

September 01, 2020

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

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

Dear Sir / Madam,

Subject: Annual Report for the financial year 2019-20 of Khadim India Limited (the "Company") in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

Pursuant to Regulation 34 of the Listing Regulations, please find enclosed herewith the Annual Report of the Company for the financial year 2019-20 along with the Notice dated July 14, 2020 convening the 39th (Thirty-Ninth) Annual General Meeting ('AGM') of the members of the Company scheduled to be held on Wednesday, September 23, 2020 at 11:30 a.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

The same is also available on the website of the Company at www.khadims.com.

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: compliance@khadims.com; Website: www.khadims.com
CIN: L19129WB1981PLC034337

Khadiim's[®]

**ANNUAL
REPORT**

2019-2020



IN STEP WITH EVERY INDIAN

KHADIM INDIA LIMITED

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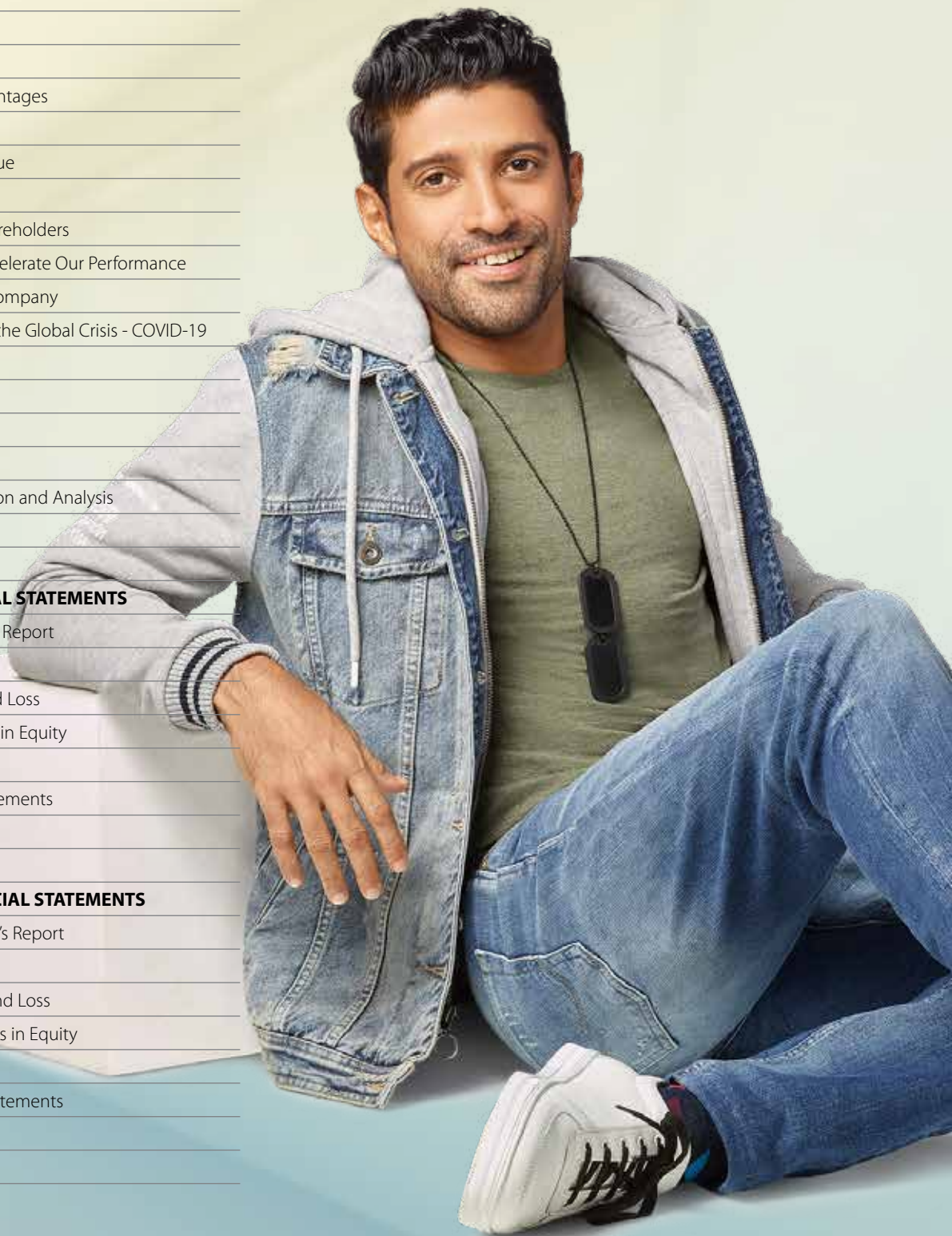
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Khadim's[®]

In Step with Every Indian

Our purpose is to connect and become the 'brand of choice' for every Indian and deliver steady value for our stakeholders.

Khadim India Limited has aspired to become the preferred choice for Indians. We are always seeking to fulfil our promise of delivering quality and stylish, yet affordable, footwear to our customers. We endeavour to satiate our customers who are great value seekers, demand world-class quality, and are also brand-conscious.

The Indian footwear industry is an ever-evolving sector. Customers these days seek both modern design and comfort. To meet their needs, we consistently focus on aligning our product offerings with the latest trends in the industry. Our business

strategies are directed towards enhancing quality and design, expanding our product offerings, rejuvenating our marketing activities, and ensuring that our systems and processes place us advantageously to serve our customers. During FY2020, we focused on enhancing our retail and distribution network. Our retail business includes 795 branded outlets under the "Khadim's" brand name and is successfully driving our premiumisation strategy through our nine sub-brands. Secondly, our reliable distribution network comprises 572 distributors supplying to Multi Brand Outlets in India. During the year, we introduced specific variants of our sports sub-brand "PRO" into our distribution line. As our attempt to improve our business and operations management, we implemented Theory of Constraints

(TOC) model, which is a popular management paradigm that uses a focused process to identify the constraint and restructure the organisational strategies around it. The model is installed across our 346 stores, both COCO and EBO. Through this initiative, we intend to bolster the business performance across all Khadim's stores and record improvement in our operational efficiencies and profitability margins.

In the future, our objective is to enhance our product portfolio by implementing new styles and maintaining excellent quality. We intend to reach to a broader customer base by expanding our geographical footprint in the untapped markets of India. Our purpose, as we move ahead, is to connect and become the 'brand of choice' for every Indian and deliver steady value for our stakeholders.



To view
Annual Report 2019 Online, visit:
<https://www.khadims.com>

At a Glance

Established in 1981, Khadim India Limited is a Kolkata based organisation offering an affordable range of footwear. We operate through two distinct verticals, Retail and Distribution, each with its predominant customer base, sales channel and product range. We have established our growth and success in these two segments, serving customers' need for affordable and quality footwear.



Retail Network

We have an extensive retail network spread across India encompassing 795 branded outlets under the "Khadim's" brand name.



Distribution Network

Our distribution business is a highly scalable model, operating with a mix of in-house and contract manufacturing. Our network comprises 572 distributors selling to Multi Brand Outlets (MBOs) across India.

795

Branded Retail Stores

23

States,
1 Union
Territory

Our Presence

572

Distributors selling to Multi-Brand Outlets

72%

Retail presence is through franchise route

90%

Product requirements are outsourced

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

4

One of the top 3 players in South India

5

One of the largest footwear retail franchise network in India

6

Our brand ambassadors are popular faces with strong social appeal

WHAT DIFFERENTIATES US



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.

Our Strong & Established Network

Our footwear retail franchise in India is the largest network, with a core purpose of ensuring 'Fashion for Everyone'. Under Khadim, we own 795 branded retail stores across 23 states and 1 union territory, through our retail vertical. Our distribution business vertical has a strong network of 572 distributors. Khadim is capable of capitalising on the growth potential of both markets and de-risk dependence on any business.



Delivering Quality

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.



