0.00	0.00
c Institutions	0	0	0.00	0	0	0.00	0.00
d Foreign Portfolio Investor	0	0	0.00	0	0	0.00	0.00
e Any Other (Specify)							
Sub Total (A)(2)	0	0	0.00	0	0	0.00	0.00
<b>Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)</b>	<b>10724438</b>	<b>0</b>	<b>10724438 59.70</b>	<b>10732438</b>	<b>0</b>	<b>10732438 59.73</b>	<b>0.03</b>
<b>B Public Shareholding</b>							
<b>1 Institutions</b>							
a Mutual Funds / UTI	3004564	0	3004564 16.72	4845635	0	4845635 26.97	10.24
b Venture Capital Funds	0	0	0.00	0	0	0.00	0.00
c Alternate Investment Funds	959948	0	959948 5.34	664000	0	664000 3.70	-1.65
d Foreign Venture Capital Investors	0	0	0.00	0	0	0.00	0.00
e Foreign Portfolio Investor	1115206	0	1115206 6.21	498260	0	498260 2.77	-3.43
f Financial Institutions / Banks	2334	0	2334 0.01	2134	0	2134 0.01	0.00
g Insurance Companies	0	0	0.00	0	0	0.00	0.00
h Provident Funds/ Pension Funds	0	0	0.00	0	0	0.00	0.00
i Any Other (Specify)							
Sub Total (B)(1)	5082052	0	5082052 28.29	6010029	0	6010029 33.45	5.16



## Annexure - II

Category of Shareholders	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change during the year
	Demat	Physical	Total	Demat	Physical	Total	
<b>2 Central Government/ State Government(s)/ President of India</b>							
Sub Total (B)(2)	0	0	0	0	0	0	0.00
<b>3 Non-Institutions</b>							
<b>a Individuals</b>							
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh.	1520882	0	1520882	993527	20	993547	5.53
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	20000	0	20000	23816	0	23816	0.13
<b>b NBFCs registered with RBI</b>	0	0	0	0	0	0	0.00
<b>c Employee Trusts</b>							
<b>d Overseas Depositories(holding DRs) (balancing figure)</b>	0	0	0	0	0	0	0.00
<b>e Any Other (Specify)</b>							
(i) Hindu Undivided Family	68793	0	68793	44132	0	44132	0.25
(ii) Non Resident Indians (Non Repat)	4786	0	4786	22100	0	22100	0.12
(iii) Non Resident Indians (Repat)	2486	0	2486	26000	0	26000	0.14
(iv) Clearing Member	108762	0	108762	79303	0	79303	0.44
(v) Bodies Corporate	432998	0	432998	38229	0	38229	0.21
Sub Total (B)(3)	2158707	0	2158707	1227127	20	1227147	6.83
<b>Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)</b>	<b>7240759</b>	<b>0</b>	<b>7240759</b>	<b>7237156</b>	<b>20</b>	<b>7237176</b>	<b>40.27</b>
<b>Total (A)+(B)</b>	<b>17965197</b>	<b>0</b>	<b>17965197</b>	<b>17965197</b>	<b>20</b>	<b>17965197</b>	<b>100.00</b>
<b>C Non Promoter - Non Public</b>							
<b>1 Custodian/DR Holder</b>	0	0	0	0	0	0	0.00
<b>2 Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)</b>	0	0	0	0	0	0	0.00
<b>Total (A)+(B)+(C)</b>	<b>17965197</b>	<b>0</b>	<b>17965197</b>	<b>17965197</b>	<b>20</b>	<b>17965197</b>	<b>100.00</b>

## Annexure - II

### (ii) SHARE HOLDING 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 the shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/encumbered total shares	No. of Shares	% of total shares of the Company	% of shares pledged/encumbered total shares	
1	KNIGHTSVILLE PRIVATE LIMITED	8737829	48.64	0.00	8737829	48.63	0.00	-0.01
2	SIDDHARTHA ROY BURMAN	1451149	8.08	0.00	1459149	8.12	0.00	0.04
3	KHADIM DEVELOPMENT COMPANY PRIVATE LIMITED	302950	1.69	0.00	302950	1.69	0.00	0.00
4	MOVIEWALLAH COMMUNICATIONS PRIVATE LIMITED	172450	0.96	0.00	172450	0.96	0.00	0.00
5	TETENAL PHOTOCHEMIE PRIVATE LIMITED	35000	0.19	0.00	35000	0.19	0.00	0.00
6	PHOTO IMAGING PRIVATE LIMITED	25000	0.14	0.00	25000	0.14	0.00	0.00
7	TANUSREE ROY BURMAN	60	0.00	0.00	60	0.00	0.00	0.00
	<b>Total</b>	<b>10724438</b>	<b>59.70</b>	<b>0.00</b>	<b>10732438</b>	<b>59.73</b>	<b>0.00</b>	<b>0.03</b>

### (iii) CHANGE IN SHAREHOLDING OF PROMOTERS AND PROMOTER GROUP

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding during the year	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
<b>1</b>	<b>KNIGHTSVILLE PRIVATE LIMITED</b>						
	AT THE BEGINNING OF THE YEAR	8737829	48.63				
	AT THE END OF THE YEAR					8737829	48.63
<b>2</b>	<b>SIDDHARTHA ROY BURMAN</b>						
	AT THE BEGINNING OF THE YEAR	1451149	8.08				
	Transfer			01 Mar 2019	4400	1455549	8.10
	Transfer			08 Mar 2019	3600	1459149	8.12
	AT THE END OF THE YEAR					1459149	8.12
<b>3</b>	<b>KHADIM DEVELOPMENT COMPANY PRIVATE LIMITED</b>						
	AT THE BEGINNING OF THE YEAR	302950	1.69				
	AT THE END OF THE YEAR					302950	1.69

## Annexure - II

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding during the year	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
<b>4</b>	<b>MOVIEWALLAH COMMUNICATIONS PRIVATE LIMITED</b>						
	AT THE BEGINNING OF THE YEAR	172450	0.96				
	AT THE END OF THE YEAR					172450	0.96
<b>5</b>	<b>TETENAL PHOTOCHEMIE PRIVATE LIMITED</b>						
	AT THE BEGINNING OF THE YEAR	35000	0.19				
	AT THE END OF THE YEAR					35000	0.19
<b>6</b>	<b>PHOTO IMAGING PRIVATE LIMITED</b>						
	AT THE BEGINNING OF THE YEAR	25000	0.14				
	AT THE END OF THE YEAR					25000	0.14
<b>7</b>	<b>TANUSREE ROY BURMAN</b>						
	AT THE BEGINNING OF THE YEAR	60	0.00				
	AT THE END OF THE YEAR					60	0.00

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

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding during the year	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
<b>1</b>	<b>IDFC MULTI CAP FUND</b>						
	AT THE BEGINNING OF THE YEAR	720916	4.01				
	Transfer			06 Apr 2018	17424	738340	4.11
	Transfer			13 Apr 2018	16197	754537	4.20
	Transfer			20 Apr 2018	4603	759140	4.22
	Transfer			27 Apr 2018	32131	791271	4.40
	Transfer			04 May 2018	19047	810318	4.51
	Transfer			11 May 2018	10676	820994	4.57
	Transfer			18 May 2018	8145	829139	4.61
	Transfer			25 May 2018	6937	836076	4.65
	Transfer			01 Jun 2018	10010	846086	4.71
	Transfer			08 Jun 2018	3511	849597	4.73
	Transfer			15 Jun 2018	15357	864954	4.81
	Transfer			22 Jun 2018	2381	867335	4.83
	Transfer			30 Jun 2018	3778	871113	4.85
	Transfer			06 Jul 2018	12000	883113	4.91
	Transfer			13 Jul 2018	2000	885113	4.93
	Transfer			20 Jul 2018	8000	893113	4.97
	Transfer			27 Jul 2018	37093	930206	5.18
	Transfer			03 Aug 2018	9829	940035	5.23
	Transfer			24 Aug 2018	(57888)	882147	4.91

## Annexure - II

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding during the year	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
	Transfer			31 Aug 2018	61000	943147	5.25
	Transfer			07 Sep 2018	2332	945479	5.26
	Transfer			14 Sep 2018	4000	949479	5.28
	Transfer			21 Sep 2018	2142	951621	5.30
	Transfer			29 Sep 2018	29858	981479	5.46
	Transfer			05 Oct 2018	6000	987479	5.50
	Transfer			12 Oct 2018	3119	990598	5.51
	Transfer			19 Oct 2018	1171	991769	5.52
	Transfer			26 Oct 2018	3136	994905	5.54
	Transfer			02 Nov 2018	14445	1009350	5.62
	Transfer			04 Jan 2019	5000	1014350	5.64
	Transfer			18 Jan 2019	3000	1017350	5.66
	Transfer			25 Jan 2019	2000	1019350	5.67
	Transfer			01 Feb 2019	1589	1020939	5.68
	Transfer			08 Feb 2019	385	1021324	5.68
	Transfer			15 Mar 2019	8411	1029735	5.73
	Transfer			29 Mar 2019	1501	1031236	5.74
	AT THE END OF THE YEAR					1031236	5.74
<b>2</b>	<b>UTI - CCF -SAVINGS PLAN</b>						
	AT THE BEGINNING OF THE YEAR	395032	2.20				
	Transfer			27 Apr 2018	8990	404022	2.25
	Transfer			04 May 2018	10	404032	2.25
	Transfer			08 Jun 2018	1648	405680	2.26
	Transfer			27 Jul 2018	1000	406680	2.26
	Transfer			10 Aug 2018	1000	407680	2.27
	Transfer			07 Sep 2018	2000	409680	2.28
	Transfer			14 Sep 2018	3630	413310	2.30
	Transfer			05 Oct 2018	5000	418310	2.33
	Transfer			15 Feb 2019	11370	429680	2.39
	Transfer			29 Mar 2019	399593	829273	4.61
	AT THE END OF THE YEAR					829273	4.61
<b>3</b>	<b>MIRAE ASSET EMERGING BLUECHIP FUND</b>						
	AT THE BEGINNING OF THE YEAR	333599	1.86				
	Transfer			06 Apr 2018	45552	379151	2.11
	Transfer			13 Apr 2018	10	379161	2.11
	Transfer			20 Apr 2018	31727	410888	2.29
	Transfer			27 Apr 2018	13821	424709	2.36
	Transfer			11 May 2018	7651	432360	2.41
	Transfer			08 Jun 2018	10000	442360	2.46
	Transfer			30 Jun 2018	3948	446308	2.48
	Transfer			06 Jul 2018	2103	448411	2.50
	Transfer			27 Jul 2018	44202	492613	2.74
	Transfer			24 Aug 2018	7967	500580	2.79
	Transfer			28 Dec 2018	305012	805592	4.48
	Transfer			15 Feb 2019	17000	822592	4.58
	AT THE END OF THE YEAR					822592	4.58



## Annexure - II

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding during the year	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
<b>4</b>	<b>SUNDARAM MUTUAL FUND A/C SUNDARAM SMALL CAP FUND</b>						
	AT THE BEGINNING OF THE YEAR	724804	4.03				
	Transfer			11 May 2018	25610	750414	4.18
	Transfer			18 May 2018	30377	780791	4.35
	Transfer			25 May 2018	15575	796366	4.43
	Transfer			22 Jun 2018	(1780)	794586	4.42
	Transfer			17 Aug 2018	(10011)	784575	4.37
	Transfer			24 Aug 2018	(5762)	778813	4.33
	Transfer			19 Oct 2018	(54777)	724036	4.03
	Transfer			26 Oct 2018	53915	777951	4.33
	AT THE END OF THE YEAR					777951	4.33
<b>5</b>	<b>FRANKLIN INDIA SMALLER COMPANIES FUND</b>						
	AT THE BEGINNING OF THE YEAR	580666	3.23				
	AT THE END OF THE YEAR					580666	3.23
<b>6</b>	<b>ICICI PRUDENTIAL EQUITY &amp; DEBT FUND</b>						
	AT THE BEGINNING OF THE YEAR	0	0.00				
	Transfer			20 Apr 2018	81	81	0.00
	Transfer			27 Apr 2018	21960	22041	0.12
	Transfer			04 May 2018	1959	24000	0.13
	Transfer			18 May 2018	19834	43834	0.24
	Transfer			01 Jun 2018	9897	53731	0.30
	Transfer			08 Jun 2018	29042	82773	0.46
	Transfer			13 Jul 2018	2131	84904	0.47
	Transfer			20 Jul 2018	8486	93390	0.52
	Transfer			17 Aug 2018	443	93833	0.52
	Transfer			24 Aug 2018	12365	106198	0.59
	Transfer			31 Aug 2018	209	106407	0.59
	Transfer			07 Sep 2018	45	106452	0.59
	Transfer			26 Oct 2018	47967	154419	0.86
	Transfer			02 Nov 2018	841	155260	0.86
	Transfer			09 Nov 2018	47696	202956	1.13
	Transfer			16 Nov 2018	360406	563362	3.14
	Transfer			23 Nov 2018	9913	573275	3.19
	Transfer			30 Nov 2018	1598	574873	3.20
	Transfer			07 Dec 2018	5246	580119	3.23
	Transfer			18 Jan 2019	(664)	579455	3.22
	Transfer			01 Feb 2019	(619)	578836	3.22
	Transfer			15 Feb 2019	(7310)	571526	3.18
	Transfer			22 Feb 2019	(21)	571505	3.18
	Transfer			01 Mar 2019	(1815)	569690	3.17
	Transfer			29 Mar 2019	(45773)	523917	2.92
	AT THE END OF THE YEAR					523917	2.92

## Annexure - II

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding during the year	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
<b>7</b>	<b>SUNDARAM ALTERNATIVE OPPORTUNITIES FUND - NANO CAP SERIES I</b>						
	AT THE BEGINNING OF THE YEAR	499300	2.78				
	AT THE END OF THE YEAR					499300	2.78
<b>8</b>	<b>HSBC GLOBAL INVESTMENT FUNDS - ASIA EX JAPAN EQUITY SMALLER COMPANIES</b>						
	AT THE BEGINNING OF THE YEAR	888733	4.95				
	Transfer			11 Jan 2019	(6144)	882589	4.91
	Transfer			18 Jan 2019	(11635)	870954	4.85
	Transfer			25 Jan 2019	(100)	870854	4.85
	Transfer			01 Feb 2019	(937)	869917	4.84
	Transfer			08 Feb 2019	(241)	869676	4.84
	Transfer			15 Feb 2019	(49825)	819851	4.56
	Transfer			29 Mar 2019	(400000)	419851	2.34
	AT THE END OF THE YEAR					419851	2.34
<b>9</b>	<b>SUNDARAM ALTERNATIVE OPPORTUNITIES FUND - NANO CAP SERIES II</b>						
	AT THE BEGINNING OF THE YEAR	164700	0.92				
	AT THE END OF THE YEAR					164700	0.92
<b>10</b>	<b>HSBC SMALL CAP EQUITY FUND</b>						
	AT THE BEGINNING OF THE YEAR	0	0.00				
	Transfer			02 Nov 2018	150000	150000	0.83
	AT THE END OF THE YEAR					150000	0.83

## (v) Shareholding of Directors &amp; Key Managerial Personnel (KMP)

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding during the year	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
<b>1</b>	<b>SIDDHARTHA ROY BURMAN</b>						
	AT THE BEGINNING OF THE YEAR	1451149	8.08				
	Transfer			01 Mar 2019	4400	1455549	8.10
	Transfer			08 Mar 2019	3600	1459149	8.12
	AT THE END OF THE YEAR					1459149	8.12
<b>2.</b>	<b>INDRAJIT CHAUDHURI</b>						
	AT THE BEGINNING OF THE YEAR	0	0.00				
	Transfer			13-Mar-19	958	958	0.01
	AT THE END OF THE YEAR					958	0.01

## Annexure - II

### VI. INDEBTEDNESS

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

in ₹ million					
Sl. No.	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
i)	Principal Amount	684.81			684.81
ii)	Interest due but not paid	1.74			1.74
iii)	Interest accrued but not due	-			-
	<b>Total (i+ii+iii)</b>	<b>686.55</b>			<b>686.55</b>
<b>Change in Indebtedness during the financial year</b>					
	Additional	404.98			404.98
	Reduction	-			-
	<b>Net Change</b>	<b>404.98</b>			<b>404.98</b>
<b>Indebtedness at the end of the financial year</b>					
i)	Principal Amount	1,090.40			1,090.40
ii)	Interest due but not paid	1.13			1.13
iii)	Interest accrued but not due	-			-
	<b>Total (i+ii+iii)</b>	<b>1,091.53</b>			<b>1,091.53</b>

### VII REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole - Time Director and/or Manager:

in ₹ million			
Sl. No.	Particulars of Remuneration	Name of the Managing Director/Whole-time Director Manager	Total Amount
1	<b>Gross salary</b>	<b>Mr. Siddhartha Roy Burman</b>	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	30.22	30.22
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.86	0.86
	(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, please specify	-	-
5	Others, please specify	-	-
	<b>Total (A)</b>	<b>31.08*</b>	<b>31.08</b>

**Ceiling as per the Act - 5% of Net profit for Managing Director/Whole-time Director**

\*Paid as per Schedule V of the Companies Act, 2013 pursuant to the Special Resolution passed at the Annual General Meeting dated September 23, 2016.

## Annexure - II

### B. Remuneration to other Directors

in ₹ million

Sl. No	Particulars of Remuneration	Name of the Directors			Total
1	<b>Independent Directors</b>	Mr.Alok Churiwala	Dr. Indra Nath Chatterjee	Prof. (Dr.) Surabhi Banerjee	
	(a) Fee for attending Board and Committee meetings	0.30	0.42	0.44	1.16
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>0.30</b>	<b>0.42</b>	<b>0.44</b>	<b>1.16</b>
2	<b>Other Non -Executive Directors</b>	Ms. Namrata Ashok Chotrani	Mr. Ritoban Roy Burman		
	(a) Fee for attending Board and Committee meetings	0.36	0.17		0.53
	(b) Commission	-	-		-
	(c) Others, please specify.	-	-		-
	<b>Total (2)</b>	<b>0.36</b>	<b>0.17</b>		<b>0.53</b>
	<b>Total (B)=(1+2)</b>				<b>1.69</b>
	<b>Total Managerial Remuneration [Total (A)+(B)]</b>				<b>32.77</b>

Overall Ceiling as per the Act for Directors who are neither Managing Director / Whole - time Director - 1% of Net Profit.