TOC implemented stores

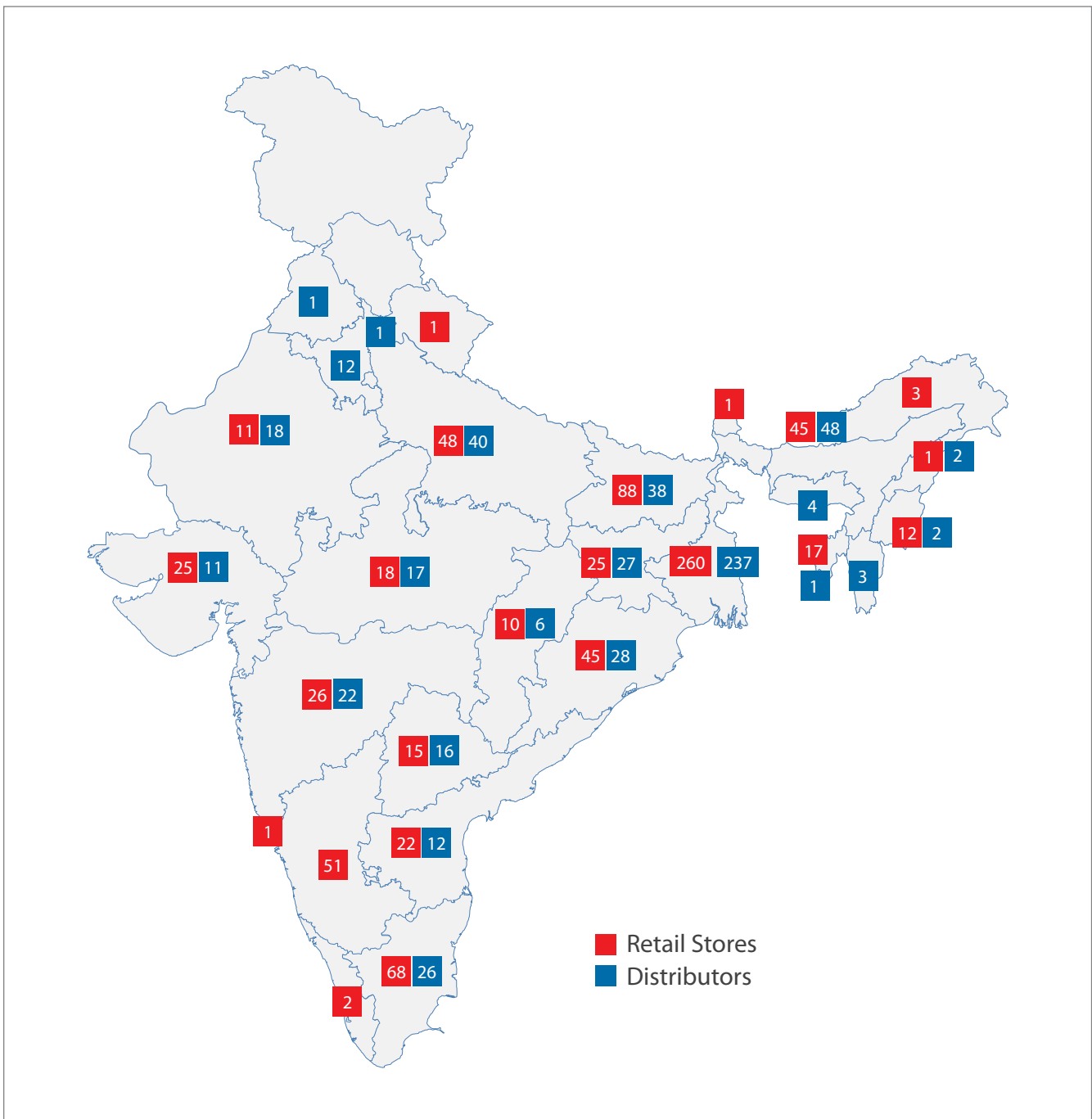
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Under TOC, we are customising store assortment, optimally utilising inventory to maximise sell-through and aligning stock targets with actual demand.



Our National Footprint

Year after year, we have expanded our geographical footprint across the country to cater to the footwear needs of our diverse customers.



Our Competitive Advantages

In our legacy of 39 years, we have developed and nurtured our exceptional qualities that continue to differentiate us from our peers.

Ready For The Future

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

Khadim's

Two-pronged market strategy



- Straddling between two distinct business models (retails 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 the 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 90% of product requirement

Distribution

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

Widespread reach and presence



- Retail presence across 23 states and 1 Union Territory
- 795 branded retail stores
- Wide network of 572 distributors selling to Multi-Branded Outlets

Increasing market potential



- Domestic footwear retail market to grow at a faster pace compared to the overall retail industry
- Continued shift towards organised retail with increasing preference for branded products
- Khadim's brand presence and product range makes it capable to address nearly 85% of the total Indian footwear market potential



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



Lazard



Turk



Khadim's



Cleo



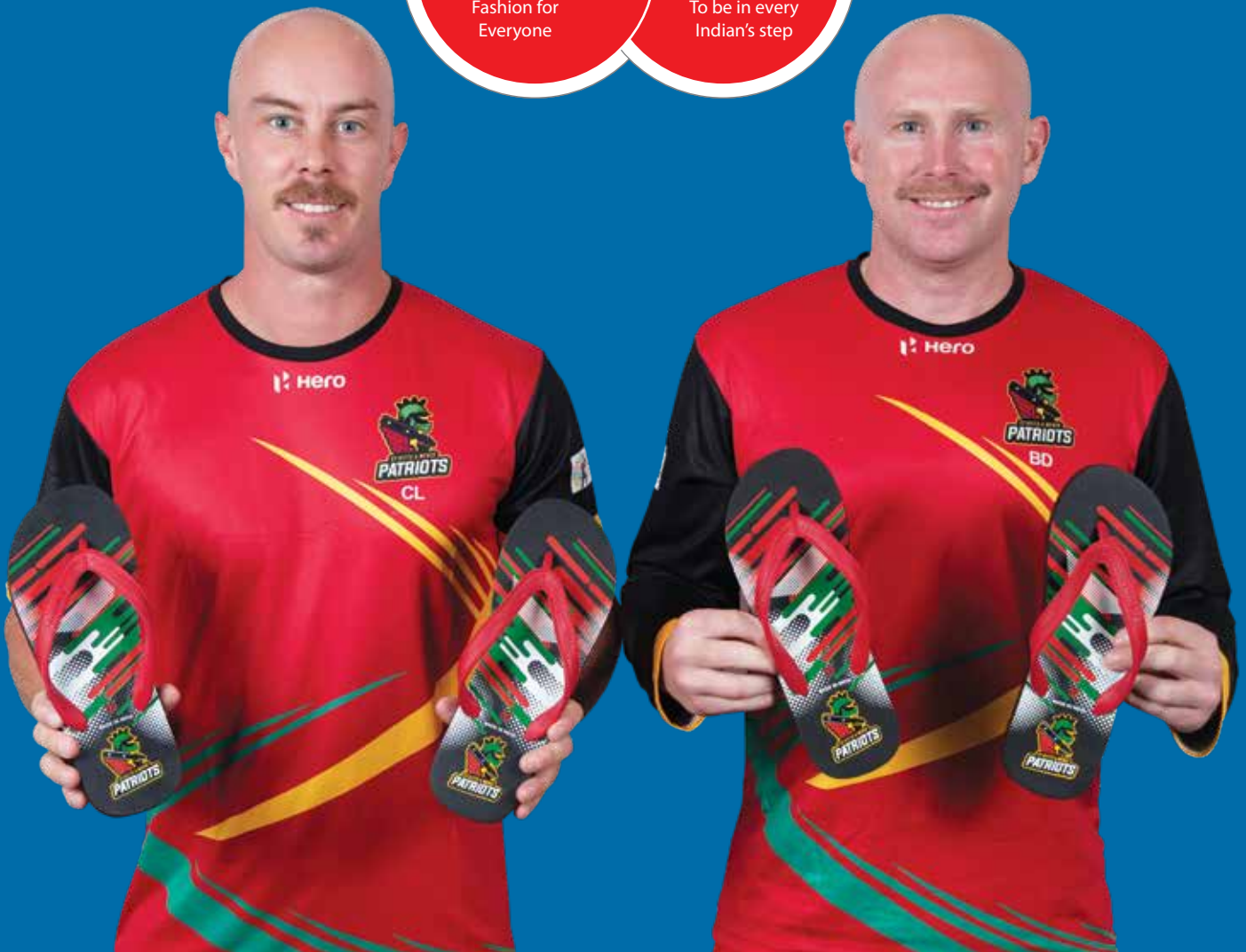
Bonito



Vision, Mission and Values

Our vision, mission and values have played a critical role in determining our business strategies and have also ensured that we follow a transformational journey towards meeting our end goal.

Our progress over the years is the result of our consistent efforts to achieve our growth-focused mission.



Corporate Information

Our team oversees and monitors the business operations and ensures that the Company is moving forward towards achieving its goals.

Board of Directors

Mr. Siddhartha Roy Burman
Chairman & Managing Director

Mr. Rittick Roy Burman
Whole-time Director

Dr. Indra Nath Chatterjee
Independent Director

Prof. (Dr.) Surabhi Banerjee
Independent Director

Mr. Alok Chauthmal Churiwala
Independent Director

Mr. Ritoban Roy Burman
Non-Executive Director

Chief Executive Officer

Ms. Namrata Ashok Chotrani

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
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
Website: www.linkintime.co.in
Tel: +91 22 49186000
Fax: +91 22 49186060

Registered Office

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

Board Committees

Audit Committee

Dr. Indra Nath Chatterjee
Chairman

Prof. (Dr.) Surabhi Banerjee
Member

Mr. Alok Chauthmal Churiwala
Member

Nomination & Remuneration Committee

Dr. Indra Nath Chatterjee
Chairman

Prof. (Dr.) Surabhi Banerjee
Member

Mr. Alok Chauthmal Churiwala
Member

Corporate Social Responsibility (CSR) Committee

Prof. (Dr.) Surabhi Banerjee
Chairperson

Mr. Siddhartha Roy Burman
Member

Mr. Ritoban Roy Burman
Member

Stakeholders' Relationship Committee

Prof. (Dr.) Surabhi Banerjee
Chairperson

Mr. Siddhartha Roy Burman
Member

Mr. Ritoban Roy Burman
Member

CMD's Message to Shareholders

During the year, we implemented significant strategic decisions throughout our value chain to drive growth and streamline sales in our business.

Dear Shareholders,

It gives me immense pleasure to present to you Khadim's Annual Report for the financial year 2020. FY2020 was a challenging year. During the year, our Net Sales recorded were ₹ 7,718.68 million as against ₹ 7,991.81 million in the previous year. The Operating EBITDA was ₹ 305.16 million as against ₹ 569.39 million in the previous year. The Operating EBITDA margin was 3.95% of Net Sales as against 7.12% in FY2019. The Loss Before Tax was ₹ 340.28 million as against Profit Before Tax of ₹ 332.04 million in the previous year. The Loss After Tax was ₹ 312.15 million as against Profit After Tax of ₹ 211.70 million in the previous year. Additionally, we implemented Ind AS 116 on accounting for lease effective April 1, 2019, accordingly these numbers are not comparable as against those of previous year.

FY2020 in perspective

During the year, we implemented significant strategic decisions to drive growth and streamline sales in our business. We adopted the Theory of Constraints (TOC) model, which is a popular management paradigm that uses a focused process to identify the constraint and restructure the organisational strategies around it. Since its installation, we have ensured to provide necessary training to our employees and store managers. This strategy is expected to be beneficial in managing costs and improving logistics by customising store assortment, utilising inventory in an optimal manner to maximise sell-through and aligning stock targets with actual demand. This will streamline our sales to franchisee and consequently drive profitability for them as well. Additionally, we have substantially enhanced our product portfolio by adding new line of products



with fresh and appealing designs. These products are targeted towards the youth segment and is ready to be launched in the market. Through this, we intend to take our motto of “Fashion for Everyone” to a new level. During the year under review, we made key changes in our distribution segment by onboarding an experienced Business Head to accelerate the growing segment, which is enhanced with an expanded sales team and increased tie-ups in the pipeline. To further improve our online presence, we revamped our company website with a modern and user-friendly interface that showcases our products attractively. Furthermore, we are also focused towards enhancing our omnichannel sales network by interlinking our e-commerce platform and stores across the country. Through this, we aim to achieve significant growth in our e-commerce sales. Additionally, during the fiscal, we actively improved engagements with our customers by launching interactive social media campaigns and increasing online marketing activities.

Impact of COVID-19 and our response

In the beginning of 2020, the unprecedented outbreak of the COVID-19 pandemic posed a challenge for individuals, businesses and economies. The human tragedy has resulted in loss of numerous human lives and has disturbed the way in which individuals functioned. To contain the virus, the Government of India had announced a nationwide lockdown, which had paused the operations across businesses. The adverse effects of the pandemic were observed in our business as well. Our sales and manufacturing were on complete hold from March 22 – May 13 due to the prolonged lockdown. The activities at our facilities and outlets have resumed partially, and we are ensuring that all our spaces abide by the stringent health and hygiene protocols in our operations. We have taken all the necessary steps to take care of our employees & staff, adhere to the social distancing norms and safety standards issued by the Ministry of Home Affairs along with the multiple directives announced by relevant Government Authorities.

Segment-wise performance

At Khadim’s, our business model follows an asset-light approach. We have an extensive reach and growing presence across the country. Our retail network is spread across 23 states and one union territory.

As of March 2020, we have recorded 795 operational stores under “Khadim’s” brand name of which, 223 are Company-owned stores and a vast franchisee network of 572 stores. Your Company also has an additional extensive network of 572 distributors selling to Multi Brand Outlets (MBOs) across India. During the year under review, there was a reduction in the sales volume due to various challenges faced by the business. Through the 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 recorded a relatively flat year 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 and increasing brand awareness.

In conclusion

FY2020 was a challenging year on account of various economic and industry factors but more so, on account of the COVID-19 pandemic. Going forward, we expect that the negative impact of the contagion will prevail for medium term. In addition, we also expect to see a shift in the consumption pattern of people due to the sudden arrival of the pandemic and its surrounding uncertainties. However, in the long run, we are optimistic that the market demand will bounce back once everything gets back to normal. In the coming time, we aim to leverage on our capabilities to drive growth in our business. Our goal is to focus on our e-commerce platform in order to record improved contribution from our online sales to our total revenue. We intend to further enhance our omnichannel sales strategy, which will enable us to achieve

seamless flow of products between our online and offline sale mechanisms. We are confident that through our mindful business strategies, we will be able to register strong revenues, enhance our customer base, and emerge as the preferred choice for footwear fashion in India.

I would like to express my sincere gratitude to 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. It is your resolute trust and faith that has allowed Khadim to remain on the transformational journey of growth and success.

Yours Sincerely,

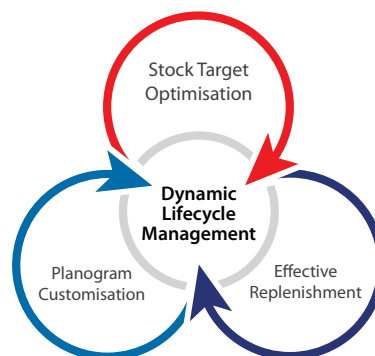
Siddhartha Roy Burman
Chairman & Managing Director

Leveraging TOC to Accelerate Our Performance

At Khadim's, we understand the importance of having a sound business and operations management in place to record higher levels of performance. To this end, during FY2020, we implemented the Theory of Constraints (TOC) model.



“ Our aim is to leverage on the benefits that the TOC model offers for elevating the business performance across all our stores. ”



The implementation of TOC results in operational and financial excellence. Additionally, it helps to align stock targets with actual demand, utilise inventory to maximise sell-through, and customise stores' assortment.

At Khadim's, we have activated the TOC model in 236 of our COCO stores and 110 of our EBO stores. Since its installation, we have ensured to provide necessary training to our employees and store managers.

The system offers regular visibility of sales and stock by 10 a.m., every day across all stores. Since it is a web-based management system, it allows us to view and examine results irrespective of our locations. The model generates customised reports and review framework, which helps us to execute strategic business decisions. Additionally, it helps the merchandising team to rationalise and synchronise ideal footwear lines as per the preference of our customers. As a part of the assessment, we have tested depth, variety and lifecycle management at our shortlisted COCO and EBO stores for design fine-tuning for massive scale roll-out. Consequently, we have recorded a significant increase in the sales and inventory turnover at the select stores.