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

in ₹ million

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
1	<b>Gross Salary</b>	<b>Chief Executive Officer</b>	<b>Chief Financial Officer</b>	<b>Company Secretary</b>	
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	6.56	4.06	2.16	12.78
(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	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	<b>6.56</b>	<b>4.06</b>	<b>2.16</b>	<b>12.78</b>



## Annexure - II

### VIII 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)
<b>A. COMPANY</b>					
Penalty					
Punishment			None		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			None		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			None		
Compounding					

For and on behalf of the Board of Directors

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

Place: Kolkata  
Date: May 17, 2019

# Annexure - III

## FORM NO. MR-3

### SECRETARIAL AUDIT REPORT for the Financial Year Ended 31<sup>st</sup> March, 2019

[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, 5<sup>th</sup> 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.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- i. The Companies Act, 2013 ("the Act") and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. (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"):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
- 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/Regulations of the following:

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

## Annexure - III

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

### We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, approved and signed accordingly as the case may be.
- During the period under review, the Minutes of the Meetings held during the audit period did not reveal any dissenting member's view. As confirmed by the Management, there were no dissenting views expressed by any of the members on any business transacted at the meetings held during the period under review.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

1. Mr. Alok Chauthmal Churiwala (DIN: 02043221) was appointed as an Independent Director (Additional) of the Company with effect from May 11, 2018 and his appointment had been confirmed by the members vide its Annual General Meeting dated September 06, 2018.
2. Re-appointment of Mr. Siddhartha Roy Burman as Chairman & Managing Director of the Company (also as "Whole-time Key Managerial Personnel") for a period of 5 years with effect from 1<sup>st</sup> April, 2019 till 31<sup>st</sup> March, 2024.
3. The Company has, at its Annual General Meeting of the members dated September 06, 2018, altered its main object to include:-  
To manufacture, process, design and decorate, stitch, recondition, repair, manipulate, sale, purchase, export, import, deal, trade, act as an agent in all garments, textiles, all seasonal wear like rain wear, winter wear, gloves, caps, umbrellas, bags, dress materials and related accessories.
4. The Company has allotted 4,417 Equity Shares of ₹ 10/- each at a premium of ₹ 310/- each on 13/12/2018 to the employees of the Company on exercise of options granted to them under ESOP 2017.

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

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

**Place:** Kolkata  
**Date:** 17/05/2019

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

## Annexure - III

### Annexure A to the Secretarial Audit Report

To,  
The Members,  
**Khadim India Limited**  
Kankaria Estate, 5<sup>th</sup> 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.

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

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

**Place:** Kolkata  
**Date:** 17/05/2019



# Annexure - IV

## Information under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors Report for the Year ended March 31, 2019

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

#### A. CONSERVATION OF ENERGY

1. The steps taken or impact on conservation of energy:
  - a) Usage of heavy duty 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) Promotion to energy efficiency lighting solution such as Light Emitting Diode (LED) in place of conventional higher energy consumed lights.
  - c) Use of Translucent sheets along with natural air driven turbo vents on roof of the working floor to utilize day light as well as natural air circulation in shop floor area.
  - d) Use 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) Installation of wide range energy efficient Air compressors for reliable low, medium and high pressure application.
  - h) Replacing conventional AC units (Split & AHU) with energy efficiency AC units.
  - i) Installation of Ridge Vent shed to utilize day light as well as natural air circulation in the floor area of Panpur factory.
  - j) Campaign for awareness of energy saving at various locations.
2. Step taken by the company for utilizing alternate sources of energy:  
Introduction of "Solar Energy" through net-metering system for generation of 820 KW "Solar Power Plant" is under evaluation.
3. The capital investment on energy conservation equipment:  
Amount spent on energy efficiency LED Lights was ₹ 10.72 million and Air Compressors of ₹ 1.21 million during the financial year 2018-19.

#### B. TECHNOLOGY ABSORPTION:

- i. Efforts made towards technology absorption:
  - Company has introduced automatic refiner (hawai skeleton crusher) which has optimised the cost of production and enhanced the productivity.
  - Company has introduced automatic sole drilling machine which has optimised the cost of production and enhanced the productivity.
- ii. Benefits derived like product improvement, cost reduction, product development or import substitution:
  - productivity of hawai has increased by 23%
  - there is huge growth of productivity in Sports Shoe, Phylon Sandal and PU Pouring category.

## Annexure - IV

- iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):
- a. the details of technology imported:  
The Company has not used any imported technology during last three financial years. Hence, the prescribed details are not applicable.
  - b. the year of import – Not Applicable
  - c. whether the technology been fully absorbed – Not Applicable
  - d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof – Not Applicable
- iv. The expenditure incurred on Research and Development:  
The total expenditure incurred during financial year 2018-19 was ₹ 0.31 million.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the financial year 2018-19, the foreign exchange earnings of the Company amounted to ₹ 16.37 million as against ₹ 17.96 million in the previous year. The expenditure in foreign exchange during the financial year 2018-19 was ₹ 759.14 million as compared to ₹ 478.14 million in the previous year.

For and on behalf of the Board of Directors

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

Place: Kolkata  
Date: May 17, 2019

# Annexure - V

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

1. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19:

Name of Director(s)	Designation	Total Remuneration in ₹ million	Ratio of Remuneration of each director(s) to median remuneration of employees
Mr. Siddhartha Roy Burman	Chairman & Managing Director	31.08	103.6

### Notes:

- Median remuneration for the financial year 2018-19 is ₹ 0.30 million per annum.
  - The remuneration to the Chairman and Managing Director is within the overall limits approved by the shareholders of the Company.
  - The Non-executive Directors are entitled to sitting fees and commission on net profits as per the provisions of the Companies Act, 2013. Non-executive Directors received only sitting fees during the year under report. Hence, the ratio of remuneration and percentage change is not considered. The details of remuneration of the Non-executive Directors have been provided in the Corporate Governance Report.
2. The percentage increase / decrease in remuneration of each Director, Chief Executive officer, Chief Financial Officer, Company Secretary or Manager during the financial year 2018-19:

Name of Director(s) / Key Managerial Personnel(s)	Designation	Remuneration (in ₹ million)		Increase / Decrease in Percentage
		2018-19	2017-18	
Mr. Siddhartha Roy Burman	Chairman & Managing Director	31.08	29.68	4.72
Ms. Ishani Ray*	Chief Executive Officer	6.56	5.63	16.52
Mr. Indrajit Chaudhuri <sup>£</sup>	Chief Financial Officer	4.06	3.40	19.41
Mr. Abhijit Dan	Company Secretary & Head - Legal	2.16	2.19	(1.37)

\* elevated as the Chief Executive Officer of the Company with effect from April 01, 2018. Prior to this Ms. Ray was Chief Financial Officer of the Company.

£ elevated as Chief Financial Officer of the Company with effect from April 01, 2018. Prior to this Mr. Chaudhuri was General Manager- Commercial and Strategic Planning.

3. The Percentage Increase in the median remuneration of the employees in the financial year 2018-19:

Median remuneration of employees per annum	Remuneration (in ₹ million)		Increase in Percentage
	2018-19	2017-18	
	0.30	0.28	7.14

- There were 822 permanent employees on the rolls of the Company as on March 31, 2019.
- The Average percentile increase already made in the salaries of employees of the Company other than the managerial personnel in the last financial year was 12.66% whereas the increase in managerial remuneration was 4.72 %.
- It is hereby affirmed that the Remuneration paid to all the Directors, Key Managerial Personnel, Senior Managerial Personnel and other employees of the Company during the financial year ended March 31, 2019, were as per the Nomination and Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Siddhartha Roy Burman  
Chairman & Managing Director  
DIN: 00043715

Place: Kolkata  
Date: May 17, 2019

# Annexure - VI

## Statement of Particulars of Employees pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2019

Top 10 Employees including employees employed throughout the financial year 2018-19 and was in receipt of remuneration, aggregating not less than ₹ 1,02,00,000/- per annum

Sl. No.	Name	Designation	Qualification	Experience -No. of years including previous employment	Remuneration (in ₹ Million)	Nature of employment, whether contractual or otherwise	Date of commencement of employment	Age (in years)	The last employment held by such employee before joining the Company	The percentage of equity shares held	Whether any such employee is a relative of any director or manager of the company
1	Mr. Siddhartha Roy Burman	Chairman and Managing Director	B.Com	36	31.08	Contractual	25-09-1990	57	N.A.	8.12	Father of Mr. Ritoban Roy Burman, Director (Non-Executive, Non-Independent)
2	Ishani Ray	Chief executive Officer	M.Com, CA	27	6.56	Permanent	22-03-2006	55	RPG Group	-	-
3	Jayanta Saha	Vice President – HR	B.A., PGDPM	24	5.04	Permanent	15-04-2016	51	Uninor	-	-
4	Rajeev Kumar Mishra	General Manager - Manufacturing	B.sc, MBA, Diploma in Industrial Chemical	24	4.69	Permanent	01-04-2014	44	Diamond Footcare Udyog Private Limited	-	-
5	Aranya Ray	GM - Supply Chain Management	M.sc, MBA	19	4.45	Permanent	13-08-2005	45	ITC Limited	-	-
6	Vinod Kumar Mishra #	Assistant Vice President - Distribution & Sales	BA	23	4.21	Permanent	15-11-2013	49	Diamond Footcare Udyog Private Limited	-	-
7	Indrajit Chaudhuri	Chief Financial officer	M.Com, CA	17	4.06	Permanent	26-05-2007	45	P. G. Shah and Co.	-	-
8	Tapas Ghosh	GM - Business Development & Systems	B.Com	23	3.82	Permanent	01-04-1997	48	N.A.	-	-
9	Manish Chakraborty*	Senior Vice President - Business Development	B.Com	29	3.27	Permanent	14-12-1996	52	Dunlop India Limited	-	-
10	Rajib Banerjee	DGM – Retail Operations & Business Development	B.Com	22	2.72	Permanent	09-12-1999	44	IFB Finance Limited	-	-

#Mr. Vinod Kumar Mishra, Assistant Vice President - Distribution & Sales resigned with effect from February 28, 2019. His remuneration has been provided upto his last working day excluding few payments in full and final settlement

\* Mr. Manish Chakraborty, Sr. Vice President - Business Development resigned with effect from January 11, 2019. His remuneration has been provided upto his last working day excluding few payments in full and final settlement.

For and on behalf of the Board of Directors

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

Place: Kolkata  
Date: May 17, 2019

# Annexure - VII

## Report on Corporate Governance

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

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

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

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

### 2. BOARD OF DIRECTORS

#### Composition

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

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

The Board having adequate mix of skills, expertise and competencies for running the business of the Company, following is the chart specifying the same:

Name of Director	Designation / Category	Operations	Management	Administration	Sales and Marketing	Finance	Law
Mr. Siddhartha Roy Burman	Chairman and Managing Director	✓	✓	✓	✓	-	-
Mr. Indra Nath Chatterjee	Non-executive Independent	✓	✓	✓	-	✓	✓
Ms. Surabhi Banerjee	Non-executive Independent	-	✓	✓	-	✓	-
Mr. Ritoban Roy Burman	Non-executive Non-independent	-	-	-	✓	-	-
Ms. Namrata Ashok Chotrani	Non-executive Non-independent	✓	✓	-	✓	✓	-
Mr. Alok Chauthmal Churiwala	Non-executive Independent	-	✓	✓	✓	✓	✓

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

Name	Directors Identification Number (DIN)	Category of Directors	Relationship with other Directors	No. of Directorships held (including Khadim India Limited)*	No. of Membership/ Chairmanship in Board Committees (including Khadim India Limited)@	
					Member	Chairperson
Mr. Siddhartha Roy Burman	00043715	Promoter (Executive - Chairman & Managing Director)	Father of Mr. Ritoban Roy Burman	1	1	-
Dr. Indra Nath Chatterjee	00122677	Non-Executive, Independent	None	1	1	1
Prof. (Dr.) Surabhi Banerjee	07829304	Non-Executive, Independent	None	1	2	1



## Annexure - VII

Name	Directors Identification Number (DIN)	Category of Directors	Relationship with other Directors	No. of Directorships held (including Khadim India Limited)*	No. of Membership/ Chairmanship in Board Committees (including Khadim India Limited)@	
					Member	Chairperson
Ms. Namrata Ashok Chotrani	00390845	Non-Executive, Non-Independent	None	1	1	-
Mr. Ritoban Roy Burman	08020765	Non-Executive, Non-Independent	Son of Mr. Siddhartha Roy Burman	1	1	-
Mr. Alok Chauthmal Churiwala	02043221	Non Executive, Independent	None	1	1	-

### Notes:

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

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

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

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

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

The Board of Directors met 5 (Five) times during the year under review. The date of the Board Meetings and attendance thereat are furnished hereunder:

Sl. No.	Date of Board Meeting	No. of Directors Present
i.	May 11, 2018	6
ii.	August 14, 2018	6
iii.	November 02, 2018	6
iv.	February 07, 2019	6
v.	March 26, 2019	6

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

Name of Director	No. of Board Meetings Attended	Attendance at last AGM held on September 06, 2018
Mr. Siddhartha Roy Burman	5	Yes
Dr. Indra Nath Chatterjee	5	Yes
Prof. (Dr.) Surabhi Banerjee	5	Yes
Ms. Namrata Ashok Chotrani	5	No
Mr. Ritoban Roy Burman	5	Yes
Mr. Alok Chauthmal Churiwala	5	Yes

## Annexure - VII

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

As on March 31, 2019, none of the Non-Executive Directors holds any Share / Convertible instruments in the Company.

### Independent Directors:

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

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

During the year under review, meetings of Independent Directors of the Company as per the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25 (3) of the Listing, Regulations, were held on November 02, 2018 and March 26, 2019.

### Familiarization Programme:

Pursuant to the provision of Regulation 25(7) of the Listing Regulations, the Company has in place Familiarization Programme for Independent Directors to familiarize them about the Company and their role, rights and responsibilities in the Company. The details of Familiarization Programme imparted during the financial year 2018-19, are uploaded on the website of the Company and can be accessed through web-link: <https://www.khadims.com/familiarization-programme-independent-director/>.

### 3. COMMITTEES OF THE BOARD

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

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

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

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

- a) Whistle Blower Policy (Vigil mechanism);
- b) Policy on Evaluation of performances of Board of Directors;
- c) Nomination and Remuneration Policy;
- d) Risk Management Policy;
- e) Corporate Social Responsibility Policy;
- f) Policy on Diversity of Board of Directors;
- g) Policy on Succession Planning for the Board and Senior Management;
- h) Policy on disclosure of material events / information;
- i) Policy for Preservation of Documents and Archival; and
- j) Policy on Related Party Transactions.

## Annexure - VII

### (I) Audit Committee

The Composition of the Audit Committee as on March 31, 2019, consists of following members viz.

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

The Company Secretary acts as the Secretary of the Committee.

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

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

## Annexure - VII

- 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 victimization of the employees and directors, who used the vigil mechanism to report genuine concerns in appropriate and exceptional cases;
- x. Recommending to the Board of Directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services; and
- y. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

The Company's Audit Committee met 5 times during the financial year ended March 31, 2019 viz. May 11, 2018, August 14, 2018, November 02, 2018, February 07, 2019 and March 26, 2019.

The following table presents the details of attendance at the Audit Committee meetings held during the period ended March 31, 2019:

Members	Designation & Category	No. of Meetings Attended
Dr. Indra Nath Chatterjee	Chairman, Non-Executive - Independent Director	5
Prof. (Dr.) Surabhi Banerjee	Member, Non-Executive - Independent Director	5
Ms. Namrata Ashok Chotrani	Member, Non-Executive - Non-Independent Director	5
*Mr. Alok Chauthmal Churiwala	Member, Non-Executive - Independent Director	4

### Notes:

\* Mr. Alok Chauthmal Churiwala was appointed as member of the Audit Committee w.e.f. August 14, 2018

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

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

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

## (II) Nomination and Remuneration Committee

The Composition of the Nomination and Remuneration Committee as on March 31, 2019, consists of following members viz.

1. Dr. Indra Nath Chatterjee – Chairman
2. Prof. (Dr.) Surabhi Banerjee – Member
3. Ms. Namrata Ashok Chotrani – Member

The Company Secretary acts as the Secretary of the Committee.

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

- a. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b. Formulation of criteria for evaluation of independent directors and the Board;
- c. Devising a policy on Board diversity;

## Annexure - VII

- d. Identify persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. Our Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
- e. Analysing, monitoring and reviewing various human resource and compensation matters;
- f. Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- g. Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- h. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- i. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- j. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - i. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or
  - ii. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
- k. Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and
- l. Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee.
- m. recommend to the board, all remuneration, in whatever form, payable to senior management.

### Nomination and Remuneration Policy

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

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

The Company's Nomination and Remuneration Committee met 2 times during the financial year ended March 31, 2019 viz. May 11, 2018 and February 07, 2019.

The Composition of the Nomination and Remuneration Committee and details of attendance of the members during the financial year 2018-19 are as under:

Members	Designation & Category	No. of Meetings Attended
Dr. Indra Nath Chatterjee	Chairman, Non-Executive - Independent Director	2
Prof. (Dr.) Surabhi Banerjee	Member, Non-Executive - Independent Director	2
Ms. Namrata Ashok Chotrani	Member, Non-Executive - Non Independent Director	2

### Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Nomination and Remuneration Committee had carried out the performance evaluation of the Individual Directors at its meeting held on February 07, 2019 on the basis of the criteria / performance evaluation policy, approved by the Board of Directors.

Further, the Board of Directors had also carried out the performance evaluation of the entire Board, its Committees and Individual Directors as per Section 134(3)(P) of the Companies Act, 2013 and the rules made thereunder at its meeting held on 26<sup>th</sup> March, 2019.



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### Remuneration to Non-Executive Directors for the financial Year 2018-19:

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

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

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

Details of remuneration paid/payable to the Non-Executive Directors for the financial year 2018-19 are as follows:

in ₹ million					
Members	Designation & Category	Salary	Commission	Sitting fees	Total
Dr. Indra Nath Chatterjee	Non Executive, Independent	-	-	0.42	0.42
Prof. (Dr.) Surabhi Banerjee	Non Executive, Independent	-	-	0.44	0.44
Ms. Namrata Ashok Chotrani	Non Executive, Non-Independent	-	-	0.36	0.36
Mr. Ritoban Roy Burman	Non-Executive, Non-Independent	-	-	0.17	0.17
Mr. Alok Chauthmal Churiwala	Non-Executive - Independent Director	-	-	0.30	0.30

#### Note:

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

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

Further, the Company has not granted any Employee Stock Option to its Non-Executive Directors. Hence, the Disclosure of the same is not applicable.

### Remuneration paid to Executive Director

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

The remuneration paid to Mr. Siddhartha Roy Burman (Chairman & Managing Director) for the Financial Year 2018- 19 is ₹ 31.08 million inclusive of perquisites amounting to ₹ 0.86 million.

There is no separate provision for payment of severance fees.