Period: 1st Sept-28th Oct	COCO	EBO
Sales Volume Δ	+8% *	+15%
Inventory Turns Δ	+18%-25%	+5%

*7 out of 10 stores

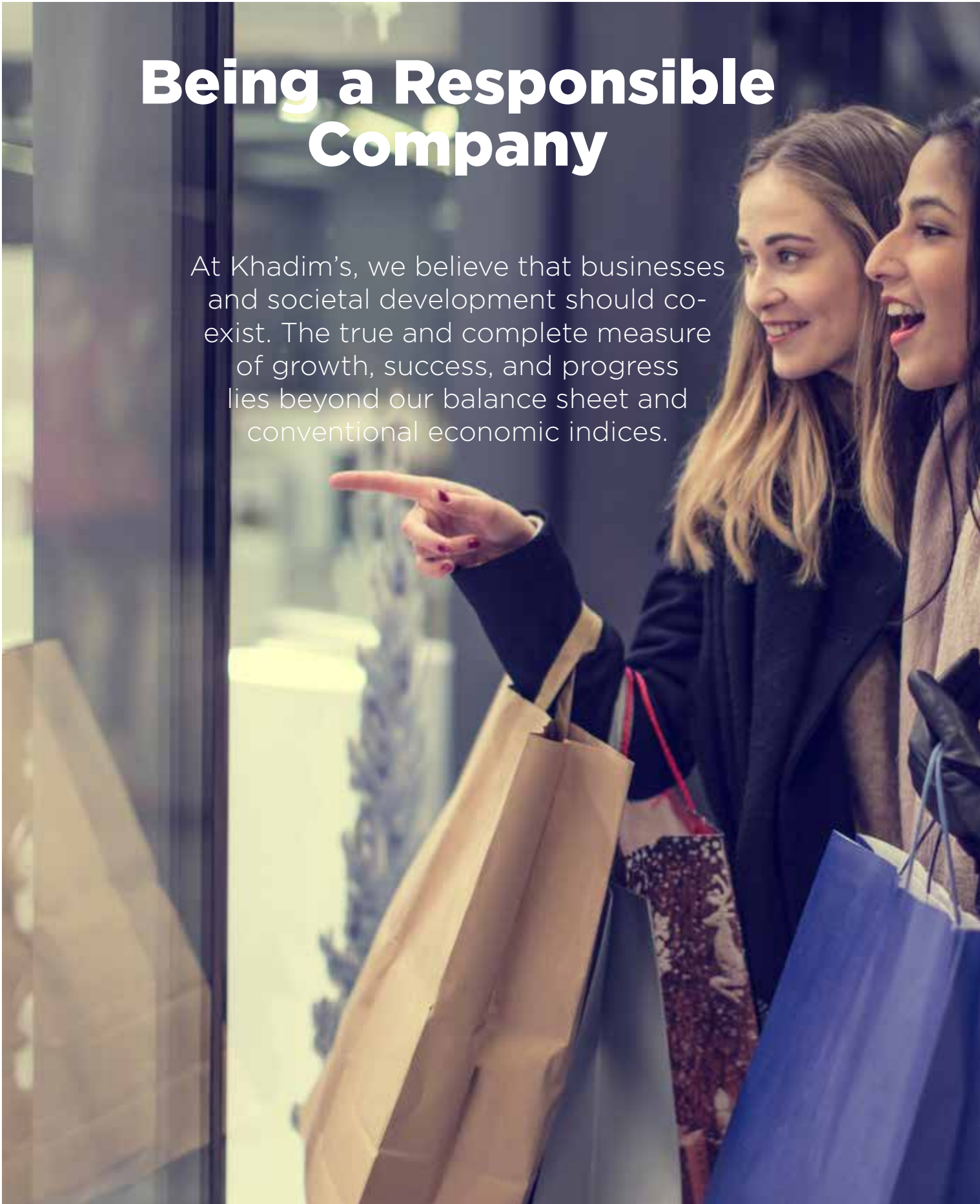
Going forward, we aim to leverage on the TOC model to enhance the performance across all our stores. Through the prudent use of the system, our goal is to strengthen the merchandise management processes. We intend to encompass all our COCO and EBO stores on a common pull-based allocation platform to generate healthy business results. Additionally, we plan to establish systematic processes such as order planning, execution and load-capacity monitoring to improve vendor performance. Through these initiatives, our purpose is to bolster the business performance across all Khadim's stores and record improved operational efficiencies and profitability margins.

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Stores with TOC implemented

Being a Responsible Company

At Khadim's, we believe that businesses and societal development should co-exist. The true and complete measure of growth, success, and progress lies beyond our balance sheet and conventional economic indices.





“ As an organisation that focuses on uplifting the lives of people, we devise and implement multiple CSR initiatives to develop the unserved and underserved parts of the society. ”

Our actual growth and progress are reflected in the impact that Khadim India Limited makes on the communities in which it operates. Therefore, as an organisation that focuses on uplifting the lives of people, we devise and implement multiple CSR initiatives every financial year to develop the unserved and underserved parts of the society.

During FY2020, we have executed several initiatives in different areas of societal development. Khadim India Limited had spent ₹8.36 million towards various CSR efforts in the areas of health and well-being, education, and environment protection.

In our legacy of 39 years, we have strived to be at the forefront of change. We have significantly contributed to the betterment of society to achieve inclusive growth for our business and the economy. We not only perceive CSR as our business responsibility but also believe it to be an integral part of our organisation. It humbles us to realise the undeterred commitment and dedication of our employees towards undertaking these initiatives.

₹8.36 million

Our CSR spent for FY2020

Our CSR initiatives are focused towards improvement and development of communities and the environment in which we exist. We aim to promote environment protection and contribute towards building a strong ecosystem.



Maintenance of Park & Garden in collaboration with South Dumdum Municipality, Kolkata



Medical facilities provided by HelpAge India under CSR activities of the Company during COVID-19 pandemic

In the times of crisis, our role as a company is at its most critical. We focus on extending uninterrupted support to the underprivileged sections of the economy and help in reducing the negative impacts of the crisis.



Distribution of one month survival kit consisting of daily essentials by HelpAge India under the CSR activities of the Company during COVID-19 pandemic



Distribution of dry ration by CINI under the CSR activities of the Company during COVID-19 pandemic

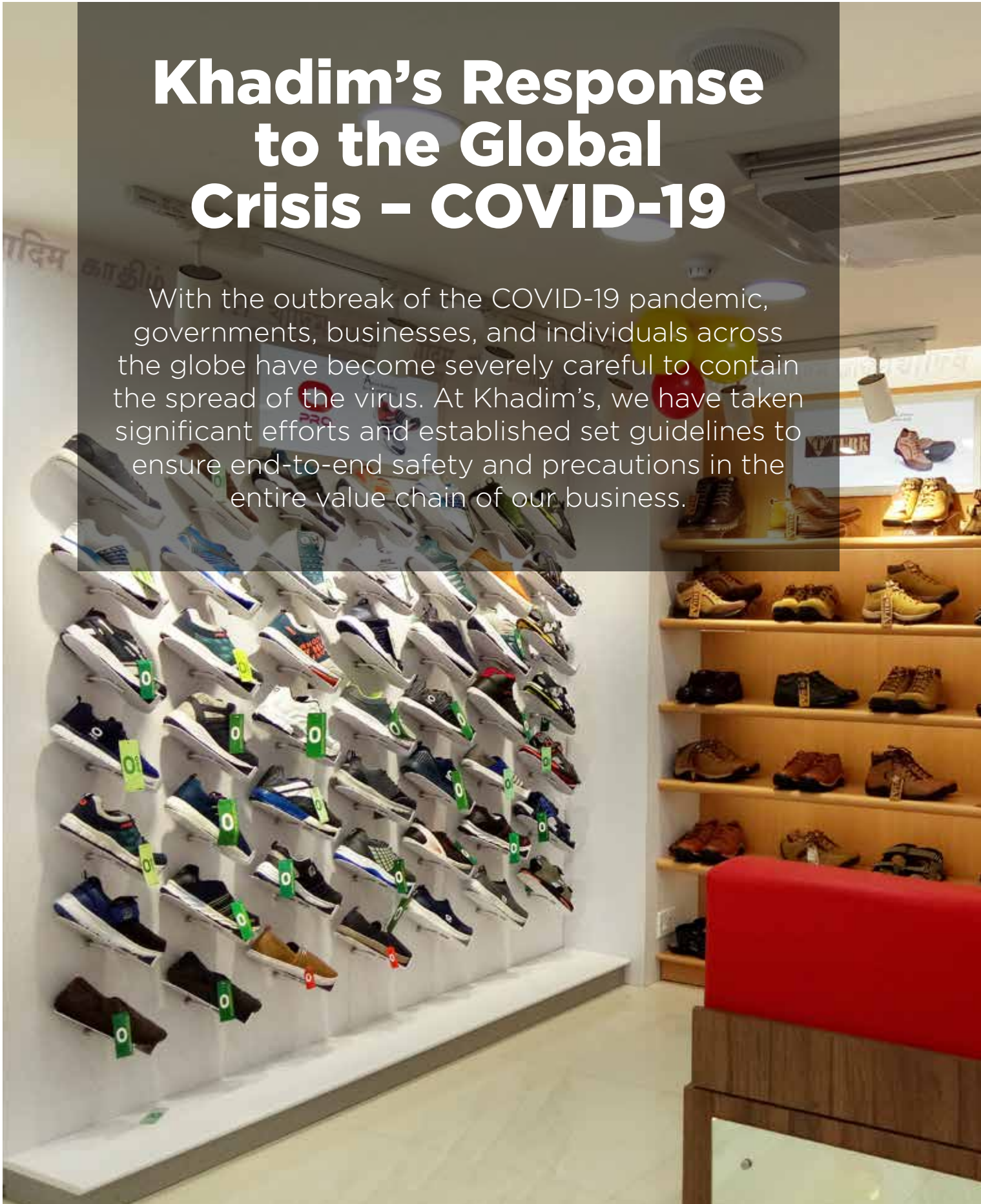


Participation of staff members in plantation activity conducted under CSR in association with "Green for Life Foundation"



Khadim's Response to the Global Crisis - COVID-19

With the outbreak of the COVID-19 pandemic, governments, businesses, and individuals across the globe have become severely careful to contain the spread of the virus. At Khadim's, we have taken significant efforts and established set guidelines to ensure end-to-end safety and precautions in the entire value chain of our business.





“ Throughout our operations and service, we continuously ensure that we abide by the safety and sanitisation guidelines to confirm that we do not compromise with the health of our customers, employees, and factory workers. ”

The beginning of the year 2020 witnessed the unprecedented emergence of COVID-19, a human tragedy that posed as a massive challenge, even for the most advanced economies. This pandemic has caused major damage to human lives and businesses universally. As a precautionary measure, the Government of India announced a nationwide lockdown to contain the virus. Further to a significant period of shutdown, the Government undertook a gradual unlock process where it lifted the lockdown in different phases to allow lives to normalise. The unlock process has been implemented subject to stringent health and safety protocols that have been made mandatory for individuals, public services, and businesses.

At Khadim's, we have resumed our operations with a well-placed system to ensure that our Company abides by the government's safety and sanitisation guidelines. This helps us to confirm that we do not compromise the health of the customers who visit our stores, in person. As a footwear company, we have four areas of concern – Corporate Office, Retail Outlets, Warehouse and Factory. To ensure utmost safety at all locations, we have set strict guidelines for our employees and customers. We have implemented the uninterrupted use of thermal gun and pulse oximeter to examine the body temperature of all our employees and visitors. This is done at the main entrance. Our team ensures that every individual at our premises has a face mask before they enter our office premises and stores. Our reception and meeting room area is fully secured with protective gears and is regularly

sanitised. We use UV-C steriliser box to sterilise cash inside the corporate office cash area. Furthermore, we have also installed touch-free automatic liquid dispenser in various areas inside our corporate office to make sure that our employees are working in safe surroundings. At our factory premises, raw materials, goods, machineries and conveyor lines are regularly sanitised. Every incoming and outgoing vehicle at our warehouses is regularly decontaminated.

As businesses resume, our challenge is to confirm that all our retail stores meet the best safety standards to mitigate the spread of the virus to our customers. Therefore, our retail workers regularly sanitise the door handles, display shelves, swipe machines and computer keyboards. We follow complete social distancing norms inside the store to prevent cluttering and crowding. Additionally, the newly received stock is kept under isolation for 48 hours. All the pairs of footwear are duly sanitised after every customer trial. To promote cashless and no-contact transactions, we are encouraging online payment options across all our stores.

We understand the severity of the pandemic and its impact on several lives across the globe. While the Government is continuously focusing on combating this contagion, it is equally striving to keep the economy running. As a responsible Company, we are taking all the preventive measures to ensure that we are operating in the best interests of our employees and customers. Going forward, we intend to continue our business by adhering to the safety guidelines so that Khadim's can uninterruptedly serve its customers.

Board of Directors

Our Board has been an instrumental force in making the critical decisions as well as providing us with the strength to achieve our long term goals.



Siddhartha Roy Burman
Chairman & Managing Director

Is the 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 37 years of experience in the footwear industry.



Rittick Roy Burman
Whole-time Director

Is the son of Mr. Siddhartha Roy Burman, Chairman & Managing Director of the Company. 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. Prior to his appointment as Whole-time Director, he acted as Head – Merchandising & New Initiative, taking care of the long-term strategy of the organisation and drive all the new initiatives, ventures and merchandising of the Company.



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.



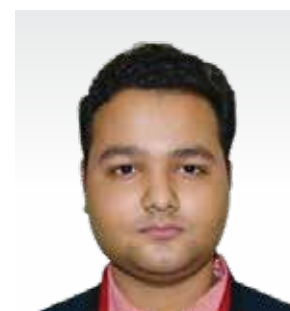
Prof. (Dr.) Surabhi Banerjee
Independent Director

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 Central University of Orissa, University of Gour Banga and Netaji Subhas Open University.



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 22 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).



Ritoban Roy Burman
Non-Executive, Non-Independent Director

Is the 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 the Company in 2013 as Manager-Marketing and worked till November 30, 2017. He has gained good exposure in various aspects of footwear marketing during his tenure with the Company.

Our Leadership

Our leadership team has played a pivotal role in executing our vision and ensuring seamless business operations under every circumstance.



Namrata Ashok Chotrani
Chief Executive Officer

She joined the Company as CEO on November 01, 2019. She 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 11 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 6 (Six) Years particularly from September 20, 2013 till March 09, 2016 as Non-voting observer, from March 10, 2016 till November 21, 2017 as Nominee Director, representing Reliance Alternative Investments Fund - Private Equity Scheme I and from December 14, 2017 till September 11, 2019 as Non-Executive, Non-Independent Director of the Company.



Indrajit Chaudhuri
Chief Financial Officer

He 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 Institute of Chartered Accountants of India and also holds a Master's Degree in Commerce from the University of Calcutta. He has an experience of over 18 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 19 years of experience in secretarial and legal affairs. He is responsible for the overall secretarial and legal functions of the Company.



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 Master's Degree in Science (M.Sc. – Physics) from the Calcutta University. He has an overall 20 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.



Vivek Chandra Khare

Assistant Vice President- Distribution and Sales

He joined the Company on April 01, 2020. He holds a Master's Degree in Business Administration and Bachelor's Degree in Science, both from the University of Allahabad. He has rich and varied experience in the field of sales strategic planning, distribution channels and daily sales operations. He has an overall experience of 21 years. He was previously associated with organisations like Lakhani Footwear Private Limited, Lakhani Shoe Company (P) Limited and Scientific Instrument Company Limited. He is responsible for the distribution 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 24 years of experience in strategic planning, accounts, IT, business development and sales. He is responsible for the retail (COCO) business of the Company.



Jainender Kumar

General Manager - Manufacturing

He joined the Company on April 01, 2020. He has done Post Graduate Diploma in Production Management, Post Graduate Diploma in Material Management and Inventory Control and Post Graduate Diploma in Personnel Management and Industrial Relation from Annamalai University, Chennai and holds a Bachelor's Degree from CCS University, Meerut. He has completed his diploma in Chemical Engineering Specialized in Plastics and Rubber Technology from UP Technical Board. He has rich and varied experience of 26 years in the field of Production and Manufacturing in footwear domain. Before joining the Company, he was associated with organisations like Gillette, Luxor, Relaxo Footwear Limited, Uttam Plastomers, Alert India, Stics India Ltd, Supreme Rubber, Impax Hoses, Manju Plastics, Hero Plastics, Master Polymers and APL Footwears. He is responsible for the entire manufacturing process of the Company.



Rajdeep Banerjee

Business Head (E-commerce)

He joined the Company on July 01, 2020. He holds a Master's Degree in Business Administration (Marketing) from PICT School of IT & Management, Pune and a Bachelor's Degree in Commerce from Pune University. He has an overall experience of 14 years in retail (offline & online). Before joining the Company, he was associated with organisations like Flipkart India Private Limited, TESCO Hindustan Wholesaling Private Limited, Metro Cash & Carry India Private Limited and A.W Faber Castle India Private Limited. He is responsible for the entire E-commerce business segment of the Company.