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

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

### (III) Stakeholders' Relationship Committee

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

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

The Composition of the Stakeholders' Relationship Committee as on March 31, 2019, consists of following members viz.

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

## Annexure - VII

The Company Secretary acts as the Secretary of the Committee.

During the year under review, one meeting of the Stakeholders' Relationship Committee was held on February 06, 2019.

All the members of the Committee attended the said meeting.

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

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

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

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

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

The Company Secretary acts as the Secretary of the Committee

During the year under review, one meeting of the CSR Committee was held on February 06, 2019.

All the members of the Committee attended the said meeting.

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

- a) Formulating and recommending to the Board the corporate social responsibility policy of the Company, including any amendments thereto in accordance with Schedule VII of the Companies Act, 2013 and the rules made thereunder;
- b) Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;
- c) Recommending the amount of corporate social responsibility policy expenditure for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- d) Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required;
- e) Delegating responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- f) Reviewing and monitoring the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and
- g) Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company.

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

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

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

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

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

Status report on number of shareholder complaints / requests received and replied by the Company during the year are as follows:

COMPLAINTS	Received	Resolved	Pending
Non Receipt/ Non allotment of Shares	0	0	0
Non-receipt of refund order	5	5	0
Non-receipt of electronic credits	0	0	0
Non-receipt of dividend warrants	0	0	0
Non-receipt of Annual Report	0	0	0
<b>TOTAL</b>	<b>5</b>	<b>5</b>	<b>0</b>

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

### 5. General Body meetings

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

Year	Venue	Date	Time	Special Resolutions passed
2017-18	Kalamandir, 48, Shakespeare Sarani, Kolkata - 700017	September 06, 2018	11.30 a.m.	i) Ratification of Khadim Employee Stock Option Plan, 2017 ("ESOP 2017"/"Plan") ii) Ratification for Grant of Employee Stock Options to the employees of the existing / future Subsidiary Company(ies) and / or Holding Company(ies) under ESOP 2017 iii) Alteration of Main Object Clause of the Memorandum of Association of the Company.
2016-17	Kankaria Estate, 5 <sup>th</sup> Floor, 6, Little Russell Street, Kolkata-700071	September 16, 2017	2.30 P.M.	Approval for payment of 1% Commission on the net profit of the Company to Mr. Siddhartha Roy Burman, Chairman & Managing Director.
2015-16	Kankaria Estate, 5 <sup>th</sup> Floor, 6, Little Russell Street, Kolkata-700071	September 23, 2016	2:30 P.M.	i) Payment of remuneration of ₹ 22,563,371 in aggregate to Mr. Siddhartha Roy Burman, Chairman & Managing Director and Ms. Tanusree Roy Burman, Whole-time Director in case of no profit or inadequate profit of the Company for the financial year ended March 31, 2016. ii) Re-appointment of Mr. Siddhartha Roy Burman, as "Chairman & Managing Director" (also as "Whole-Time Key Managerial Personnel"), with effect from April 1, 2016 till March 31, 2019 (both days inclusive). iii) Re-appointment of Ms. Tanusree Roy Burman, as Whole Time Director of the Company with effect from 1 <sup>st</sup> April 2016 till 31 <sup>st</sup> March, 2019 (both days inclusive).

#### ii. Details of special resolution passed through postal ballot: Not Applicable, as there was no special resolution passed through postal ballot during the year.

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### 6. Disclosures

#### i) Statutory Compliance, Penalties/Strictures

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

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

#### ii) Related Party Transactions

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

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

#### iii) Subsidiary

During the year under review, the Company does not have any subsidiary therefore the criteria specified for subsidiary in the Listing Regulations, is not applicable to the company. Further, the Company has not adopted a policy on material subsidiaries as there are no material subsidiaries of your Company

#### iv) Vigil Mechanism / Whistle Blower Policy

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

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

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

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

#### Non-Mandatory Requirements

Particulars	Status
<b>A. The Board</b> Non-Executive Chairperson may be entitled to maintain a chairperson's office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his duties.	Not Applicable
<b>B. Shareholders' Right</b> A Half- Yearly declaration of financial performance including summary of significant events in last six-months, may be sent to each household of shareholders	Complied, as the Company's half-yearly results are published in leading English and Bengali newspaper and also uploaded on the website of the Company.
<b>C. Modified opinion in audit report</b> The listed entity may move towards a regime of financial statements with unmodified opinion	Complied, there are no qualification in the Audit Report
<b>D. Separate posts of chairperson and chief executive officer</b> The listed entity may appoint separate persons to the posts of chairperson and managing director or chief executive officer	The Chairman of the Company holds the position of Managing Director and there is a separate post for Chief Executive Officer of the Company.
<b>E. Reporting of internal auditor</b> The internal auditor may report directly to the Audit Committee	Complied, the Internal Auditors of the Company are generally present in the Audit Committee Meeting.

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

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

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

### 10. As per SEBI Notification dated January 04, 2017, we hereby confirm that no employee including Key Managerial Personnel or Director or Promoter of the Company has entered into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

### 11. Disclosure of Accounting Treatment

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

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

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

All the Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct of the Company for the year ended March 31, 2019.

#### Declaration by the CEO on Code of Conduct as required by Schedule V of the Listing Regulations.

As required under Regulation 34(3) read with Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Directors of the Board and Senior Management Personnel of the Khadim India Limited (the 'Company') have affirmed, compliance with provisions of the applicable Code of Conduct of the Company during the financial year ended 31<sup>st</sup> March, 2019.

For Khadim India Limited

Sd/-

Ishani Ray

Chief Executive Officer

### 13. CEO/CFO Certification

In terms of requirement of Regulation 17(8) of the Listing Regulations, Ms. Ishani Ray, CEO and Mr. Indrajit Chaudhuri, CFO of the Company have furnished certificate to the Board in the prescribed format certifying that financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The certificate has been reviewed by the Audit Committee and taken on record by the Board at the meeting held on May 17, 2019.

### 14. Directors' Responsibility Statement

The draft Directors' Responsibility Statement signed by Mr. Siddhartha Roy Burman, Chairman & Managing Director which is included in the Board's Report for F.Y.2018-19, has been reviewed by the Audit Committee at its meeting held on May 17, 2019.



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### 15. Reconciliation of Share Capital Audit Report

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

### 16. Risk Management Policy

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

### 17. Code for Prevention of Insider Trading

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

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

During the year under review, the Company paid total fee (including out of pocket expenditure) of ₹ 4.01 million to M/s. Deloitte Haskins & Sells, Statutory Auditors of the Company.

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

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

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

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

### 21. Means of Communication

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

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

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

**Uploading on NSE Electronic Application Processing System (NEAPS) & BSE Listing Centre:** The quarterly results, quarterly compliances and all other corporate communications to the Stock Exchanges are filed electronically on NEAPS for NSE and on BSE Listing Centre for BSE.

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### 22. General Shareholders' information:

<b>a. Annual General Meeting</b>	
Date, time and venue	The 38 <sup>th</sup> Annual General meeting (AGM) of the Company will be held at 'Kala Kunj (within the premises of Kala Mandir), 48, Shakespeare Sarani, Kolkata – 700017, on Thursday, August 08, 2019 at 11:30 a.m.
<b>b. Financial Year</b>	
	Financial Year is April 01 to March 31 of the following year
Quarterly results will be declared as per the following tentative schedule:	
Financial reporting for the quarter ending June 30, 2019	First fortnight of August, 2019
Financial reporting for the half year ending September 30, 2019	First fortnight of November, 2019
Financial reporting for the quarter ending December 31, 2019	First fortnight of February, 2020
Financial reporting for the year ending March 31, 2020	By end of May, 2020
<b>c. Dates of Book Closure</b>	
	Friday, August 02, 2019 to Thursday, August 08, 2019
<b>d. Record date for Dividend</b>	
	Thursday, August 01, 2019
<b>e. Dividend Payment Date</b>	
	On or before September 06, 2019
<b>f. Listing on Stock Exchanges &amp; Payment of Listing Fees</b>	
	Your Company's shares are listed on: <b>BSE Ltd.</b> (BSE) Floor 27, P. J. Towers, Dalal Street, Mumbai - 400 001  <b>National Stock Exchange of India Ltd.</b> Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 Your Company has paid the annual listing fee to both the exchanges.
<b>g. Stock Code</b>	
	BSE Security Code: 540775; NSE: KHADIM; ISIN: INE834I01025
<b>h. Registrars and Transfer Agents</b>	
	Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli (W) Mumbai - 400083 Tel: +91 22 49186000   F: +91 22 49186060 E mail: mumbai@linkintime.co.in
<b>i. Share Transfer System</b>	
	The Board has delegated the power of Share Transfer to Stakeholders' Relationship Committee.
<b>j. Address for Correspondence</b>	
	Mr. Abhijit Dan Company Secretary and Compliance Officer Khadim India Limited Kankaria Estate, 5 <sup>th</sup> Floor, 6, Little Russell Street, Kolkata , West Bengal-700071 Tel: +91- 33-40090501 Fax: +91-33-40090500
<b>k. Dematerialisation of Shares and Liquidity</b>	
	99.99% shares of your Company are held in the electronic mode as on March 31, 2019
<b>l. Electronic Clearing Service (ECS)</b>	
	Members are requested to update their bank account details with their respective depository participants (for shares held in the electronic form) or write to the Company's Registrars and Transfer Agents, M/s. Link Intime India Private Limited (for shares held in the physical form)
<b>m. Investor Complaints to be addressed to</b>	
	Registrars and Transfer Agents or Mr. Abhijit Dan, Company Secretary, at the addresses mentioned earlier.
<b>n. Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, Conversion Date and likely impact on equity</b>	
	The Company has not issued any GDRs/ADRs/ Warrants or any Convertible Instruments.

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o. <b>Plant Locations</b>	<p><b>i. Kasba Factory</b> Khadim India Limited P - 31 &amp; S 26, Kasba Industrial Estate, Phase -III, <b>Kolkata</b> - 700107</p> <p><b>ii. Panpur Factory</b> Khadim India Limited, 25/1, 25/2 &amp; 25/3, Panpur Road, Mouza-Madral, P.O.- Narayanpur, P.S. Jagatdal, Dist- 24 <b>Parganas</b> (N) -743126</p>
p. Details of Suspension of Securities from trading, if any	Not Applicable
q. commodity price risk or foreign exchange risk and hedging activities	The Company does not have commodity price risk. The details of foreign exchange exposures and hedging activities are provided in the Management Discussion and Analysis Report.
r. list of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad	Not Applicable, as the Company didn't issue any debt instruments or any fixed deposit programme or any scheme or proposal involving mobilization of funds, in India or abroad

s. **Market Price Data: High and Low from April 01, 2018 to March 31, 2019 are mentioned below:**

[All prices in ₹]

Month	BSE		NSE	
	High	Low	High	Low
April, 2018	786	704.80	786	709
May, 2018	853.3	750.15	852	758.15
June, 2018	862	731	862.7	730.65
July, 2018	822	741	819	746.35
August, 2018	827.55	719	819	734.85
September, 2018	770	640.4	778	638.95
October, 2018	664	578	694.60	569.95
November, 2018	644.65	580.05	605	580.45
December, 2018	594.5	520	593.9	519.60
January, 2019	553.75	441.10	554	442.85
February, 2019	454	355	454	355.05
March, 2019	524.2	355.1	524	355.05

t. **Summary of Shareholding Pattern as on March 31, 2019**

Category of Shareholder	Number of Shareholders	Number of Shares held	Percentage of Shareholding
Promoter & Promoter Group	7	1,07,32,438	59.73
Public	38,800	72,37,176	40.27
<b>Total</b>	<b>38,807</b>	<b>1,79,69,614</b>	<b>100.00</b>

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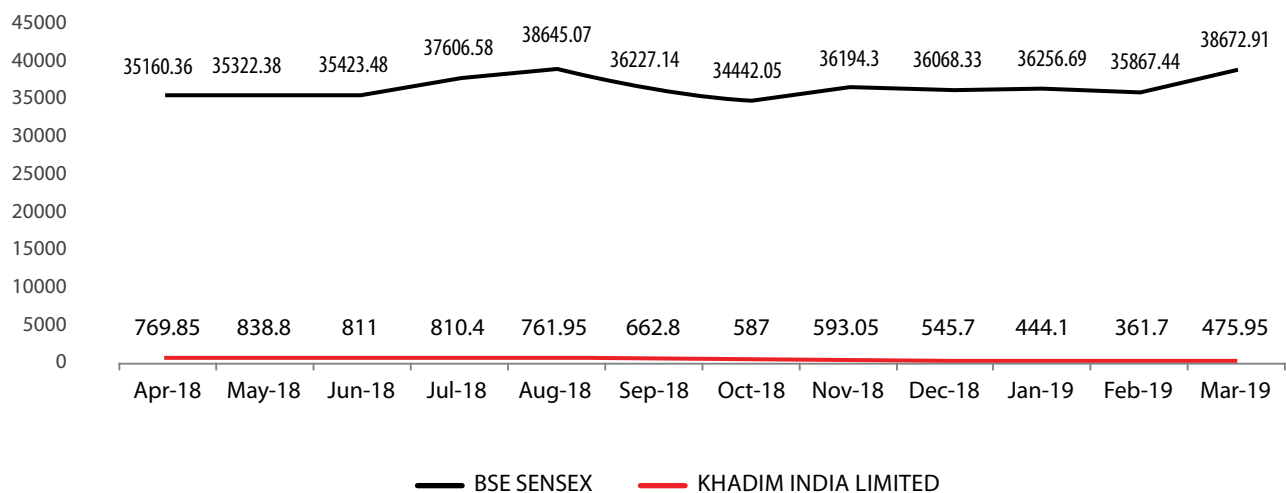
### u. Distribution of Shareholding as on March 31, 2019

Category of Shareholder	Number of Shareholders	Number of Shares held	Percentage of Shareholding
1 - 500	38,600	9,25,978	5.15
501 - 1000	84	61,328	0.34
1001 - 2000	38	54,820	0.31
2001 - 3000	15	37,606	0.21
3001 - 4000	6	20,760	0.12
4001 - 5000	4	18,334	0.10
5001 - 10000	4	25,440	0.14
10001 and Above	56	1,68,25,348	93.63
<b>Total</b>	<b>38,807</b>	<b>1,79,69,614</b>	<b>100.00</b>

### v. Bifurcation of shares held in physical and demat form as on March 31, 2019

Particulars	No. of Shares	Percentage (%)
Physical Shares (I)	20	0.00
Sub-Total	20	0.00
Demat Shares (II)		
NSDL (A)	70,11,756	39.02
CDSL (B)	1,09,57,838	60.98
Sub-Total (A+B)	1,79,69,594	100.00
<b>Total (I+II)</b>	<b>1,79,69,614</b>	<b>100.00</b>

### w. PERFORMANCE IN COMPARISON TO BSE SENSEX



## Annexure - VII

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

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

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

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

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

### GREEN INITIATIVE

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

Recognizing the spirit of the circular issued by the MCA, Notice convening the general meetings, Financial Statements, Board's Report, Auditor's Report and other documents are sent to the email address provided by the Shareholders with the relevant depositories.

We request you to update your email address with your depository participant to ensure that the Annual Report and other documents reach you on your preferred email.

**Place:** Kolkata  
**Date:** May 17, 2019

**For and on behalf of the Board of Directors**

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



## Annexure - VII

# Corporate Governance Certificate

TO THE MEMBERS OF  
KHADIM INDIA LIMITED  
INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter dated 27<sup>th</sup> September, 2018.
2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of Khadim India Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31<sup>st</sup> March 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

### Managements' Responsibility

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

### Auditor's Responsibility

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

### Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31<sup>st</sup> March, 2019.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Deloitte Haskins & Sells  
Chartered Accountants  
(Firm's Registration No. 302009E)

A. Bhattacharya  
Partner  
(Membership No. 054110)

Place: Kolkata  
Date: May 17, 2019

## Annexure - VII

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To  
The Members of  
**Khadim India Limited**  
Kankaria Estate, 5<sup>th</sup> Floor, 6 Little Russell Street  
Kolkata – 700 071

We have examined the relevant registers, records, forms, returns and disclosures relating to the Directors of Khadim India Limited having CIN: L19129WB1981PLC034337 and having Registered Office at Kankaria Estate, 5<sup>th</sup> Floor, 6 Little Russell Street, Kolkata - 700 071 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub Clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Siddhartha Roy Burman	00043715	03 <sup>rd</sup> November, 2005
2.	Mr. Indra Nath Chatterjee	00122677	08 <sup>th</sup> March, 2006
3.	Ms. Surabhi Banerjee	07829304	25 <sup>th</sup> May, 2017
4.	Ms. Namrata Ashok Chotrani	00390845	14 <sup>th</sup> December, 2017
5.	Mr. Ritoban Roy Burman	08020765	14 <sup>th</sup> December, 2017
6.	Mr. Alok Chauthmal Churiwala	02043221	11 <sup>th</sup> May, 2018

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

For S. Anantha & Ved LLP  
Company Secretaries

Ved Prakash  
Designated Partner  
ACS: 36837  
CP No.: 16986

Place: Mumbai  
Date: May 17, 2019

# Independent Auditor's Report

## To The Members of Khadim India Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Khadim India Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p><b>Revenue Recognition</b></p> <p>Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the Company performs its obligation to its customers; the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition is when the control over the same is transferred to the customer, which is mainly upon delivery.</p> <p>The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.</p> <p>The Company operates through two different revenue streams – Wholesale and Retail.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit approach (in respect of Wholesale Sales) was a combination of test of internal controls and substantive procedures including:</p> <ul style="list-style-type: none"> <li>Assessing the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof</li> <li>Evaluating the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls.</li> <li>Evaluating the design and implementation of Company's controls in respect of revenue recognition.</li> </ul>

## Independent Auditor's Report

The Retail revenues consist of small transactions under cash and carry model and hence the risk of recognition of revenue before transfer of control is minimal.

Accordingly, we focused our work on the risk of revenue being recognized before control is transferred in respect of its Wholesale revenue.

Refer Note 2.9 to the Financial Statements - Significant Accounting Policies

- Testing the effectiveness of such controls over revenue cut off at year-end.
- Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the correct period.
- Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Report of the Board of Directors and Corporate Governance, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## Independent Auditor's Report

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.



## Independent Auditor's Report

- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 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 the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its 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.
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: 17<sup>th</sup> May, 2019

# 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 31st March, 2019 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 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.