Kaushik Dutta

Assistant General Manager - Sales

He was elevated to the position of Assistant General Manager – Sales from Manager (Zonal Retail Head - East) with effect from February 06, 2020. He joined the Company in March, 2007. He has done PGCBM from XLRI Jamshedpur and holds a Bachelor's Degree in Science from Calcutta University. He has rich and varied experience in the field of Retail Sales & Marketing in footwear domain with an experience of 15 years in trend analysis, retail sales and team management. He was associated with Pantaloons Retail India Limited before joining the Company. He leads the EBO/BO vertical segment of the Company.

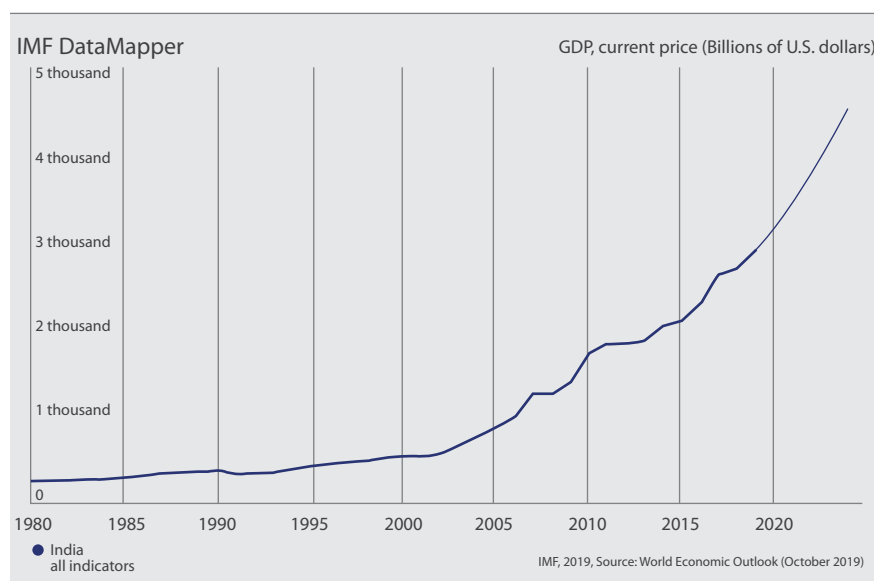
Management Discussion and Analysis

The Indian economy has been at the forefront as one of the fastest growing economies over the past decade.



Economy Overview

The fiscal year 2020 marked the ending of a decade, which saw the world recover from a financial crisis and scale new heights in terms of innovation and economic expansion. Some of the major developments and changes in lifestyle were not even conceivable ideas at the start of the decade. The Indian economy has been at the forefront as one of the fastest growing economies over the past decade. India's GDP grew from being the 9th largest to 5th largest in the world, overtaking countries like Brazil, Italy, France, UK in the process. As seen below, the size of the Indian economy expanded by more than 50% over the decade.



Some of the noteworthy developments over the last year include:

- A jump of 79 positions to 63 in 2019 from 142 in 2014 in World Bank's Ease of Doing Business rankings.
- Most significant corporation tax reduction in 28 years, the government slashed rates by up to 10 percentage points, effectively ₹1.4 trillion tax break — in a bid to revive the economy.

The Indian economy faced multiple challenges in FY2020 and India's real GDP growth rate decelerated to 4.2% compared to the 6.1% growth recorded in FY2019. This deceleration in growth

was due to the slowdown across manufacturing sectors coupled with the general liquidity squeeze in the economy caused by the weakness in the NBFC sector. This was further aggravated by a collapse in consumer spending in India, the bedrock of the economy.

The global economic growth decelerated last year because of continued weakness in global trade and investment. As per the IMF, world GDP stood at 3.4% in 2019 (Jan-Oct). The slowdown in some economies led to a weakened global growth rate of 2.4% - the lowest rate of expansion since the global financial crisis.

While countries across the world were trying their best to get their growth back on track, 2020 began with an unprecedented humanitarian challenge in the form of a global pandemic following the outbreak of the COVID-19 virus. The pandemic has inflicted high human and industrial loss worldwide. A significant portion of the world economy went in a shutdown. As per IMF, the global economy is projected to contract sharply by 3% in 2020, much worse than the 2008-09 financial crisis.

Response to the Pandemic

Unlike some countries, India took a proactive measure and implemented a nationwide lockdown to arrest the

spread of the COVID-19 virus even before there was a spike in the positive cases. The lockdown was in place for two months and the country started opening in a phased manner from June 2020. The Indian government announced a massive ₹20 lakh crore stimulus package, equivalent to 10% of GDP, to kickstart the economy, which has come to a standstill during the lockdown. The stimulus package comprises of:

- ₹8.01 lakh crore of liquidity measures announced by the RBI
- The RBI also reduced the bank rate and repo rate by a significant 160 bps in FY2020 (75 bps in March 2020) to 4.65% and 4.4% respectively
- ₹5.94 lakh crore in the first tranche that provided credit line to small businesses and support to shadow banks and electricity distribution companies
- Free food grains to stranded migrant workers for two months and credit to farmers totalling ₹3.1 lakh crore
- Increased spending on agriculture infrastructure and allied sectors amounting to ₹1.5 lakh crore

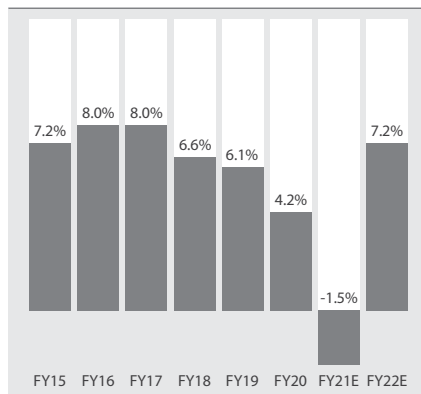
Economic Outlook

Overcoming the damage caused by the pandemic and the nation-wide lockdown is expected to be a daunting task. With consumption making up almost 60% of India's economy, the slump is weighing on Asia's third-largest economy. However, India seems to be on track for its first contraction in more than four decades. Fitch Ratings has made a downward revision in its economic growth forecast for India to 0.8% in the fiscal year ending March 2021 (FY2021), reflecting the impact of COVID-19 and the official efforts to contain it. The downward revision is sharply from their forecast of 5.6% before the outbreak. Furthermore, it also expects economic activity to contract by 5% in the fiscal year ending March 2021 (FY2021) from the strict lockdown measures imposed since 25th March 2020, before rebounding by 9.5% in FY2022.

However, India's growth story for 2021 will be driven by internal growth coming back on the track. Amidst all the gloom, agriculture recorded a 5.9% growth in the last fiscal against 1.6% in 2018-19. The bold steps were taken by the government, and a comprehensive stimulus package to revitalise the economy is expected to have a positive impact going ahead.

Looking beyond the near-term challenges, India's long-term growth story remains intact with the Indian economy is expected to rebound strongly in FY2021 by registering a growth of 7.2% as per Survey of Professional Forecasters (SPF) sponsored by the RBI.

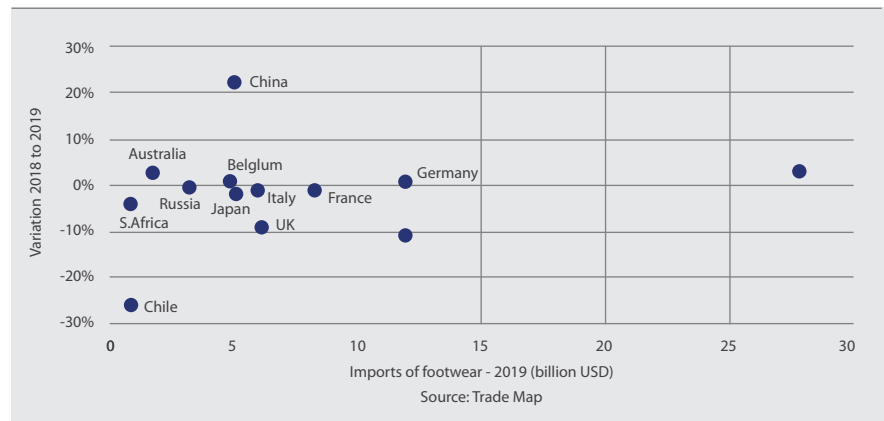
India Real GDP Growth Rate (%) - FY 2015 to 2022E



Footwear Industry Overview & Outlook

From soles to souls, shoes contribute a great deal to our human experience. Whether a pair of bouncy new sneakers or a pair of bright red pumps, shoes can make anyone smile and can elevate any outfit to the next level. Over the last decade, the global production of footwear has seen a 20% rise, from 19.3 billion pairs in 2010 to over 24 billion pairs as of 2018. Imports to the USA market, the largest in the world, grew by 2.4% in FY2019, as also did imports to Australia. In Asia, imports grew more than 20% to China but fell by 2% to Japan, both countries now slightly surpassing US\$5 billion. The South African and, especially, the Chilean markets registered significantly negative growth rates. In most European countries, there was a slight change (growth rates between -1.5% and +0.5%) but imports to the UK fell by almost 10%.