## Annexure A to the Independent Auditor's Report

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 302009E)

**A. Bhattacharya**  
Partner  
(Membership No. 054110)

Place: Kolkata  
Date: 17<sup>th</sup> May, 2019

# 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 property, plant and equipment.
- (b) The property, plant and equipment 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 property, plant and equipment 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 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.
- (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 Section 186 of the Companies Act, 2013 in respect of making investments. According to the information and explanations given to us, the Company during the year has not granted any loan or provided any guarantee or security.
- (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, Customs Duty, Cess, Goods and Services Tax 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, Customs Duty, Cess, Goods and Services Tax and other material statutory dues in arrears as at 31st March, 2019 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 31st March, 2019 on account of disputes are given below:

## Annexure B to the Independent Auditor's Report

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (Rupees millions)
Income Tax Act, 1961	Income Tax	Deputy Commissioner of Income Tax	2007-09	1.11
		Commissioner of Income Tax Appeals	2012-13	2.55
Central Excise Act, 1944	Excise Duty	Customs, Excise and Service Tax Appellate Tribunal	2007-08	0.16
Finance Act, 1994	Service Tax	Assistant Commissioner of Service Tax	2005-06 and 2006-07	0.15
West Bengal Value Added Tax Act, 2003	Sales Tax	West Bengal Taxation Tribunal	2011-12 and 2015-16	1.08
Bihar Value Added Tax Act, 2005	Sales Tax	Joint commissioner of Commercial Tax (Appeals)	2012-15	2.93
Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner, Appeal, Thiruvananthapuram	2014-15	0.07
		Sr. Joint Commissioner of Commercial Taxes, Large Tax Payer Unit	2015-16	8.74
Kerala VAT Act, 2003	Sales Tax	Deputy Commissioner, Appeal, Thiruvananthapuram	2014-16	0.41
<b>Total</b>				<b>17.20</b>

Out of the total disputed dues aggregating ₹ 17.20 million as above, ₹ 5.64 million pertains to matters which have been stayed for recovery by the relevant authorities.

- (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 taken from banks. The Company has not taken any loan or borrowing from financial institutions and Government and 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 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 Company, or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable. The Company does not have any subsidiary or associate company.
- (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: 17<sup>th</sup> May, 2019



# Balance Sheet

as at 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

Particulars		Note No.	As at 31 March 2019	As at 31 March 2018
<b>ASSETS</b>				
<b>1 Non - current assets</b>				
(a)	Property, Plant and Equipment	4A	1,308.25	1,246.16
(b)	Capital work - in - progress	4B	17.08	14.02
(c)	Intangible assets	4C	8.23	12.31
(d)	Intangible assets under development	4D	0.30	0.54
(e)	Financial Assets			
	Others	5	169.49	135.99
(f)	Income Tax Assets (net)	21A	26.16	3.08
(g)	Other non-current assets	6	250.25	289.78
<b>2 Current assets</b>				
(a)	Inventories	7	1,549.95	1,266.89
(b)	Financial Assets			
	(i) Trade receivables	8	1,341.18	1,267.31
	(ii) Cash and cash equivalents	9	42.65	35.04
	(iii) Other Bank balances	10	43.10	121.34
	(iv) Others	11	110.13	78.95
(c)	Other current assets	12	631.22	425.12
<b>Total Assets</b>			<b>5,497.99</b>	<b>4,896.53</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a)	Equity Share capital	13	179.70	179.65
(b)	Other Equity		2,697.02	2,505.16
<b>LIABILITIES</b>				
<b>1 Non-current liabilities</b>				
(a)	Provisions	14	15.36	7.52
(b)	Deferred tax liabilities (net)	15	39.09	50.40
(c)	Other non-current liabilities	16	3.93	5.29
<b>2 Current liabilities</b>				
(a)	Financial Liabilities			
	(i) Borrowings	17	1,090.40	684.81
	(ii) Trade payables			
	Total outstanding dues of micro enterprises and small enterprises		0.41	60.63
	Total outstanding dues of creditors other than micro enterprises and small enterprises		1,319.64	1,234.60
	(iii) Other financial liabilities	18	113.14	113.97
(b)	Other current liabilities	19	32.62	33.20
(c)	Provisions	20	4.87	1.04
(d)	Income Tax Liabilities (net)	21B	1.81	20.26
<b>Total Equity and Liabilities</b>			<b>5,497.99</b>	<b>4,896.53</b>

See accompanying notes to the financial statements.

In terms of our Report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

**A. Bhattacharya**  
Partner

Place: Kolkata  
Date: 17<sup>th</sup> May 2019

For and on behalf of Board of Directors

**Siddhartha Roy Burman**  
Chairman & Managing Director

**Ishani Ray**  
Chief Executive Officer

**Abhijit Dan**  
Company Secretary & Head - Legal

**Dr. Indra Nath Chatterjee**  
Independent Director

**Indrajit Chaudhuri**  
Chief Financial Officer

# Statement of Profit and Loss

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>I. Revenue From Operations</b>	<b>22</b>	<b>7,991.81</b>	<b>7,487.06</b>
<b>II. Other Income</b>	<b>23</b>	63.38	92.64
<b>III. Total Income ( I + II )</b>		<b>8,055.19</b>	<b>7,579.70</b>
<b>IV. Expenses :</b>			
Cost of materials consumed		1,764.38	1,343.68
Purchases of Stock-in-Trade		3,487.91	3,352.53
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	<b>24</b>	(287.68)	(43.13)
Employee benefits expense	<b>25</b>	720.55	651.69
Finance costs	<b>26</b>	116.42	123.68
Depreciation and amortization expense		184.31	156.17
Other expenses	<b>27</b>	1,737.26	1,425.47
<b>Total expenses (IV)</b>		<b>7,723.15</b>	<b>7,010.09</b>
<b>V Profit before tax (III - IV)</b>		<b>332.04</b>	<b>569.61</b>
<b>VI Tax expense:</b>	<b>28</b>		
(1) Current tax		128.55	190.05
(2) Deferred tax		(8.21)	0.55
		<b>120.34</b>	<b>190.60</b>
<b>VII. Profit for the year ( V - VI )</b>		<b>211.70</b>	<b>379.01</b>
<b>VIII. Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss			
- Re-measurement losses on defined benefit plans	<b>34.2</b>	(8.90)	(4.44)
(ii) Income tax relating to items that will not be reclassified to profit or loss	<b>28</b>	3.11	1.55
Other Comprehensive Income for the year		<b>(5.79)</b>	<b>(2.89)</b>
<b>IX Total Comprehensive Income for the year</b>		<b>205.91</b>	<b>376.12</b>
<b>X. Earnings per equity share : [Nominal Value per Share ₹10/- (Previous year ₹10/-)]</b>	<b>29</b>		
(1) Basic (In ₹)		11.78	21.60
(2) Diluted (In ₹)		11.77	21.55

See accompanying notes to the financial statements.

In terms of our Report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

**A. Bhattacharya**  
Partner

Place: Kolkata  
Date: 17<sup>th</sup> May 2019

For and on behalf of Board of Directors

**Siddhartha Roy Burman**  
Chairman & Managing Director

**Ishani Ray**  
Chief Executive Officer

**Abhijit Dan**  
Company Secretary & Head - Legal

**Dr. Indra Nath Chatterjee**  
Independent Director

**Indrajit Chaudhuri**  
Chief Financial Officer

# Statement of Changes in Equity

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

## (a) Equity Share Capital

Particulars	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
For the year ended 31 <sup>st</sup> March 2018	172.99	6.66	179.65
For the year ended 31 <sup>st</sup> March 2019	179.65	0.05	179.70

## (b) Other Equity

Particulars	Reserves and surplus				Total other equity
	Capital reserve -Amalgamation Reserve	Securities premium	Share options outstanding account	Retained earnings	
As at 1 <sup>st</sup> April 2017	231.92	761.15	-	673.54	1,666.61
Profit for the year	-	-	-	379.01	379.01
Other comprehensive income (net of tax)	-	-	-	(2.89)	(2.89)
<b>Total comprehensive income</b>	-	-	-	<b>376.12</b>	<b>376.12</b>
Issue of equity shares during the year	-	493.33	-	-	493.33
Share issue expenses*	-	(35.39)	-	-	(35.39)
Recognition of share based payment	-	-	4.49	-	4.49
<b>As at 31<sup>st</sup> March 2018</b>	<b>231.92</b>	<b>1,219.09</b>	<b>4.49</b>	<b>1,049.66</b>	<b>2,505.16</b>
Profit for the year	-	-	-	211.70	211.70
Other comprehensive income (net of tax)	-	-	-	(5.79)	(5.79)
<b>Total comprehensive income</b>	-	-	-	<b>205.91</b>	<b>205.91</b>
Recognition of share based payment	-	-	6.23	-	6.23
Transfer from share option reserve on exercise and lapse	-	2.74	(2.45)	1.08	1.37
Dividend paid	-	-	-	(17.96)	(17.96)
Income tax on dividend paid	-	-	-	(3.69)	(3.69)
<b>As at 31<sup>st</sup> March 2019</b>	<b>231.92</b>	<b>1,221.83</b>	<b>8.27</b>	<b>1,235.00</b>	<b>2,697.02</b>

The Board of Directors of the Company recommended a dividend of Re.1 per equity share (Previous Year - Re.1) to be paid on fully paid up equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. Total equity dividend to be paid is ₹17.97 millions (Previous Year - ₹17.96 millions). Income tax on proposed dividend being ₹3.69 millions (Previous Year - ₹3.69 millions).

\*During the year ended 31<sup>st</sup> March 2018, the Company spent ₹253.70 millions (inclusive of tax) as Initial Public Offer (IPO) related expenses which were allocated between the Company (₹35.39 millions) and the selling shareholders (₹218.31 millions) in proportion to the equity shares allotted to the public as fresh issue by the Company and under offer for sale by the selling shareholders. Accordingly, an amount of ₹35.39 millions was debited to securities premium in accordance with Section 52 of the Companies Act, 2013. Also Refer Note 13.

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

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

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

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

See accompanying notes to the financial statements.

In terms of our Report attached

For and on behalf of Board of Directors

For Deloitte Haskins & Sells  
Chartered Accountants

Siddhartha Roy Burman  
Chairman & Managing Director

Dr. Indra Nath Chatterjee  
Independent Director

A. Bhattacharya  
Partner

Ishani Ray  
Chief Executive Officer

Indrajit Chaudhuri  
Chief Financial Officer

Place: Kolkata  
Date: 17<sup>th</sup> May 2019

Abhijit Dan  
Company Secretary & Head - Legal

# Cash Flow Statement

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	332.04	569.61
Adjustments for:		
Depreciation and amortization expense	184.31	156.17
Share based payments to employees	6.23	4.49
(Gain)/Loss on disposal of property, plant and equipment (net)	(2.32)	11.59
Interest Received	(18.46)	(19.36)
Gain arising on sale of financial assets mandatorily measured at Fair Value through Profit and Loss	(2.32)	(1.69)
Gain on disposal of assets held for disposal	-	(36.02)
Liabilities/Provisions no longer required written back	(2.54)	(1.23)
Government grant received	(1.23)	(1.98)
Provision for doubtful debts, advances and other assets	4.62	4.67
Debts/Advances written off	0.69	2.98
Foreign currency translations and transactions - Net	0.01	(0.55)
Finance costs	116.42	123.68
<b>Operating Profit before Working Capital Changes</b>	<b>617.45</b>	<b>812.36</b>
Adjustments for:		
Trade Receivables, Loans and Advances and Other Assets	(306.08)	(764.96)
Inventories	(283.06)	(122.29)
Trade Payables, Other Liabilities and Provisions	34.64	370.79
<b>Cash Generated from Operations</b>	<b>62.95</b>	<b>295.90</b>
Income taxes paid	(170.08)	(154.61)
<b>Net Cash (used in)/ generated from Operating Activities</b>	<b>(107.13)</b>	<b>141.29</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, intangible assets	(251.84)	(218.94)
Sale of property, plant and equipment, intangible assets	12.86	12.21
Sale of assets held for disposal	-	120.00
Investments in bank deposits	(57.38)	(74.97)
Maturity of bank deposits	129.85	95.54
Purchase of Current Investments	(109.00)	(40.89)
Sale of Current Investments	111.32	42.58
Interest Received	10.62	5.12
<b>Net Cash used in Investing Activities</b>	<b>(153.57)</b>	<b>(59.35)</b>

## Cash Flow Statement

for the year ended 31<sup>st</sup> March 2019 (Continued)

(All amounts in Rupees millions, unless otherwise stated)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital	1.41	499.99
Share issue expenses	-	(35.39)
Interest paid	(117.03)	(123.75)
Dividend paid	(17.96)	-
Income tax on dividend paid	(3.69)	-
Repayment of Term Loans	-	(51.50)
Short term loans taken/(repaid)	(34.00)	107.20
<b>Net Cash (used in) / generated from Financing Activities</b>	<b>(171.27)</b>	<b>396.55</b>
Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C)	(431.97)	478.49
Cash and Cash Equivalents at beginning of year	(349.78)	(828.27)
<b>Cash and Cash Equivalents at end of year</b>	<b>(781.75)</b>	<b>(349.78)</b>

### Notes:

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

### II Cash and Cash Equivalents:

Cash Credit facilities	(824.40)	(384.82)
Cash and cash equivalents (Note 9)	42.65	35.04
<b>Cash and cash equivalents as above</b>	<b>(781.75)</b>	<b>(349.78)</b>

See accompanying notes to the financial statements.

In terms of our Report attached

For and on behalf of Board of Directors

For Deloitte Haskins & Sells  
Chartered Accountants

Siddhartha Roy Burman  
Chairman & Managing Director

Dr. Indra Nath Chatterjee  
Independent Director

A. Bhattacharya  
Partner

Ishani Ray  
Chief Executive Officer

Indrajit Chaudhuri  
Chief Financial Officer

Place: Kolkata  
Date: 17<sup>th</sup> May 2019

Abhijit Dan  
Company Secretary & Head - Legal

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

## 1 Corporate information

Khadim India Limited (the 'Company') is a Public Limited Company engaged in the manufacturing / retail business of footwear and accessories. The Company is incorporated and domiciled in Republic of India. The address of its Registered office is "Kankaria Estate", 5<sup>th</sup> Floor, 6, Little Russell Street, Kolkata - 700071. The Company listed its equity shares on 14<sup>th</sup> November 2017 on BSE and NSE.

## 2 Significant accounting policies

### 2.1 Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1<sup>st</sup> April 2017.

### 2.2 Basis of preparation

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

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

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

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

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

Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 – Share-based Payment, leasing transactions that are within the scope of Ind AS 17 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period; they are recognized in the period of the revision and future periods if the revision affects both current and future periods.

### 2.3 Operating cycle

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

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

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



## Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

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

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

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

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

Buildings - 30 – 60 Years  
 Leasehold Improvements - Shorter of lease period or over 6 years  
 Plant and Equipment - 5 – 15 Years  
 Furniture and Fixtures – 10 Years  
 Vehicles - 10 Years  
 Office Equipment - 5 Years

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

### 2.5 Intangible Assets

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

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

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

### 2.6 Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

### 2.7 Assets held for disposal

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

## Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

### 2.8 Inventories

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

### 2.9 Revenue Recognition

The Company earns revenue primarily from sale of footwear and leather accessories.

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable for goods supplied, net of returns and discounts to customers.

Revenue from sale of goods is recognised when the Company performs its obligation to its customers; the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition is when the control over the same is transferred to the customer, which is mainly upon delivery.

### 2.10 Government Grant

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

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

### 2.11 Foreign Currency Transactions

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

### 2.12 Borrowing Cost

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

### 2.13 Retirement and Other Employee Benefits

#### I Short-term employee benefits

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

#### II Defined contribution plan

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

## Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

### III Defined benefit plan

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

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

### IV Other long term employee benefits

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

### V Employee Share Based Compensation

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

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

#### 2.14 Leases

Leases are recognized as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1<sup>st</sup> April 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

#### Company as a Lessee

Assets used under finance leases are recognized as property, plant and equipment in the Balance Sheet for an amount that corresponds to the lower of fair value and the present value of minimum lease payments determined at the inception of the lease and a liability is recognized for an equivalent amount.

The minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in the Statement of Profit and Loss.

Rentals payable under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

#### Company as a Lessor

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

## Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

### 2.15 Taxes on Income

Taxes on income comprises of current taxes and deferred taxes.

#### Current income tax

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

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

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

#### Deferred tax

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

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

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

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

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

### 2.16 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of profit or loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as part of finance costs.