Imports of Footwear 2019 vs 2018



Industry Overview

India is one of the largest footwear markets in the world. As per the industry data, the current size of shoe industry is around ₹50,000 crore. Footwear is one of the major contributors to India's large retail industry. As per the Boston Consulting Group (BCG) and the Retailers Association of India (RAI), the Indian retail industry was valued at US\$ ~700 Billion in 2019.

India is the second-largest consumer of footwear in the world, with consumption pegged at 11.7% of the total global footwear market. India is the second-largest producer of footwear globally, accounting for 13% of the global footwear production, next to China, which dominates the global footwear industry accounting for close to 67% of the market. The footwear industry, along with other few industries such as textile and apparel industry together are the largest employers in India, after the agricultural sector. Furthermore, it has employed around 1.1 million people.

China and India are expected to be the economies with the most dynamic increase in footwear consumption, which will be motivated by both the largest slice of available income (as the country gets richer) and by movements of population. India has 8 cities with more than 5 million inhabitants. Urbanisation will be a crucial factor, which will spurt the growth in footwear industry growing forward, as the urban populace gets more fashion-conscious with ever-increasing needs for a variety of footwear. This will also lead to an increase in footwear per capita, which continues to be low at 1.66 pair per annum in comparison to the global average consumption of ~3 pair per annum and developed countries average of 6-7 pair per annum.

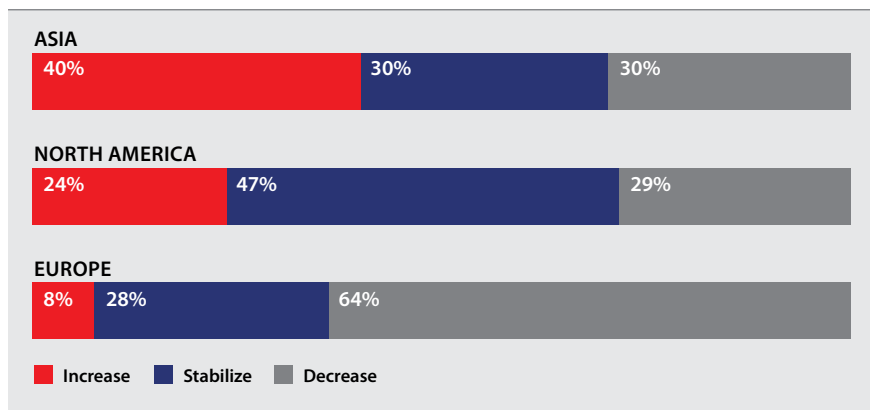
Impact of COVID-19 on Indian Footwear Businesses & Outlook

The pandemic resulted in a nationwide lockdown in India, which lasted almost two months. The major brands shut down their stores and most of them have also delayed their new collection release consequent to nationwide lockdown in India due to Covid-19 Pandemic. The shutting of factories and production in China has disrupted the supply chain. Agra, the largest footwear hub in India, records shoes worth over ₹3,000 crore exported to European countries every year. Due to the disruption in China, German footwear brand Von Wellx is shifting its entire production from China to Agra. The company is bringing an initial investment of ₹110 crore to Uttar Pradesh. Moreover, the move will generate 10,000 direct and indirect jobs, the government claims.

The World Footwear experts panel is foreseeing a drop in global footwear consumption of 22.5% in the current year. The decline in footwear consumption in 2020 is expected to reach 696 million pairs in North America, 908 million in Europe and 2.4 billion in Asia.

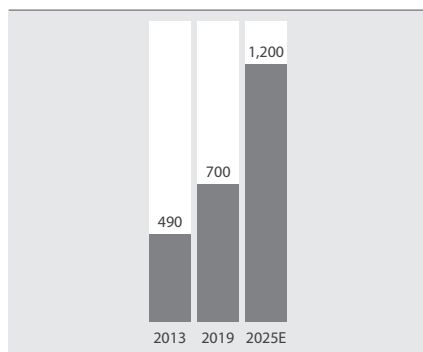
Back in January, the International Monetary Fund had estimated growth of 2.9% of the world economy in 2019. Furthermore, it had projected a 3.3% increase in the year 2020. However, the COVID-19 pandemic has led to a steep degradation of economic perspectives. A further slowdown in the growth is also expected. However, given the size of the population, availability of cheap labour coupled with increasing urbanisation in the aspiring middle-class population in India, the growth in the industry is expected not just to maintain its trajectory but even grow further. Following is the outlook on growth across geographies by the World Footwear experts panel.

Over the next 3 years, how will the market share of multi-brand shoe retail stores evolve?

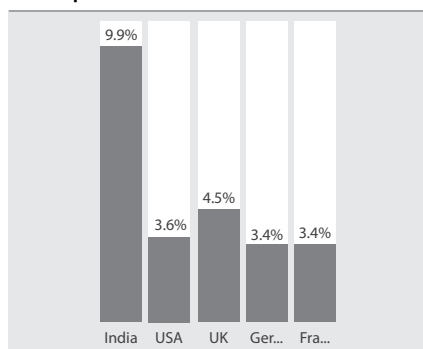


Another catalyst adding to the optimism is the steady growth of the organised retail sector in India. Footwear has been the highest-selling category in most of the annual marquee sales by the e-commerce portals in India. This indicates the demand and attraction for branded footwear in the Indian masses. India's retail industry is expected to grow at 9-11% CAGR over the next six years and reach US\$ 1.1-1.3 trillion by 2025. This will be driven by the burgeoning millennial population, rising per capita disposable income, increasing urbanisation, and expansion in the number of working women (as per Boston Consulting Group and the Retailers Association of India).

Indian Retail Expected to Grow at 9-11% CAGR



Indian Consumption - Outperform Developed Market



Source: BCG and Retailer Association of India Retail 4.0 Report (February 2020)

Company Overview

Being one of the largest footwear retailers in India, Your Company offers "affordable fashion" options for the entire family keeping "comfort" as the essential factor while designing and manufacturing footwear for every occasion. Along with having its 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.

Your Company operates with a two-pronged market strategy, which straddles two distinct business segments — Retail and Distribution — each with its 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. As of FY2020, around 72% of your Company's retail business operates through the extensive franchise network. Additionally, your Company has also outsourced 90% of the 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 growing presence across the country. Our retail network is spread across 23 states and one union territory. As of March 2020, we have recorded 795 operational stores under "Khadim's" brand name. Your Company also has an additional extensive network of 572 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.

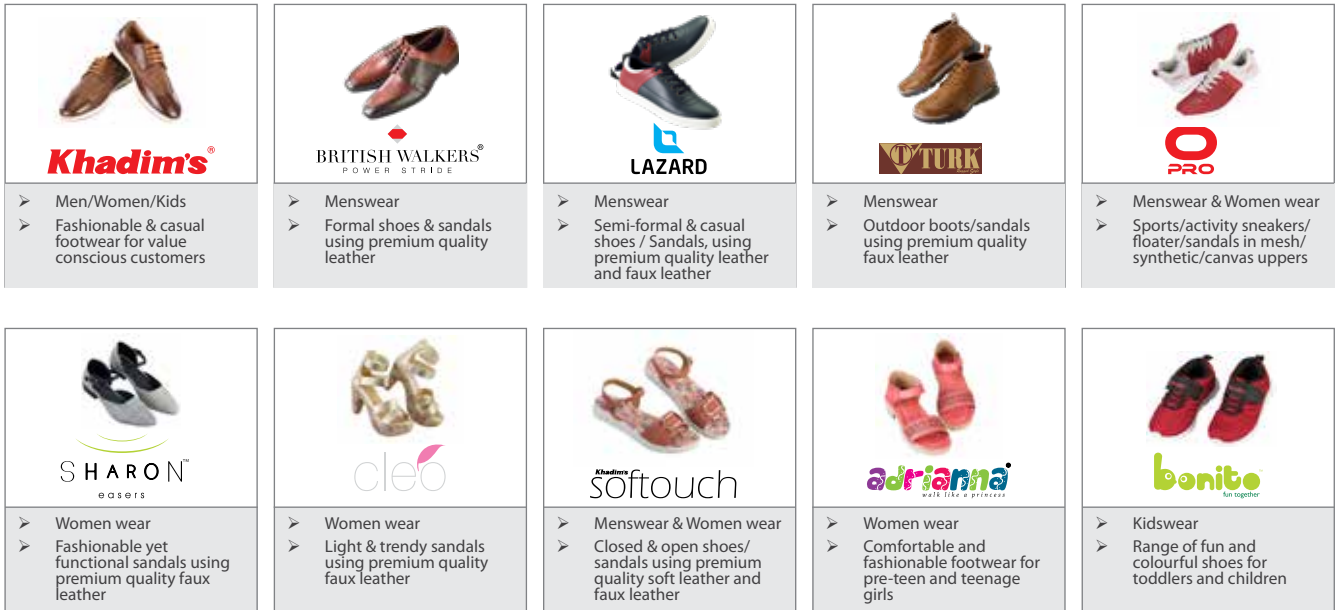
Our Business Model

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.