### 2.17 Dividend Distribution

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

### 2.18 Contingent liability

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

## Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

### 2.19 Cash and cash equivalents

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

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

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

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

#### Financial assets

##### Recognition

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

##### Classification

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

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

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

##### Impairment

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

##### Reclassification

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

## Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

### Derecognition

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

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

### Income Recognition

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

### Financial Liabilities

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

### Offsetting Financial Instruments

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

### Equity Instruments

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

## 3 Significant accounting judgments, estimates and assumptions

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

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

### Key sources of estimation uncertainty

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

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

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

#### II Actuarial Valuation

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



## Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

4A	PROPERTY, PLANT AND EQUIPMENT	GROSS BLOCK						As at 31 March 2019
		As at 01 April 2017	Additions during the year	Disposal/ adjustment during the year	As at 31 March 2018	Additions during the year	Disposal/ adjustment during the year	
	Land	16.76	-	16.76	-	-	-	-
	Buildings	600.82	27.47	-	628.29	28.17	7.10	649.36
	Leasehold Improvements	178.20	77.53	7.50	248.23	75.67	4.08	319.82
	Plant and equipment	383.89	91.15	0.70	474.34	117.73	0.79	591.28
	Furniture and Fixtures	128.18	21.42	2.34	147.26	19.15	1.54	164.87
	Vehicles	7.57	0.45	-	8.02	3.85	1.96	9.91
	Office Equipment	21.66	8.17	0.12	29.71	4.03	0.17	33.57
	<b>Total</b>	<b>1,337.08</b>	<b>226.19</b>	<b>27.42</b>	<b>1,535.85</b>	<b>248.60</b>	<b>15.64</b>	<b>1,768.81</b>
4B	Capital work - in - progress	31.46			14.02			17.08
4C	Intangible Assets							
	Computer software (acquired)	18.98	3.91	-	22.89	2.89	2.09	23.69
4D	Intangible Assets under development	-			0.54			0.30
	<b>Grand total</b>	<b>1,387.52</b>	<b>230.10</b>	<b>27.42</b>	<b>1,573.30</b>	<b>251.49</b>	<b>17.73</b>	<b>1,809.88</b>

4A	PROPERTY, PLANT AND EQUIPMENT	ACCUMULATED DEPRECIATION/AMORTIZATION					NET BLOCK			
		As at 01 April 2017	Additions during the year	Disposal/ adjustment during the year	As at 31 March 2018	Additions during the year	Disposal/ adjustment during the year	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018
	Land	-	-	-	-	-	-	-	-	-
	Buildings	15.84	16.84	-	32.68	17.33	0.32	49.69	599.67	595.61
	Leasehold Improvements	48.92	47.56	2.63	93.85	53.07	4.08	142.84	176.98	154.38
	Plant and equipment	45.86	56.50	0.23	102.13	77.47	0.47	179.13	412.15	372.21
	Furniture and Fixtures	23.94	21.32	0.67	44.59	20.91	1.16	64.34	100.53	102.67
	Vehicles	1.00	1.04	-	2.04	1.23	0.28	2.99	6.92	5.98
	Office Equipment	7.02	7.44	0.06	14.40	7.33	0.16	21.57	12.00	15.31
	<b>Total</b>	<b>142.58</b>	<b>150.70</b>	<b>3.59</b>	<b>289.69</b>	<b>177.34</b>	<b>6.47</b>	<b>460.56</b>	<b>1,308.25</b>	<b>1,246.16</b>
4B	Capital work - in - progress								17.08	14.02
4C	Intangible Assets									
	Computer software (acquired)	5.11	5.47	-	10.58	6.97	2.09	15.46	8.23	12.31
4D	Intangible Assets under development								0.30	0.54
	<b>Grand total</b>	<b>147.69</b>	<b>156.17</b>	<b>3.59</b>	<b>300.27</b>	<b>184.31</b>	<b>8.56</b>	<b>476.02</b>	<b>1,333.86</b>	<b>1,273.03</b>

### Note:

- (i) The amount of expenditures recognized in the carrying amount of property, plant and equipment in the course of construction is ₹26.56 millions (Previous Year - ₹ 25.02 millions)

## Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

### 5 OTHER FINANCIAL ASSETS - NON-CURRENT

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Unsecured, Considered Good</b>		
Bank deposits with more than 12 months maturity		
- Against guarantees and letter of credit	11.32	5.56
- As security with Sales Tax Authorities	0.36	0.34
Premises and other deposits	157.28	129.33
Employee Advances	0.53	0.76
<b>Total</b>	<b>169.49</b>	<b>135.99</b>

### 6 OTHER NON-CURRENT ASSETS

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Unsecured, Considered Good</b>		
Capital Advances	7.20	16.47
Advances other than capital advances:		
Security Deposits	11.13	50.17
Prepaid expenses*	214.39	208.19
Other advances	6.04	6.08
Government Grant Receivable	11.49	8.87
<b>Total</b>	<b>250.25</b>	<b>289.78</b>

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

### 7 INVENTORIES

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Raw Material (including packing material)	182.79	187.41
Work-in-progress	47.66	53.73
Finished goods (manufactured)	303.63	182.21
Stock-in-trade (goods purchased for resale)	1,015.87	843.54
<b>Total</b>	<b>1,549.95</b>	<b>1,266.89</b>

#### Notes:

- (i) Cost of inventory recognized as an expense during the year ₹5,137.39 millions (Previous Year - ₹ 4,797.32 millions).
- (ii) The cost of inventories recognized as an expense in respect of write-downs of inventory to net realisable value included in (i) above - ₹ 8.80 millions (Previous Year - ₹ 7.02 millions).
- (iii) Refer Note 2.8 for mode of valuation.

## Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

### 8 TRADE RECEIVABLES

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Considered good - Secured	56.17	56.00
Considered good - Unsecured*	1,285.01	1,211.31
Considered doubtful	27.02	22.40
	1,368.20	1,289.71
Less : Allowance for doubtful debts	27.02	22.40
<b>Total</b>	<b>1,341.18</b>	<b>1,267.31</b>

\*Includes ₹0.02 millions (31<sup>st</sup> March 2018: ₹0.02 millions) due from KM Khadim and Co. which is a firm in which a director is a partner.

### 9 CASH AND CASH EQUIVALENTS

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Balances with banks</b>		
On Current Accounts	24.07	14.65
Cheques, drafts on hand	1.40	10.86
Cash on hand	17.18	9.53
<b>Total</b>	<b>42.65</b>	<b>35.04</b>

### 10 OTHER BANK BALANCES

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Dividend Accounts (31 <sup>st</sup> March 2018: ₹1,335/-)	0.01	....
Fixed Deposits with banks*		
- Against guarantees and letter of credit	40.58	73.34
- As security with Sales Tax Authorities	0.01	0.01
- Pledged against credit facilities	-	47.99
- Others	2.50	-
<b>Total</b>	<b>43.10</b>	<b>121.34</b>

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

### 11 OTHER FINANCIAL ASSETS - CURRENT

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Unsecured, Considered Good</b>		
Assets held for disposal *	52.49	52.49
Interest Receivable	1.11	8.11
Employee Advances	2.45	2.08
Other receivables (Tender deposits, scrap sales etc.)	54.08	16.27
<b>Total</b>	<b>110.13</b>	<b>78.95</b>

\*Represents certain property, plant and equipment which are not in active use and management is in the process of negotiation with prospective buyers for disposal of the same.

## Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

### 12 OTHER CURRENT ASSETS

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Unsecured, Considered Good</b>		
Advances other than capital advances:		
Advances to related parties	0.18	-
Other advances	19.03	37.14
Prepaid expenses	58.12	43.36
Advance to Government Authorities	553.89	342.00
Others:		
Government Grant Receivable	-	2.62
<b>Total</b>	<b>631.22</b>	<b>425.12</b>

### 13 EQUITY SHARE CAPITAL

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Authorised</b>		
6,00,00,000 (31 <sup>st</sup> March 2018: 6,00,00,000) Equity Shares of ₹10/- each	600.00	600.00
<b>Issued, Subscribed and Paid up</b>		
1,79,69,614 (31 <sup>st</sup> March 2018: 1,79,65,197) Equity Shares of ₹10/- each	179.70	179.65
<b>Total</b>	<b>179.70</b>	<b>179.65</b>

#### 13.1 Reconciliation of the number of Equity shares

Particulars	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	Number	Amount	Number	Amount
Balance as at the beginning of the year	17,965,197	179.65	17,298,531	172.99
Equity shares issued during the year (Refer Note 13.3)	4,417	0.05	666,666	6.66
Balance as at the end of the year	17,969,614	179.70	17,965,197	179.65

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

Name of Shareholder	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Knightsville Private Limited (Holding Company)*	8,737,829	48.63	8,737,829	48.64
Siddhartha Roy Burman	1,459,149	8.12	1,451,149	8.08
IDFC Mutual Fund	1,031,236	5.74	-	-

## Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

### 13.3 During the year ended 31<sup>st</sup> March 2019, the Company has issued 4,417 equity shares of ₹10 each on exercise of employee stock options. For details refer Note 36.

During the year ended 31<sup>st</sup> March 2018, the Company had completed the initial public offer (IPO) with a fresh issue of 666,666 equity shares of ₹10 each at a price of ₹750 per equity share.

### 13.4 Rights, Preferences and Restrictions attached to Equity Shares

The Company has one class of Equity Shares having a face value of ₹10/- per share. Each shareholder is eligible for one vote per share held. The Dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the 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.

### 13.5 Equity Shares allotted as fully paid up bonus shares for the period of five years immediately preceding 31<sup>st</sup> March 2019

The Company had issued bonus shares during the year ended 31<sup>st</sup> March 2014 to the shareholders in the ratio of 1:3 aggregating 3,64,05,714 number of equity shares of ₹10 each as fully paid by utilising balance in General Reserve Account and Surplus in Statement of Profit and Loss to the extent of ₹ 4.34 millions and ₹ 359.72 millions respectively.

### 13.6 Equity Shares allotted as fully paid pursuant to contract without payment being received in cash during the period of five years immediately preceding 31<sup>st</sup> March 2019

During the year 2014-15 the Company issued 51,63,293 Equity Shares of face value ₹10 each at a conversion premium of ₹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.

### 13.7 Shares reserved for issue under Options

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Equity shares of ₹10/- each	49,005	62,876
	<b>49,005</b>	<b>62,876</b>

During the year ended 31<sup>st</sup> March 2018, the Company introduced the Khadim Employee Stock Option Plan (2017) through the resolution passed by the Board of Directors and the same was subsequently approved by the Shareholders.

#### Terms and conditions of Options granted

Each option entitles the holder thereof to apply for and be allotted one equity share of ₹10 each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of five years from such date.

The vesting period for conversion of Options is as follows:

On completion of 12 months from the date of grant of the Options - 15% vests

On completion of 24 months from the date of grant of the Options - 15% vests

On completion of 36 months from the date of grant of the Options - 30% vests

On completion of 48 months from the date of grant of the Options - 40% vests

The Options have been granted at the 'market price' as defined under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Further details of 'Khadim Employee Stock Option Plan 2017' are provided in Note 36.

\* Refer Note 32.2

## Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

### 14 PROVISIONS - NON-CURRENT

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Post employment benefits</b>		
Gratuity (Refer Note 34.2)	6.38	1.29
<b>Other long term benefits</b>		
Leave Encashment	8.98	6.23
<b>Total</b>	<b>15.36</b>	<b>7.52</b>

### 15 DEFERRED TAX LIABILITIES (NET)

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Deferred tax liabilities	79.83	83.98
Less: Deferred tax assets	40.74	33.58
<b>Total</b>	<b>39.09</b>	<b>50.40</b>

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

	Opening balance	Recognized in profit or loss	Recognized in OCI	Closing balance
<b>2018-19</b>				
<b>Deferred tax liabilities/assets in relation to:</b>				
On fiscal allowances on property, plant and equipment, etc.	83.98	(4.15)	-	79.83
<b>Total deferred tax liabilities</b>	<b>83.98</b>	<b>(4.15)</b>	<b>-</b>	<b>79.83</b>
On employees' separation and retirement etc.	1.49	0.97	3.11	5.57
On Financial assets measured at fair value	6.72	0.10	-	6.82
On Other assets	8.25	0.76	-	9.01
On Provision for Doubtful Debts And Advances	6.97	1.61	-	8.58
On Provision for slow moving inventories	10.14	0.62	-	10.76
<b>Total deferred tax assets before MAT Credit entitlement</b>	<b>33.57</b>	<b>4.06</b>	<b>3.11</b>	<b>40.74</b>
Less: MAT Credit utilised during the year	0.01	(0.01)	-	-
<b>Total deferred tax assets</b>	<b>33.58</b>			<b>40.74</b>
	<b>50.40</b>	<b>(8.21)</b>	<b>(3.11)</b>	<b>39.09</b>
<b>2017-18</b>				
<b>Deferred tax liabilities/assets in relation to:</b>				
On fiscal allowances on property, plant and equipment, etc.	83.18	0.80	-	83.98
<b>Total deferred tax liabilities</b>	<b>83.18</b>	<b>0.80</b>	<b>-</b>	<b>83.98</b>
On employees' separation and retirement etc.	0.90	(0.96)	1.55	1.49
On Financial assets measured at fair value	6.33	0.39	-	6.72
On Other assets	7.51	0.74	-	8.25
On Provision for Doubtful Debts And Advances	5.34	1.63	-	6.97
On Provision for slow moving inventories	11.69	(1.55)	-	10.14
<b>Total deferred tax assets before MAT Credit entitlement</b>	<b>31.77</b>	<b>0.25</b>	<b>1.55</b>	<b>33.57</b>
Less: MAT Credit utilised during the year	28.32	(28.31)	-	0.01
<b>Total deferred tax assets</b>	<b>60.09</b>			<b>33.58</b>
	<b>23.09</b>	<b>0.55</b>	<b>(1.55)</b>	<b>50.40</b>



## Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

### 16 OTHER NON-CURRENT LIABILITIES

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Deferred Government Grant	3.93	5.29
<b>Total</b>	<b>3.93</b>	<b>5.29</b>

### 17 BORROWINGS - CURRENT

		As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>SECURED</b>			
<b>Loans repayable on demand</b>			
<b>Cash Credit / Working Capital Demand Loans from Banks</b>			
State Bank of India Cash Credit	[Refer Note 1 of 17.1]	476.54	167.85
Axis Bank Cash Credit	[Refer Note 2 of 17.1]	64.39	10.85
ICICI Bank Cash Credit	[Refer Note 2 of 17.1]	29.87	13.22
HDFC Bank Cash Credit	[Refer Note 2 of 17.1]	173.33	2.71
YES Bank Cash Credit	[Refer Note 2 of 17.1]	12.69	-
Kotak Mahindra Bank Cash Credit	[Refer Note 2 of 17.1]	67.58	190.18
YES Bank Demand Loan	[Refer Note 2 of 17.1]	6.00	-
ICICI Bank Demand Loan	[Refer Note 3 of 17.1]	60.00	-
HDFC Bank Short Term Loan	[Refer Note 4 of 17.1]	150.00	250.00
YES Bank Short Term Loan	[Refer Note 4 of 17.1]	50.00	50.00
<b>Total</b>		<b>1,090.40</b>	<b>684.81</b>

#### 17.1 Nature of Security of Cash Credit, Working Capital Demand Loans and Short Term Loans from Banks

- Primary security** - Hypothecation charge on inventory, receivables and all other current assets of the Company, both present and future, on pari-passu basis with other working capital member banks under the consortium.

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, on pari-passu basis with other working capital members banks under the consortium, equitable mortgage of property at Kasba, personal guarantees of promoter directors and corporate guarantees of group companies.
- Primary security** - Same as State Bank of India Cash Credit (Refer Note 1 above).

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, on pari-passu basis with other working capital members banks under the consortium, personal guarantees of promoter directors and corporate guarantees of group companies.
- 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, Corporate guarantee of the Holding Company and personal guarantee of Managing Director.
- Secured by personal guarantee of Managing Director.

## Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

### 18 OTHER FINANCIAL LIABILITIES - CURRENT

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Interest accrued and due on borrowings	1.13	1.74
Unpaid Dividend (31 <sup>st</sup> March 2018: ₹1,335/-) [Refer Note 18.1]	0.01	....
Deposits from customers	97.84	93.79
Other payables:		
Payables on purchase of property, plant and equipment	12.60	18.03
Others [Reimbursement claims, etc.]	1.56	0.41
<b>Total</b>	<b>113.14</b>	<b>113.97</b>

**18.1** 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.

### 19 OTHER CURRENT LIABILITIES

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Advance from customers	18.14	20.35
Statutory remittances (GST, Contribution to Provident and Other Funds, Withholding Tax)	11.72	10.24
Deferred Government Grant	1.23	1.10
Others	1.53	1.51
<b>Total</b>	<b>32.62</b>	<b>33.20</b>

### 20 PROVISIONS - CURRENT

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Post employment benefits</b>		
Gratuity (Refer Note 34.2)	3.53	-
<b>Other long term benefits</b>		
Leave Encashment	1.34	1.04
<b>Total</b>	<b>4.87</b>	<b>1.04</b>

### 21 INCOME TAX ASSETS/LIABILITIES

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>21A INCOME TAX ASSETS</b>		
Advance Income Tax (Net of Provision ₹381.26 millions; 31 <sup>st</sup> March 2018: ₹131.94 millions)	26.16	3.08
<b>Total</b>	<b>26.16</b>	<b>3.08</b>
<b>21B INCOME TAX LIABILITIES</b>		
Provision for Income Tax (Net of advance taxes ₹1.20 millions; 31 <sup>st</sup> March 2018: ₹146.74 millions)	1.81	20.26
<b>Total</b>	<b>1.81</b>	<b>20.26</b>

## Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

### 22 REVENUE FROM OPERATIONS

	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Sale of products * #	7,910.38	7,411.70
[Refer Notes 22.1 and 22.2]		
Other operating revenues**	81.43	75.36
<b>Total</b>	<b>7,991.81</b>	<b>7,487.06</b>

\*Sale of goods include excise duty of ₹Nil (Previous Year : ₹0.75 millions).

# Net of sales returns

\*\*Includes Government grants received of ₹0.88 millions (Previous Year : ₹1.49 millions) on account of export incentives.

#### 22.1 Details of sale of products

	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Footwear and accessories	7,910.38	7,411.70
<b>Total</b>	<b>7,910.38</b>	<b>7,411.70</b>

**22.2** The Government of India had implemented Goods and Services Tax (GST) from 1<sup>st</sup> July 2017 subsuming excise duty, service tax and various other indirect taxes. Accordingly the numbers for the year ended 31<sup>st</sup> March 2019 are not comparable with the year ended 31<sup>st</sup> March 2018, which are reported inclusive of Excise Duty..

### 23 OTHER INCOME

	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
<b>Interest income comprises interest from:</b>		
- Deposits with banks - carried at amortised cost	3.63	8.50
- Other financial assets measured at amortised cost	14.83	10.71
- On Income Tax Refunds	-	0.15
Gain arising on sale of financial assets mandatorily measured at Fair Value through Profit and Loss	2.32	1.69
Gain on sale/discard of property, plant and equipments - Net	2.32	-
Gain on disposal of assets held for disposal	-	36.02
Gain on disposal of other assets	-	1.13
Other non-operating income (Rental income, etc.)	40.28	34.44
<b>Total</b>	<b>63.38</b>	<b>92.64</b>

## Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

### 24 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
<b>Inventories at the end of the year</b>		
Work - in - progress	47.66	53.73
Finished goods	303.63	182.21
Stock-in-trade	1,015.87	843.54
	<b>1,367.16</b>	<b>1,079.48</b>
<b>Inventories at the beginning of the year</b>		
Work - in - progress	53.73	49.93
Finished goods	182.21	197.72
Stock-in-trade	843.54	788.70
	<b>1,079.48</b>	<b>1,036.35</b>
<b>Total</b>	<b>(287.68)</b>	<b>(43.13)</b>

### 25 EMPLOYEE BENEFITS EXPENSE

	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Salaries and wages	638.76	574.23
Contribution to Provident and other funds	22.51	18.22
Share based payments to employees	6.23	4.49
Staff Welfare Expenses	53.05	54.75
<b>Total</b>	<b>720.55</b>	<b>651.69</b>

### 26 FINANCE COSTS

	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Interest expense on financial liabilities measured at amortised cost	116.42	123.68
<b>Total</b>	<b>116.42</b>	<b>123.68</b>

## Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

### 27 OTHER EXPENSES

	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Consumption of Stores	9.87	5.32
Power and Fuel	166.10	133.37
Rent	333.60	271.56
Rates and Taxes	24.27	18.36
Bank Charges	21.84	16.90
Insurance	21.61	19.04
Repairs:		
Buildings (₹900/-)	....	0.02
Plant and Machinery	12.80	10.63
Others	95.23	91.33
Travelling and Conveyance Expenses	58.83	60.00
Printing and Stationery	6.66	3.93
Postage, Telephone and other Communication Expenses	61.08	58.28
Advertising, Marketing and Sales Promotion Expenses	274.36	193.67
Freight Charges, Transport and Delivery	221.30	174.18
Jobwork Charges	193.38	155.36
Professional Fees	52.22	45.14
Commission and Discount	124.05	108.18
Legal Expenses	0.42	0.12
Debts/Advances written off	0.69	2.98
Loss on sale/discard of property, plant and equipments - Net	-	11.59
Provision for doubtful debts, advances and other assets	4.62	4.67
Security Hire Charges	19.26	18.15
Miscellaneous Expenses (Refer Note 27.1)	35.07	22.69
<b>Total</b>	<b>1,737.26</b>	<b>1,425.47</b>

#### 27.1 Miscellaneous Expenses include :

Amount paid /payable to Auditors (excluding tax)	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
- Statutory Audit	1.80	1.80
- Tax Audit	0.40	0.40
- Other matters	1.71	0.60
- Out of pocket expenses	0.10	0.01
<b>Total</b>	<b>4.01</b>	<b>2.81*</b>

\* Excludes ₹ 8.20 Million of which Company's share has been adjusted to Securities Premium in the previous year.

## Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

### 28 INCOME TAX EXPENSES

	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
<b>A Amount recognised in profit or loss</b>		
<b>Current tax</b>		
Income tax for the year		
Current tax	129.38	190.05
Adjustments/(credits) related to previous years - Net		
Current tax	(0.83)	-
<b>Total Current tax</b>	<b>128.55</b>	<b>190.05</b>
<b>Deferred tax</b>		
Deferred tax for the year	(8.21)	0.55
<b>Total</b>	<b>120.34</b>	<b>190.60</b>
<b>B Amount recognised in other comprehensive income</b>		
The tax (charge)/credit arising on income and expenses recognised in other comprehensive income is as follows:		
<b>Deferred tax</b>		
On items that will not be reclassified to profit or loss		
Re-measurement losses on defined benefit plans	3.11	1.55
<b>Total</b>	<b>3.11</b>	<b>1.55</b>
<b>C Reconciliation of effective tax rate</b>		
Profit before tax	332.04	569.61
Company's tax rate	34.944%	34.608%
Income tax expense calculated using Company's tax rate	116.03	197.13
Effect of non deductible expenses	6.67	2.70
Effect of favorable addbacks	(1.53)	(9.23)
	<b>121.17</b>	<b>190.60</b>
Tax adjustment of prior periods	(0.83)	-
Tax as per statement of profit and loss	<b>120.34</b>	<b>190.60</b>

**Note:-**

The Company has long term capital losses of ₹50.24 Million (2018 - ₹ 0.25 Millions) for which no deferred tax assets have been recognised. These losses are due to expire in the following years:

	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Assessment year 2019-2020	0.25	0.25
Assessment year 2026-2027	49.99	-
	<b>50.24</b>	<b>0.25</b>



## Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

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

	Year Ended 31 <sup>st</sup> March 2019	Year Ended 31 <sup>st</sup> March 2018
i. Profit after Tax attributable to the Equity Shareholders	211.70	379.01
ii. Weighted average number of equity shares outstanding for the purpose of basic earnings per share	17,966,516	17,550,586
iii. Effect of potential equity shares on Employee Stock Options outstanding	18,710	33,668
iv. Weighted average number of equity shares in computing diluted earnings per share	17,985,226	17,584,254
[(ii) + (iii)]		
v. Earnings per share on profit for the year (Face value ₹10/- per share)		
- Basic [(i) / (ii)]	11.78	21.60
- Diluted [(i) / (iv)]	11.77	21.55

**30** Miscellaneous Expenses included in "Note 27 - Other Expenses" includes expenditure incurred under Section 135 of the Companies Act, 2013 on Corporate Social Responsibility (CSR) activities and the same represents contributions for promoting health care, education and other expenses. Gross amount required to be spent by the Company is ₹8.02 millions (Previous Year - ₹3.14 millions) and amount spent during the year is ₹10.28 millions (Previous Year - ₹1.02 millions).

**31** The Company has identified one business segment namely "Footwear and accessories" which is consistent with internal reporting provided to the Chairman and Managing Director who is the Chief Operating Decision Maker (CODM).

Disclosure required under Ind AS 108 "Operating Segments" for Companies with single segment are as follows

Geographical information	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Revenue from external customers		
- Within India	7,975.44	7,469.10
- Outside India	16.37	17.96
<b>Total</b>	<b>7,991.81</b>	<b>7,487.06</b>

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Non-current assets*		
- Within India	1,610.27	1,565.89
- Outside India	-	-
<b>Total</b>	<b>1,610.27</b>	<b>1,565.89</b>

\* excludes financial assets, deferred tax assets, post-employment benefit assets.

The Company is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

## Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

### 32.1 Contingent Liabilities in respect of - Claims not acknowledged as debts :

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
a. Sales Tax Matters under dispute	16.64	25.80
b. Income Tax Matters under dispute	1.11	1.11
c. Service Tax matters under dispute	0.15	0.15
d. Excise Duty matters under dispute	0.19	0.19

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.

**32.2** Post Completion of IPO on 14<sup>th</sup> November, 2017, the shareholding of Knightsville Private Limited has come down to 48.63% from 50.51%. However, Knightsville Private Limited remains as Holding Company since it continues to control the Company.

### 33 Commitments

Capital Commitment (Net of capital advances - ₹4.65 millions; 31 <sup>st</sup> March 2018 - ₹8.79 millions)	9.49	26.24
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### 34 Employee Benefits

The Company has recognized, in the Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2019 an amount of ₹18.24 millions (Previous Year - ₹14.70 millions) as expenses under defined contribution plans (Employer's Contribution to Provident and Other Funds) under note 25.

#### 34.1 Defined Benefit Plan

##### Description of Plans

The employees' gratuity fund scheme is managed by Life Insurance Corporation Of India (LIC) as a defined benefit plan. The present value of obligation is determined 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.

##### Risk Management

The Defined Benefit Plans expose the Company to risk of actuarial deficit arising out of investment risk, interest rate risk and salary cost inflation risk.

**Investment Risks:** This may arise from volatility in asset values due to market fluctuations and impairment of assets due to credit losses. These Plans primarily invest in debt instruments such as Government securities and highly rated corporate bonds - the valuation of which is inversely proportional to the interest rate movements.

**Interest Rate Risk:** The present value of Defined Benefit Plans liability is determined using the discount rate based on the market yields prevailing at the end of reporting period on Government Bonds. A decrease in yields will increase the fund liabilities and vice-versa.

**Salary Cost Inflation Risk:** The present value of the Defined Benefit Plan liability is calculated with reference to the future salaries of participants under the Plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

**Longevity Risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

## Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

34.2	Gratuity (Funded)	
	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
<b>I. Components of Employer Expense</b>		
- recognized in Statement of Profit and loss		
a. Current Service cost	4.39	3.82
b. Net Interest cost	(0.12)	(0.30)
<b>c. Total expense recognized in the Statement of Profit and Loss</b>	<b>4.27</b>	<b>3.52</b>
- Re-measurements recognized in Other Comprehensive Income		
d. Return on plan assets (excluding amounts included in Net interest cost)	0.22	0.20
e. Effect of changes in financial assumptions	0.35	(0.76)
f. Effect of experience adjustments	8.33	5.00
<b>g. Total re-measurement loss/(gain) included in Other Comprehensive Income</b>	<b>8.90</b>	<b>4.44</b>
<b>h. Total defined benefit cost recognized in Statement of Profit and Loss and Other Comprehensive Income (c+g)</b>	<b>13.17</b>	<b>7.96</b>
The current service cost and net interest cost for the year pertaining to Gratuity expenses have been recognized in "Contribution to Provident and other funds" under Note 25. The remeasurements of the net defined benefit liability are included in Other Comprehensive Income .		
<b>II. Actual Returns</b>	<b>2.75</b>	<b>2.45</b>
<b>III. Changes in Defined Benefit Obligation (DBO)</b>		
a. Present value of DBO at the beginning of the year	39.75	31.41
b. Current Service Cost	4.39	3.82
c. Interest Cost	2.85	2.35
d. Re-measurement losses/(gains):		
- Effect of changes in financial assumptions	0.35	(0.76)
- Effect of experience adjustments	8.33	5.00
e. Benefits paid	(5.59)	(2.07)
<b>f. Present value of DBO at the end of the year</b>	<b>50.08</b>	<b>39.75</b>
<b>IV. Change in the Fair Value of Plan Assets</b>		
a. Plan Assets at the beginning of the year	38.46	34.19
b. Interest income	2.97	2.65
c. Re-measurement losses on plan assets	(0.22)	(0.20)
d. Actual Company contributions	4.55	3.89
e. Benefits paid	(5.59)	(2.07)
<b>f. Plan Assets at the end of the year</b>	<b>40.17</b>	<b>38.46</b>

## Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>V. Net Asset/(Liability) recognized in Balance Sheet</b>		
a. Present value of Defined Benefit Obligation	50.08	39.75
b. Fair value of Plan Assets	40.17	38.46
c. Funded Status [Surplus/(Deficit)]	(9.91)	(1.29)
<b>d. Net Asset/(Liability) recognized in Balance Sheet</b>	<b>(9.91)</b>	<b>(1.29)</b>
- Current	(3.53)	-
- Non-Current	(6.38)	(1.29)
<b>VI. Best estimate of Employers' expected contribution for the next year</b>	<b>4.50</b>	<b>6.12</b>

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>VII. Actuarial Assumptions</b>		
a. Discount Rate (%)	7.70%	7.75%
b. Salary Escalation	5.00%	5.00%
c. 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.

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>VIII. Major Category of Plan Assets as a % of the Total Plan Assets</b>		
Gratuity - Funds managed by Insurer (LIC in Group Gratuity Scheme)	100%	100%

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

	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
<b>IX. Net Asset/(Liability) recognized in Balance Sheet (including experience adjustment impact)</b>		
<b>Gratuity</b>		
Present value of DBO	50.08	39.75
Fair value of plan assets	40.17	38.46
Funded status [Surplus / (Deficit)]	(9.91)	(1.29)
Experience gain / (loss) adjustments on plan liabilities	(8.33)	(5.00)
Experience gain / (loss) adjustments on plan assets	(0.22)	(0.20)

### X. Sensitivity Analysis

The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

## Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

	Gratuity - DBO as at	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
1. Discount rate + 100 basis points	46.00	36.55
2. Discount rate - 100 basis points	54.76	43.45
3. Salary increase rate + 1%	54.82	43.69
4. Salary increase rate - 1%	45.73	36.27

	Gratuity	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
<b>XI. Maturity analysis of the benefit payments</b>		
Year 1	3.53	2.50
Year 2	3.90	2.93
Year 3	3.62	3.23
Year 4	3.30	2.70
Year 5	3.70	4.19
Next 5 years	22.82	16.66

### 35 Related Party Disclosure as per requirements of Ind AS 24 on "Related Party Disclosures"

#### A) List of Related Parties

Holding Company	Knightsville Private Limited
Key Management Personnel (KMP)	Mr. Siddhartha Roy Burman - Chairman and Managing Director
	Mrs. Tanushree Roy Burman - Whole-time Director (resigned w.e.f. 30 <sup>th</sup> April 2017)
	Dr.Indranath Chatterjee, Non-Executive Independent Director
	Mr.Srinivasan Sridhar, Non-Executive Independent Director (appointed w.e.f from 25 <sup>th</sup> May, 2017 and resigned w.e.f. 6 <sup>th</sup> October, 2017)
	Prof.Ashoke Kumar Dutta, Non-Executive Independent Director (resigned w.e.f. 26 <sup>th</sup> March 2018)
	Prof.(Dr.) Surabhi Banerjee, Non-Executive Independent Director (w.e.f. from 25 <sup>th</sup> May, 2017)
	Mr.Alok Chauthmal Churiwala, Non-Executive Independent Director (w.e.f. from 11 <sup>th</sup> May, 2018)
	Mr.Vinayak Vishwanath Kamath, Non-Executive Nominee Director (resigned w.e.f. 21 <sup>st</sup> November 2017)
	Ms.Namrata Ashok Chotrani, Non-Executive Non-Independent Director (w.e.f. from 14 <sup>th</sup> December, 2017)
	Mr.Ritoban Roy Burman, Non-Executive Non-Independent Director (w.e.f. from 14 <sup>th</sup> December, 2017)
	Ms.Ishani Ray, Chief Executive Officer (w.e.f. from 1 <sup>st</sup> April, 2018)*
	Mr.Indrajit Chaudhuri, Chief Finance Officer (w.e.f. from 1 <sup>st</sup> April, 2018)
	Mr. Abhijit Dan, Company Secretary and Head Legal
	*CEO with effect from 1 <sup>st</sup> April, 2018 and prior to that Ms.Ishani Ray was CFO

## Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

Enterprises over which KMP and their relatives exercise significant influence	Khadim Financial Services Private Limited
	Khadim Development Company Private Limited
	Khadim Enterprises
	K.M.Khadim & Co.
	St.Marys' Clinic & Drug Stores
	Sheila Departmental Stores Private Limited
	Bee Tee Enterprise
	Moviewallah 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 and appointed as a non-executive director w.e.f. 14 <sup>th</sup> December 2017)
	Mr. Rittick Roy Burman (Son of Mr.Siddhartha Roy Burman)

### B) Particulars of transactions during the year ended 31<sup>st</sup> March 2019:

Particulars	Year Ended 31 <sup>st</sup> March 2019		Year Ended 31 <sup>st</sup> March 2018	
I) Holding Company #		-		-
II) Key Management Personnel ^				
a) Remuneration				
- Mr.Siddhartha Roy Burman #	31.08		29.68	
- Mrs.Tanusree Roy Burman #	-		0.19	
- Ms.Ishani Ray	6.56		5.63	
- Mr.Indrajit Chaudhuri	4.06		-	
- Mr.Abhijit Dan	2.16	<b>43.86</b>	2.19	<b>37.69</b>
b) Share based payments				
- Ms.Ishani Ray	1.12		0.75	
- Mr.Indrajit Chaudhuri	0.68	<b>1.80</b>	-	<b>0.75</b>
c) Rent paid to Mr.Siddhartha Roy Burman		0.08		0.09
d) Sitting fees				
- Dr.Indranath Chatterjee	0.42		0.83	
- Mr.Srinivasan Sridhar	-		0.21	
- Prof.Ashoke Kumar Dutta	-		0.76	
- Prof.(Dr.) Surabhi Banerjee	0.44		0.74	
- Mr.Alok Chauthmal Churiwala	0.30		-	
- Ms.Namrata Ashok Chotrani	0.36		0.15	
- Mr.Ritoban Roy Burman	0.17	<b>1.69</b>	0.08	<b>2.77</b>
e) Commission				
- Dr.Indranath Chatterjee	-		0.10	
- Prof.(Dr.) Surabhi Banerjee	-		0.10	
- Ms.Namrata Ashok Chotrani	-		0.10	
- Mr.Ritoban Roy Burman	-	-	0.10	<b>0.40</b>



## Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

Particulars	Year Ended 31 <sup>st</sup> March 2019	Year Ended 31 <sup>st</sup> March 2018
<b>III) Enterprises over which KMP and their relatives exercise significant influence</b>		
a) Royalty received from K M Khadim & Co. ₹1,211/- [31 <sup>st</sup> March 2018 - ₹ 1,289/-]	.....	.....
b) Rent paid to Khadim Development Co Pvt Ltd#	0.84	0.92
c) Commission paid		
- Khadim Enterprises	0.34	0.34
- Bee Tee Enterprises	0.77	0.77
- Sheila Departmental Stores Pvt Ltd	0.70	0.72
- St. Mary's Clinic & Drug Stores	0.13	0.14
	<b>1.94</b>	<b>1.97</b>
d) Rent received from K M Khadim & Co.	0.03	0.03
<b>IV) Relatives of Key Management Personnel</b>		
Remuneration		
- Mrs.Namita Roy Burman	1.44	1.44
- Mr.Ritoban Roy Burman	-	0.79
- Mr.Rittick Roy Burman	1.79	0.60
	<b>3.23</b>	<b>2.83</b>

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Outstanding Balances</b>		
<b>I) Key Management Personnel</b>		
- Mr.Siddhartha Roy Burman	-	(2.86)
- Dr.Indranath Chatterjee	-	(0.09)
- Prof.(Dr.) Surabhi Banerjee	-	(0.09)
- Ms.Namrata Ashok Chotrani	-	(0.09)
- Mr.Ritoban Roy Burman	-	(0.09)
<b>II) Enterprises over which KMP and their relatives exercise significant influence</b>		
- Khadim Enterprises	0.18	(0.09)
- Bee Tee Enterprises	(0.35)	(0.31)
- Sheila Departmental Stores Pvt Ltd	(3.13)	(2.60)
- St. Mary's Clinic & Drug Stores	(0.23)	(0.12)
- Khadim Development Co Pvt Ltd	-	(0.06)
- K M Khadim & Co.	0.02	0.02
<b>III) Relatives of KMP</b>		
- Mr.Ritoban Roy Burman	-	(0.10)

# Also refer Note 17.1 in respect of guarantees given for loans taken by the Company.

^ Post employment benefits are actuarially determined on overall basis and not included above.

## Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

### 36 Information in respect of Options granted under the Company's Employee Stock Option Scheme ('Scheme'):

	Name of the Scheme	Khadim Employee Stock Option Plan 2017
i.	Date of Shareholders' approval	: 17 <sup>th</sup> June 2017
ii.	Total number of Options approved under the Scheme	: Options equivalent to 1,86,465 equity shares of ₹10/- each
iii.	Vesting schedule	: The vesting period for conversion of Options is as follows: On completion of 12 months from the date of grant of the Options - 15% vests On completion of 24 months from the date of grant of the Options - 15% vests On completion of 36 months from the date of grant of the Options - 30% vests On completion of 48 months from the date of grant of the Options - 40% vests
iv.	Pricing formula	: " Closing market price on the day prior to the date of grant on stock exchange with highest trading volume
v.	Maximum term of Options granted	: 5 years from the date of vesting
vi.	Source of shares	: Primary issuance
vii.	Variation in terms of Options	: None
viii.	Method used for accounting of share-based payments plans	: The employee compensation cost has been calculated using the fair value method of accounting for Options under the Company's Employee Stock Option Scheme. The employee compensation cost as per fair value method for the financial year 2018-19 is ₹6.23 millions (Previous Year - ₹4.49 millions).
ix.	Nature and extent of employee share based payment plan that existed during the period including the general terms and conditions of the plan	: Each option entitles the holder thereof to apply for and be allotted one equity share of ₹10 each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of five years from such date.
x.	Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock	: Weighted average exercise price per Option - ₹320 Weighted average fair value per Option - ₹310
xi.	Option movements during the year:	
a.	Options outstanding at the beginning of the year	: 62,876
b.	Options granted during the year	: Nil
c.	Options cancelled and lapsed during the year	: 9,454
d.	Options vested and exercisable during the year (net of Options lapsed and exercised)	: 4,563
e.	Options exercised during the year	: 4,417
f.	Number of equity shares of ₹10 each arising as a result of exercise of Options during the year	: 4,417
g.	Options outstanding and exercisable at the end of the year	: 49,005
h.	Money realised by exercise of the Options during the year	: ₹1.41 millions

## Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

xii.	Weighted average share price of shares arising upon exercise of Options	:	Weighted average share price of shares arising upon exercise of Options, based on the closing market price on NSE on the date of exercise of Options was ₹558.90
xiii.	A description of the method used during the year to estimate the fair value of Options, the weighted average exercise price and weighted average fair value of Options granted	:	The fair value of each Option is estimated using the Black Scholes Option Pricing model Weighted average exercise price per Option - ₹320 Weighted average fair value per Option - ₹310
	The significant assumptions used to ascertain the above	:	The fair value of each Option is estimated using the Black Scholes Option Pricing model after applying the following key assumptions on a weighted average basis: Risk-free interest rate - 8% Expected life - 6 years Expected volatility - 80% Dividend yield - 0% Fair market value of the underlying share in the market at the time of Option grant - ₹400
xiv.	Methodology for determination of expected volatility	:	The volatility used in the Black Scholes Option Pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. The period considered for the working is based on the daily volatility of the stock prices on National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE) over a period prior to the date of grant corresponding with the expected life of the options.
xv.	Options granted to	:	No options were granted during the year.
	a. Key managerial personnel	:	Nil
	b. Senior managerial personnel	:	Nil
	c. Any other employee who received a grant on any one year of Options amounting to 5% or more of the Options granted during the year	:	Nil
	d. Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant.	:	None

## Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

### 37 Financial Instruments and related disclosures

#### A Capital Management

The Company aims at maintaining a strong capital base safeguarding business continuity and augments its internal generations with a judicious use of borrowing facilities to meet the requirements of working capital that arise from time to time as well as requirements to finance business growth. The Company is not subject to any externally imposed capital requirements.

#### B Categories of Financial Instruments

		As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
		Carrying value	Fair value	Carrying value	Fair value
<b>I</b>	<b>Financial assets</b>				
<b>a.</b>	<b>Measured at amortised cost</b>				
	Trade receivables	1,341.18	1,341.18	1,267.31	1,267.31
	Cash and cash equivalents	42.65	42.65	35.04	35.04
	Other bank balances	43.10	43.10	121.34	121.34
	Other financial assets	279.62	279.62	214.94	214.94
	<b>Total Financial assets</b>	<b>1,706.55</b>	<b>1,706.55</b>	<b>1,638.63</b>	<b>1,638.63</b>
<b>II</b>	<b>Financial liabilities</b>				
<b>a.</b>	<b>Measured at amortised cost</b>				
	Borrowings	1,090.40	1,090.40	684.81	684.81
	Trade payables	1,320.05	1,320.05	1,295.23	1,295.23
	Other financial liabilities	113.14	113.14	113.97	113.97
	<b>Total Financial liabilities</b>	<b>2,523.59</b>	<b>2,523.59</b>	<b>2,094.01</b>	<b>2,094.01</b>

#### C Financial risk management objectives

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's financial risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. Backed by strong internal control systems, the current risk management framework rests on policies and procedures issued by appropriate authorities; process of regular reviews to set appropriate risk limits and controls; monitoring of such risks and compliance confirmation for the same.

##### Interest rate risk

As majority of the financial assets and liabilities of the Company are either non-interest bearing or fixed interest bearing instruments, the Company's net exposure to interest risk is negligible.

##### Price risk

The Company invests its short term funds primarily in debt mutual fund. Accordingly, these do not pose any significant price risk.

##### Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. The Company consistently generated strong cash flows from operations by ensuring timely collections of its trade receivables and this together with the available cash and cash equivalents provides adequate liquidity in short terms as well in the long term.

## Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date.

As at 31 <sup>st</sup> March 2019	Carrying value	Less than 1 year	Between 1 to 5 years	Beyond 5 years	Total
Borrowings	1,090.40	1,090.40	-	-	1,090.40
Trade payables	1,320.05	1,320.05	-	-	1,320.05
Other financial liabilities	113.14	113.14	-	-	113.14
<b>Total</b>	<b>2,523.59</b>	<b>2,523.59</b>	<b>-</b>	<b>-</b>	<b>2,523.59</b>

As at 31 <sup>st</sup> March 2018	Carrying value	Less than 1 year	Between 1 to 5 years	Beyond 5 years	Total
Borrowings	684.81	684.81	-	-	684.81
Trade payables	1,295.23	1,295.23	-	-	1,295.23
Other financial liabilities	113.97	113.97	-	-	113.97
<b>Total</b>	<b>2,094.01</b>	<b>2,094.01</b>	<b>-</b>	<b>-</b>	<b>2,094.01</b>

### Credit Risk

The Company's customer base is diverse limiting the risk arising out of credit concentration. Further, credit is extended in business interest in accordance with guidelines issued centrally and business-specific credit policies. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. Loss allowances and impairment is recognized, where considered appropriate by responsible management. The Company has adopted a simplified approach by computing the expected credit loss allowance for trade receivables based on a provision matrix taking into account historical credit loss experience.

The movement of the expected loss provision (allowance for bad and doubtful receivables) made by the Company are as under:

	Expected Loss Provision	
	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Opening Balance	22.40	17.73
Add: Provisions made (net)	4.62	4.67
Closing Balance	27.02	22.40

### Foreign currency Risk

The Company undertakes transactions denominated in foreign currency (mainly US Dollar, Euro and Pound Sterling) which are subject to the risk of exchange rate fluctuations. Financial assets and liabilities denominated in foreign currency are also subject to reinstatement risks.

The carrying amount of foreign currency denominated financial assets and liabilities, are as follows:

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
	USD	USD
Financial assets	4.26	4.11
Financial liabilities	38.41	38.11

## Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

The forward exchange contracts that were outstanding on respective reporting dates (not designated under Hedge Accounting):

	Currency	Cross Currency	Buy
As at 31 <sup>st</sup> March 2019	USD	Rupees	1.00
As at 31 <sup>st</sup> March 2018	-	-	-

The aforesaid contracts have a maturity of less than 1 year from the year end.

### 38 Fair value measurement

#### Fair value hierarchy

Fair value of the financial instruments is classified in various hierarchies based on the following three levels:

**Level 1:** Quoted prices (unadjusted) in active market for identical assets or liabilities

**Level 2:** Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

**Level 3:** Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, current investments, trade payables, other current financial assets and liabilities and short-term borrowings are considered to be equal to the carrying amounts of these items due to their short-term nature and accordingly not included in the below table. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

**The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:**

	Fair value hierarchy (Level)	Fair value	
		As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>I</b>	<b>Financial assets</b>		
<b>a.</b>	<b>Measured at amortised cost</b>		
	Other financial assets	3	135.99
	<b>Total Financial assets</b>	169.49	135.99
<b>II</b>	<b>Financial liabilities</b>	Nil	Nil



## Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

**39** The Company has entered into operating Lease arrangements primarily for various commercial premises / retail outlets, distribution centres and land. 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 ₹316.29 millions (Previous Year - ₹257.61 millions) has been charged to Statement of Profit and Loss in "Other Expenses" - Note 27.

### 40 Micro, Small and Medium scale business entities:

Details as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). This information has been determined to the extent such parties have been identified on the basis of information available with the Company

Particulars	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
1 Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
Principal	0.41	60.63
Interest	Nil	Nil
2 The amount of interest paid by the buyer in terms of section 16, of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
3 The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	Nil	Nil
4 The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
5 The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	Nil	Nil

### 41 (i) Impact of implementation of new Standards/Amendments:

- Effective 1<sup>st</sup> April, 2018 the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method. There were no major contracts that were not completed as at the date of initial application of the Standard. The effect on adoption of the Standard was insignificant.
- Effective 1<sup>st</sup> April, 2018 the Company has applied Appendix B to Ind AS 21 - Foreign Currency Transactions and Advance Consideration. This Appendix clarifies the date of transaction for the purpose of determining the exchange rate to be used on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on application of this amendment was insignificant.

## Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(All amounts in Rupees millions, unless otherwise stated)

### 41 (ii) Recent pronouncements of New Standards/Amendments:

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2019 on 30<sup>th</sup> March, 2019:

- notifying Ind AS 116, 'Leases' and
- amending Ind AS 12 'Income Taxes' and Ind AS 19 'Employee Benefits'.

The same are applicable for financial statements pertaining to annual periods beginning on or after 1<sup>st</sup> April, 2019.

#### Ind AS - 116

The Company will adopt Ind AS 116, effective annual reporting period beginning 1st April, 2019. The Company will recognise new assets and liabilities for its operating leases. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortisation charge for the right-to-use asset, and b) interest accrued or lease liability. The Company is currently in the process of evaluating the impact of application of this Standard.

The Company expects that there will be no material impact on the financial statements resulting from the implementation of amended Ind AS 12 and Ind AS 19.

**42** The financial statements were approved for issue by the Board of Directors on 17th May 2019.

#### For and on behalf of Board of Directors

**Siddhartha Roy Burman**  
Chairman & Managing Director

**Dr. Indra Nath Chatterjee**  
Independent Director

**Ishani Ray**  
Chief Executive Officer

**Indrajit Chaudhuri**  
Chief Financial Officer

**Abhijit Dan**  
Company Secretary & Head - Legal

**Place:** Kolkata

**Date:** 17<sup>th</sup> May 2019

# NOTICE

**NOTICE** is hereby given that the 38th (Thirty - Eighth) Annual General Meeting ('AGM') of the members of Khadim India Limited ("the Company") will be held on Thursday, August 08, 2019 at 11:30 a.m. at "Kala Kunj" (within the premises of Kala Mandir), 48, Shakespeare Sarani, Kolkata - 700017 to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend of ₹ 1/- per Equity Share of face value of ₹ 10/- each for the financial year ended March 31, 2019.
3. To appoint a Director in place of Ms. Namrata Ashok Chotrani (DIN: 00390845), who retires by rotation and being eligible, offers herself for re-appointment.

## SPECIAL BUSINESS:

4. Re-appointment of Mr. Siddhartha Roy Burman (DIN: 00043715) as Chairman & Managing Director of the Company for a period of 5 years

To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to such consents and permissions, as may be required, the approval of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Siddhartha Roy Burman (DIN: 00043715), as the Chairman & Managing Director (also as "Whole-time Key Managerial Personnel") [or such other designation which the Board may determine and deem fit to give in case of any amendment in the applicable SEBI regulations in this regard] of the Company, for a further period of 5 (Five) years with effect from 1st April, 2019 till 31st March, 2024 (both days inclusive) at such remuneration (including remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the period of 3 years from the date of his appointment) and on such terms and conditions as set out in the explanatory statement annexed hereto with liberty to the Board of Directors to vary, amend or revise the remuneration within the maximum ceiling and the terms and conditions of the said re-appointment in accordance with the provisions of the Act and as may be agreed to between the Board of Directors and Mr. Siddhartha Roy Burman".

**By Order of the Board of Directors**

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

Date: May 17, 2019  
Place: Kolkata

## NOTICE

### NOTES:

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and Rules framed thereunder, in respect of the Special Business to be transacted at the meeting is annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.**

In terms of Section 105 of the Companies Act, 2013 and Rules framed thereunder, a person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

3. The information as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India, relating to the re-appointment of Ms. Namrata Ashok Chotrani and Mr. Siddhartha Roy Burman at the AGM, is enclosed herewith and marked as Annexure-I.
4. Corporate members intending to send their authorized representative to attend the meeting are requested to send to the Company, a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the AGM.
5. All Statutory Registers and relevant documents referred to in the accompanying Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is open for inspection by the members at the Registered Office of the Company on all working days except Saturday, Sunday and public holidays, between 11.00 a.m. and 1.00 p.m. up to date of AGM and also at the Meeting.
6. To support the "Green Initiative" members who have not registered their e- mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
7. Pursuant to Section 91 of the Companies Act, 2013 and Rule 10 of the Companies (Management and Administration) Rules, 2014 read with Regulation 42 of the Listing Regulations, the Register of Members and the Share Transfer books of the Company will remain closed from Friday, August 02, 2019 till Thursday, August 08, 2019 (inclusive of both days).
8. Members are requested to quote the ledger folio / DP ID in all communication with the Company.
9. Members / Proxies are requested to carry their copies of the Notice, Annual Report and duly filled in Attendance Slip at the Meeting. Extra copies of the Annual Report will not be available at the meeting.
10. Members desirous of making a nomination in respect of their shareholding, under Section 72 of the Companies Act, 2013 are requested to send their request to the Company Secretary's Department in the prescribed form.
11. Members are requested to:
  - a) intimate to the Company Secretary's Department or Company's Registrar and Transfer Agent, Link Intime (India) Private Limited, changes, if any, in their registered addresses at an early date, along with self-attested copy of address proof i.e. Aadhar Card / electricity bill / telephone bill / driving license / passport / bank passbook particulars in case of Shares held in physical form;
  - b) intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date, along with self-attested copy of address proof i.e. Aadhar Card / electricity bill / telephone bill / driving license / passport / bank passbook particulars in case of Shares held in dematerialized form.

## NOTICE

12. A Route Map showing directions to reach to the venue of the AGM of the Company is given at the end of this Notice as per the requirement of the Secretarial Standard on General Meetings.
13. Any Member desirous of receiving any information on the Financial Statements or Operations of the Company is requested to forward his / her queries to the Company at least seven working days prior to the AGM, so that the required information can be made available at the AGM.
14. Dividend on Equity shares, as recommended by the Board of Directors of the Company, for the financial year ended March 31, 2019, if declared, at the AGM, will be paid to:
  - i) Those Members whose names shall appear in the Register of Members of the Company, at the end of business hours on Thursday, August 01, 2019.
  - ii) Those Beneficial owners entitled thereto, in respect of shares held in electronic mode, whose names shall appear in the statements of beneficial ownership furnished by respective Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the end of business hours on Thursday, August 01, 2019.
15. As per Regulation 12 of the Listing Regulations read with Schedule - I to the said Regulations, it is mandatory for all the Companies to use bank details furnished by the investors for distributing dividends, interests, redemption or repayment amounts to them through National / Regional / Local Electronic Clearing Services (ECS) or Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT), National Automated Clearing House (NACH) wherever ECS / RTGS / NEFT / NACH and bank details are available. In the absence of electronic facility, Companies are required to mandatorily print bank details of the investors on 'payable-at-par' warrants, cheques or demand draft for distribution of Dividends or other cash benefits to the investors. In addition to that, if bank details of investors are not available, Companies shall mandatorily print the address of the investor on such payment instruments.

Therefore, Members holding shares in physical mode are requested to update their bank details with the Company or RTA immediately. Members holding shares in demat mode are requested to record the ECS mandate with their DPs concerned.

16. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.
17. Notice of the AGM along with the Annual Report is being sent by electronic mode to those Members whose email addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their email addresses, physical copies are being sent by the permitted mode. Members may note that the Notice and Annual Report will also be available on the website of the Company and on the website of NSDL.
18. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 01, 2019, except in case of request received for transmission or transposition of securities. In view of this, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agent in this regard.
19. **VOTING THROUGH ELECTRONIC MEANS**
  - i) As per the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 read with the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations, the Company is pleased to facilitate its Members to transact business at the AGM of the Company by voting through electronic means. For this, the Company has engaged the services of NSDL having office at Trade World, A wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013, to provide remote e-voting services and voting at the AGM venue through electronic voting system to the members, who are holding the shares as on the cut-off date.
  - ii) The facility for voting through electronic means shall be made available at the AGM venue and the Members attending the AGM who have not cast their vote by remote e-voting shall be able to exercise their right at the AGM through electronic voting system. However, members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

## NOTICE

iii) The remote e-voting period commences at 9:00 a.m. on Monday, August 05, 2019 and ends at 5:00 p. m. on Wednesday, August 07, 2019. During this period, the Members of the Company, holding shares either in physical or dematerialized mode, as on the cut-off date i.e., Thursday, August 01, 2019 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

iv) **INSTRUCTIONS FOR E-VOTING:**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

Step 1: Log-in to NSDL e-Voting system

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details will be as per details given below :

- a) For Members who hold shares in demat account with NSDL: 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*).
- b) For Members who hold shares in demat account with CDSL: 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12\*\*\*\*\* then your user ID is 12\*\*\*\*\*).
- c) For Members holding shares in Physical Form: EVEN Number followed by Folio Number registered with the company (For example if folio number is 001\*\*\* and EVEN is 101456 then user ID is 101456001\*\*\*).

5. Your password details are given below:

- a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c. How to retrieve your ‘initial password’?
  - i. If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
  - ii. If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.



## NOTICE

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a. Click on "[Forgot User Details/Password?](#)" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b. Click on "[Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number / folio number, your PAN, your name and your registered address.
  - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

### **Details on Step 2 is mentioned below:**

#### **How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
  2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
  3. Select "EVEN" of the Company.
  4. Now you are ready for e-Voting as the Voting page opens.
  5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
  6. Upon confirmation, the message "Vote cast successfully" will be displayed.
  7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- v) **General Guidelines for shareholders:**
1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [aklabhcs@gmail.com](mailto:aklabhcs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  3. In case of any queries, Members may refer the "Frequently Asked Questions (FAQs) for Shareholders" and "e-voting user manual for Shareholders" available under the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or contact Mr. Supratim Mitra, Asst. Vice President / Ms. Pallavi Mhatre, Manager, NSDL, at telephone nos. 033 -2290 4246 / 022 - 2499 4545 or at e-mail id: [supratimm@nsdl.co.in](mailto:supratimm@nsdl.co.in) / [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or alternatively at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
  4. The voting rights of the Member shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date i.e., Thursday, August 01, 2019.

## NOTICE

5. A person whose name appears in the Register of Members or in the Register of Beneficial owners maintained by the Depositories as on the cut-off date i.e., Thursday, August 01, 2019 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through electronic means.
6. Any person, who acquires shares of the Company and become a Member of the Company after despatch of the Notice of the AGM and holding shares as on the cut-off date i.e., Thursday, August 01, 2019 may obtain the login User Id and password / PIN by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-voting then you can use your existing User ID and password / PIN for casting your vote.
7. In order to scrutinize the e-voting process in a fair and transparent manner Mr. A.K. Labh, Practicing Company Secretary (FCS-4848/CP-3238), from M/s. A.K. Labh & Co., Company Secretaries having office at 40, Weston Street, 3rd Floor, Kolkata - 700 013, has been appointed by the Board of Directors of the Company as the Scrutinizer.
8. The Chairman at the AGM shall allow voting, with the assistance of Scrutinizer, by use of electronic means for all those Members who are present at the AGM and did not cast their votes by availing the remote e-voting facility.
9. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through electronic voting system provided at the AGM venue and remote e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated scrutinizer's report of the total votes cast in favour or against, if any, within 48 hours of conclusion of the AGM, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the results of the voting forthwith. The resolution(s) shall be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes.
10. The results declared along with the scrutinizer's report shall be placed on the website of the Company i.e., [www.khadims.com](http://www.khadims.com) and on the website of NSDL immediately after the results are declared by the Chairman or a person authorised by him in writing. The same shall be communicated by the Company to the stock exchanges i.e., BSE Limited and National Stock Exchange of India Limited.

## NOTICE

### Explanatory Statement pursuant to the provisions of Section 102 of Companies Act, 2013

#### Item No. 4

The members of the Company had appointed Mr. Siddhartha Roy Burman as the Chairman & Managing Director of the Company for a period of three years up to March 31, 2019.

The Board has, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members, approved the re-appointment of Mr. Siddhartha Roy Burman, Chairman & Managing Director, post completion of his term, for a further period of five years.

Mr. Siddhartha Roy Burman is not disqualified from being re-appointed as a Director in terms of Section 164 of the Companies Act, 2013 and Rules made there under ("the Act") and has given his consent to act as Chairman & Managing Director of the Company. Mr. Siddhartha Roy Burman satisfies all the conditions as set out in Section 196(3) of the Act and Part-I of Schedule V to the Act, for being eligible for his appointment.

The broad terms and conditions of the proposed re-appointment of and remuneration to Mr. Siddhartha Roy Burman are mentioned below:

#### Remuneration

Subject to the overall limits laid down in Section 197 and other applicable provisions of the Act read with Schedule - V thereto and / or any re-enactment or amendment thereof, Mr. Siddhartha Roy Burman shall be entitled to receive from the Company the following remuneration.

##### I. Salary

₹ 22,50,000/- (Rupees Twenty Two Lakh Fifty Thousand Only) per month with an annual increment up to 20% on the last drawn basic salary.

##### II. Performance Linked Incentive & Commission

Subject to the provisions of the Act, Mr. Siddhartha Roy Burman shall be entitled to get Commission not exceeding 1% of the net profits of the Company computed in the manner laid down in Section 197 and 198 of the Act, as per the recommendation of the Board of Directors and the Nomination & Remuneration Committee (NRC). The said amount of commission payable to Mr. Siddhartha Roy Burman will be based on his performance as evaluated by the Board or the NRC and approved by the Board and will be payable annually after the annual accounts have been approved by the Board.

##### III. Perquisites

In addition to the salary and incentives mentioned above, the following perquisites would be provided.

###### i) Car:

One Company owned and maintained, chauffeur driven car.

###### ii) Medical Facilities:

###### a) Routine and Domiciliary Expenses

Not exceeding 10% of Basic Salary for self, spouse and dependent members of his family.

###### b) Hospitalization Expenses

To be borne by the Company, in India and abroad.

###### iii) Assets Provided by the Company:

Depreciation on such assets or cost of hiring of such assets, as may be applicable, not exceeding 10% of Basic Salary.

###### iv) Telephone Facility at Residence

Company would maintain one telephone connection at the residence of Mr. Siddhartha Roy Burman for official use only.

###### v) Leave Travel Compensation for self and family

LTC will be given at the rate of 12% of yearly Basic Salary payable per year.

## NOTICE

### IV. Retiral Benefits

#### i) Gratuity:

As per Company Rules read with the Payment of Gratuity Act, 1972.

#### ii) Provident Fund:

As per Company policy read with Employees' Provident Funds and Miscellaneous Provisions Act, 1952, unless Mr. Siddhartha Roy Burman opts not to participate in the scheme.

#### iii) Earned / Privilege leave

As per Company Rules.

#### iv) Leave Encashment:

Mr. Siddhartha Roy Burman shall be entitled to accumulate their leave up to 90 days and shall be entitled to en-cash the unutilized leave at the end of the tenure of this contract. In case of renewal of this Agreement, Mr. Siddhartha Roy Burman shall be entitled to carry the leave standing to his credit at the time of such renewal instead of en-cashing it. However, irrespective of the number of renewals, Mr. Siddhartha Roy Burman shall be entitled to accumulate a maximum of 240 days of leave.

#### v) The emoluments and benefits shall be subject to taxes as may be applicable. The Board or its constituted Committee may review from time to time the above remuneration subject however to the approval of the Members of the Company.

#### Minimum Remuneration

In the event of absence or inadequacy of profits of the Company in any financial year, Mr. Siddhartha Roy Burman shall be entitled to receive such minimum remuneration as specified above, subject to the applicable provisions of the Companies Act, 2013 read with rules made thereunder also read with the terms of Schedule V thereto as applicable. Such minimum remuneration can be payable during the period of 3 years from the date of his appointment in case of loss or inadequacy of profit.

#### Sitting Fees

Mr. Siddhartha Roy Burman shall not be entitled to receive any sitting fees from the Company for attending meetings of the Board of Directors or any committee thereof during the tenure of this agreement.

The following additional information as required by Section II of Part II of Schedule V to the Companies Act, 2013 is given below:

### I. General Information

#### 1. Nature of Industry:

Footwear Manufacturing, Retailing and wholesaling.

#### 2. Date or expected date of Commencement of Commercial production:

Not Applicable, the Company is an existing Company.

#### 3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not Applicable.

#### 4. Financial performance based on given indicators:

Please refer audited accounts for the financial year ended March 31, 2019.

#### 5. Foreign Investment or collaborations, if any:

No such investment or collaboration yet.

## NOTICE

### II. Information about the appointee:

Particulars	Mr. Siddhartha Roy Burman
Background Details	Mr. Siddhartha Roy Burman is a Promoter, Chairman & Managing Director of the Company. He holds bachelor's degree in Commerce from the University of Calcutta. He is responsible for the overall strategic decision making of the Company and provides leadership to all operations. Under his leadership and guidance, the Company completed its maiden Initial Public Offering (IPO) and Equity shares were listed on BSE and NSE on November 14, 2017. He has been associated with the Company since incorporation and was appointed as the Managing Director with effect from April 01, 2005 and subsequently on November 26, 2012. He has 36 years of experience in all segments of Footwear Industry. His expertise include streamlining of operations, processes, HR initiatives and most importantly Brand building. He has great contribution in developing the manufacturing division of the Company.
Past Remuneration	₹ 31.08 million for the financial year ended March 31, 2019.
Recognition and Award	Under the Leadership of Mr. Siddhartha Roy Burman, the Company ranked 1st in Footwear Retail as "India's most attractive Brands 2013" based on a study conducted on Top 500 Brands in India by Trust Research Advisory Private Limited and also ranked 200 as most attractive Brand in the Country based on the said study. Further, based on the said study the Company ranked 26th as most attractive brands in eastern India. The Company has won "The Economic Times CHAMPIONS of Rural Market" award in 2018.
Job profile and his suitability	Overall Management of the Company.  Being the Key Driver of the business of the Company, Mr. Siddhartha Roy Burman is the most suitable person to continue as such.
Remuneration proposed	As mentioned above
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin	The proposed remuneration commensurate with respect to Industry and on account of the rich experience of the appointee in the Footwear Industry.
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:	No Pecuniary relationship with the Company except the Contractual payments mentioned above and also whatever to be disclosed in the Notes to the Audited Financial Statements of the Company for the financial year ended on March 31, 2019 under the head Related Party Disclosure.  He is father of Mr. Ritoban Roy Burman, Non-Executive Director.

## NOTICE

### III. Other Information

a. Reasons for loss or inadequate profits:

Though the Company is achieving profits, but the same could be considered as inadequate and considering the abilities and rich experience of Mr. Siddhartha Roy Burman, it would be required to compensate him adequately.

b. Steps taken or proposed to be taken for improvement:

The Company is diversifying its activities besides improving Capacity utilization to the optimum level for all its plants for attaining economies of scale. The Company's Management is placing strategies with strong marketing team, for improved performance.

c. Expected increase in productivity and profits in measurable terms:

After taking steps as stated above, the Company shall be in a position to strengthen its capabilities as well as address the future opportunities in India and other markets of choice. The above measures undertaken are expected to yield positive results and improve the financial performance of the Company in the coming years.

In accordance with the provisions of Sections 196, 197 and other applicable provisions of the Act, read with Schedule V to the said Act, the proposed re-appointment and the terms of remuneration payable to Mr. Siddhartha Roy Burman require approval of the members by passing a Special Resolution.

The Board recommends the resolution set out at Item No. 4, for approval of the shareholders.

Except Mr. Siddhartha Roy Burman (Self) and Mr. Ritoban Roy Burman (Son), and their relatives, none of the Directors, Key Managerial Personnel of the Company or their relatives is deemed to be interested or concerned, financially or otherwise in the said resolution.

The brief profile of Mr. Siddhartha Roy Burman as per the requirements of the Act and the Listing Regulations and the rules made thereunder and the Secretarial Standard on General Meetings is given in Annexure-I, which forms part of the notes to the Notice.

**By Order of the Board of Directors**

**Abhijit Dan**

Company Secretary & Head - Legal  
Membership No.: A21358

Date: May 17, 2019  
Place: Kolkata



## NOTICE

### Annexure – I

#### INFORMATION ON DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE FORTHCOMING AGM

[Pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings]

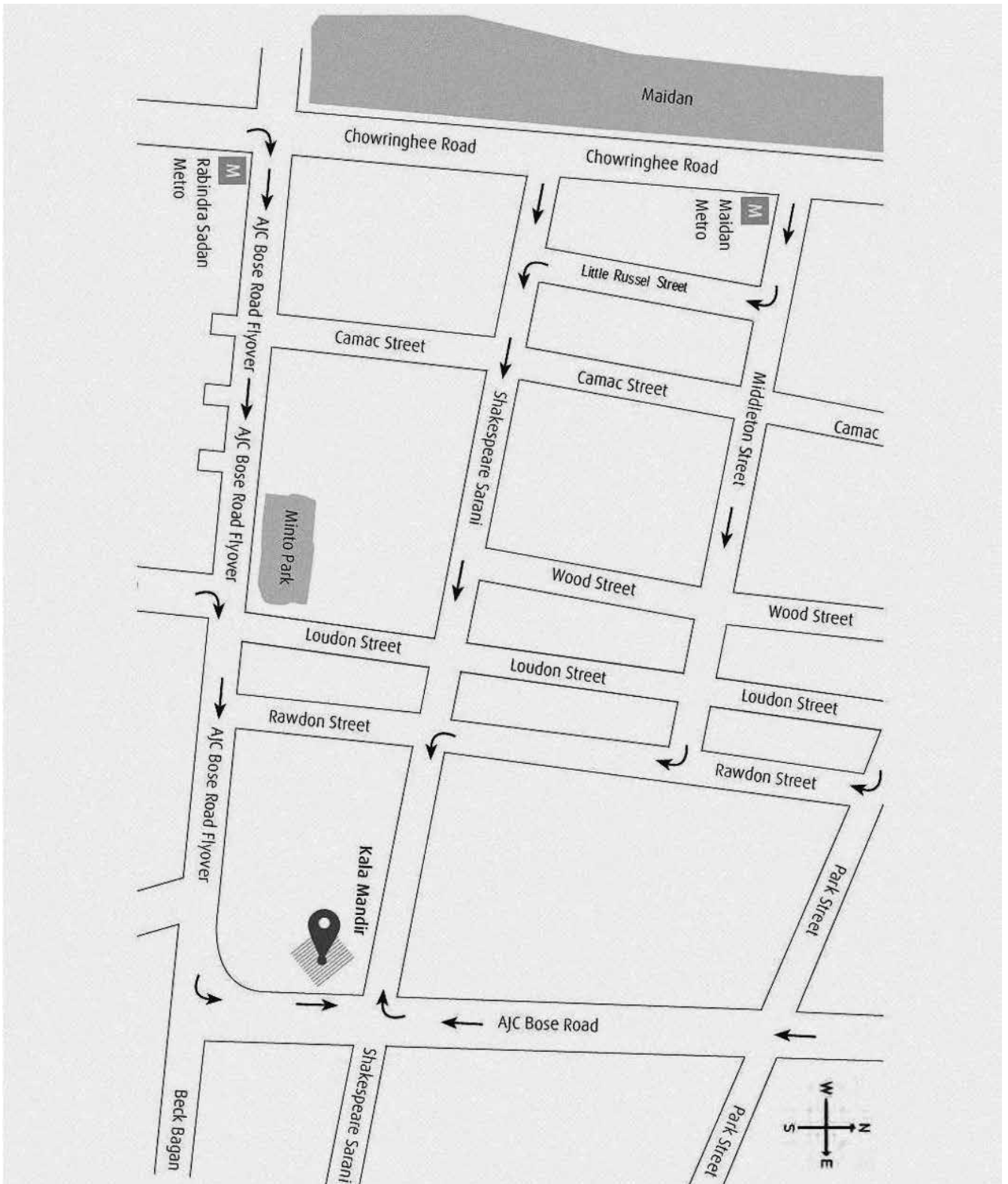
Name of the Director	Ms. Namrata Ashok Chotrani (DIN: 00390845)	Mr. Siddhartha Roy Burman (DIN: 00043715 )
Date of Birth	26/09/1985	19/11/1961
Age	33 years	57 Years
Qualifications	B.com from H.R. College of Commerce & Economics, Mumbai and MBA from INSEAD.	Bachelor's degree in Commerce from the University of Calcutta.
Experience and expertise in Specific Functional Areas	Ms. Namrata Ashok Chotrani has an overall experience of 11 years in Tax, Private Equity and Mergers.	Mr. Siddhartha Roy Burman has an overall experience of 36 years in all segments of Footwear Industry. His expertise include streamlining of operations, processes, HR initiatives and most importantly Brand building. He has great contribution in developing the manufacturing division of the Company.
Date of first appointment on the Board	14/12/2017	01/04/2005
Shareholding in the Company	NIL	8.12 % (14,59,149 equity shares)
Relationship with other Directors or with KMP	None	Father of Mr. Ritoban Roy Burman, Director (Non –Executive, Non - Independent)
Number of meetings attended during financial year 2018-19	Number of Meetings held: 5 Number of Meetings attended: 5	No. of Meetings held: 5 No. of Meetings attended: 5
List of outside Directorships held in other Public Companies (excluding foreign Companies and Companies under Section 8 of the Companies Act, 2013)	None	None
Chairman / Member of the Committees of Board of Directors of other Companies in which he / she is a Director #	None	None
Terms and conditions of Appointment or Re-appointment	Ms. Namrata Chotrani who was appointed as non - executive, non – Independent Director with effect from December 14, 2017 and whose appointment had been confirmed at the Annual General Meeting held on September 06, 2018, is liable to retire by rotation.	As per the resolution at item no. 4 of the Notice convening this Meeting read with explanatory statement thereto, Mr. Siddhartha Roy Burman is proposed to be re-appointed as Chairman & Managing Director.
Remuneration proposed to be paid	She is entitled to Commission, if any and Sitting fees for attending meetings of the Board and Committees in which she is a Member / Chairperson as may be decided by the Board.	He is entitled to Remuneration as per terms as set out in the explanatory statement annexed hereto and the Agreement dated April 01, 2019.
Remuneration last drawn by such person, if applicable (As per last audited balance sheet dated 31st March, 2019)	₹ 0.36 million	₹ 31.08 million

#Includes only Audit Committee and Stakeholders' Relationship Committee

# NOTICE

## ROUTE MAP TO THE AGM VENUE

'Kala Kunj' (within the premises of Kala Mandir), 48, Shakespeare Sarani, Kolkata - 700 017, West Bengal





## FORM NO. MGT-11 Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

### KHADIM INDIA LIMITED

Regd. Office: "Kankaria Estate", 5th floor, 6, Little Russell Street, Kolkata-700071  
Phone: +91 33 40090501 | Fax: +91 33 40090500 | Website: www.khadims.com | CIN: L19129WB1981PLC034337

Name of the member(s):	E-mail Id :
Registered Address:	
Folio No. / Client Id:	DP ID:

I / We, being the holder of \_\_\_\_\_ Equity Share(s) of the above named Company, hereby appoint:

Name: .....  
Address: .....  
E-mail Id: ..... Signature: ..... or failing him

Name: .....  
Address: .....  
E-mail Id: ..... Signature: ..... or failing him

Name: .....  
Address: .....  
E-mail Id: ..... Signature: .....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 38th Annual General Meeting of the Company, to be held on Thursday, the 8th day of August, 2019 at 11:30 a.m. at 'Kala Kunj' (within the premises of Kala Mandir), 48, Shakespeare Sarani, Kolkata - 700017, West Bengal, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolution
<b>ORDINARY BUSINESS</b>	
1.	Adoption of Audited Financial Statements of the Company for the financial year ended March 31, 2019 together with the reports of the Board of Directors and Auditors thereon
2.	Declaration of Dividend for the financial year 2018-19
3.	Re-appointment of Ms. Namrata Ashok Chotrani (DIN: 00390845), who retires by rotation and being eligible, offers herself for re-appointment
<b>SPECIAL BUSINESS</b>	
4.	Re-appointment of Mr. Siddhartha Roy Burman (DIN: 00043715) as Chairman & Managing Director of the Company for a period of 5 years.

Signed this \_\_\_\_ day of \_\_\_\_\_, 2019

Signature of the shareholder

Signature of the Proxy Holder(s)

AFFIX  
REVENUE  
STAMP

#### NOTES:

1. The form should be signed across the stamp as per specimen signature registered with the Company.
2. This form of proxy in order to be effective should be duly completed and deposited at least 48 hours before the commencement of the meeting at the registered office of the Company.
3. The Proxyholder may vote either for or against each resolution in the Meeting, provided that he / she or the Member(s) has / have not cast the vote through remote e-voting facility.

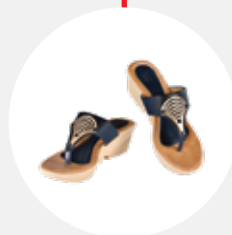
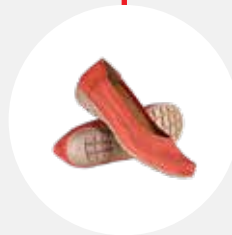
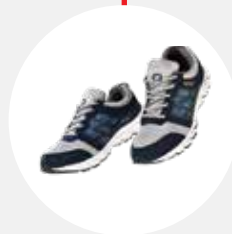
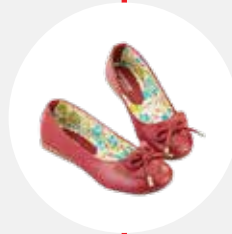






# ***Khadim's***<sup>®</sup>

Khadim India Limited,  
"Kankaria Estate", 5th Floor,  
6, Little Russell Street,  
Kolkata - 700 071, India.  
Website : [www.Khadims.com](http://www.Khadims.com)



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

dickenson