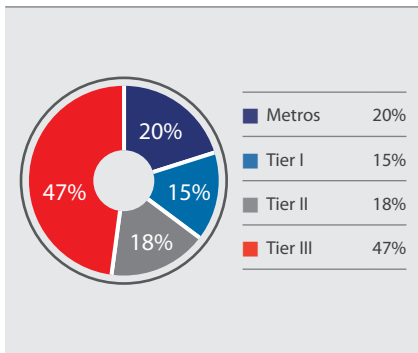
Retail Business

Your Company's retail business includes 795 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 retail business has been successfully driving our premiumisation strategy through our nine sub-brands.

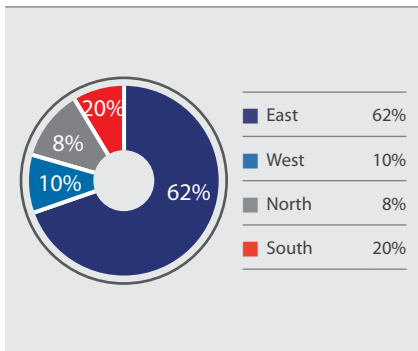




Retail Stores – Tier Wise



Retail Stores – Region Wise

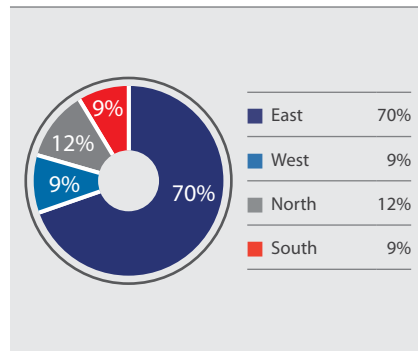


Distribution Business

Your Company's distribution network is spread across 572 distributors supplying to Multi Brand Outlets (MBOs) in India. With a larger audience of lower and middle-income consumers in Tier I to III cities, our distribution business product portfolio features a competitive 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.

The distribution business of Khadim is a highly scalable model to capitalise on retail brand recall and target new markets. In FY2020, we also introduced a few variants of our sports sub-brand "PRO" into our distribution line.

Distributors – Region Wise



Marketing and Branding

During FY2020, your Company took a major overhaul of marketing strategy. The advertising and promotion budget was increased substantially. To make the "Khadim's" brand more contemporary, and to appeal to the younger audience, your Company roped in celebrated personalities- namely Farhan Akhtar and Kangana Ranaut - as its brand ambassadors. We leveraged their celebrity identity through different media usage and at various points of sale.

Zonal activities not only gave desired exposure to the brand but also helped in increasing sales throughout the respective seasons.

Your Company's e-commerce presence has been consistently growing and has witnessed an increase in sales through major online players such as Flipkart, Amazon and Snapdeal, including other marketplaces, which continue to help us reach a broad customer base in areas with Khadim's stores as well as Multi Brand Outlets. We completely overhauled our website to offer enhanced e-commerce services, as our strategy to grow the e-commerce business further. Your Company also have plans to optimise omnichannel approach for online sales.

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

Our Operational Overview

As a strategy to accelerate sales performance through holistic merchandise management, we have recently implemented the Theory of Constraints (TOC) programme. Under TOC, we are customising store assortment, optimally utilising inventory to maximise sell-through and aligning

572

Distributors supplying to Multi Brand Outlets

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.



stock targets with actual demand. Since we have a vast and wide-spread network of franchisee stores, these initiatives will help in driving their performance. As of today, the system has been activated for 236 COCO and 110 EBO stores.

Procurement and Quality Control

Your Company procures 90% of its products for the retail business from outsourced vendors, as of FY2020. We have a nationwide network of over 131 vendors. 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.

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. 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 accordance with the guidelines.

Retail Business

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 $\pm 90\%$ of our products.

Distribution Business

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.

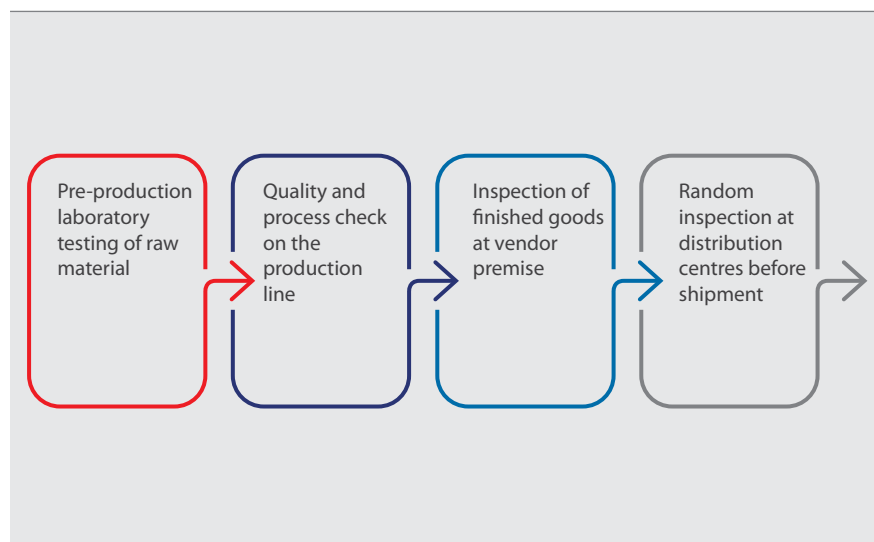
Warehousing and Logistics

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

The Supply Chain Management team have taken various measures to enhance the production capacity of vendors

Our Four-Stage Quality Control Process



Our omnichannel sales strategy enables us to achieve seamless flow of products between our online and offline sale mechanisms.



considering the ever growing demand of products. The initiative is being taken to upgrade the production scale of vendors as vendors are investing to take larger production premises to enhance supply capacity. New machineries are being installed by vendors such as hitting machine and pasting machines to minimise the production time and for attaining the desired level of quality of the products. Sourcing of raw-material at vendors end is being controlled and monitored by dedicated SCM team to ensure timely delivery of the raw material at vendor's end, better quality as well as to procure in cheaper price. This results in cost reduction.

Our Growth Strategy and Outlook

Going forward, your Company aims to expand its distribution network in West Bengal and neighboring states. There is an increased franchisee interest in the Southern states and your Company aims to expand its retail network via this route. It further intends to accelerate online sales through its website and e-commerce portals. Furthermore, your Company plans to enhance its product portfolio to attract young customers. Your Company will focus more on marketing its sub brands to push higher end products and improve its margins.

Financial Overview

In the financial year 2019-20, the net sales for your Company decreased to ₹ 7718.68 million as against ₹ 7,991.81 million in the previous year, marking a

fall of 3.42%. The operating EBITDA decreased to ₹ 305.16 million as against ₹ 569.39 million in the previous year. The operating EBITDA margin decreased to 3.95% of net sales as against 7.12% in the previous year. Loss Before Tax was ₹ 340.28 million as against profit before tax of ₹ 332.04 million in the previous year. The Loss After Tax was ₹ 312.15 million as against Profit after tax of ₹ 211.70 million in the previous year. Your Company has implemented Ind AS 116 on Accounting for lease effective April 1, 2019, accordingly these numbers are not comparable as against those of previous year.

Financial Ratios

Sl. No.	Particulars	FY 2020	FY 2019	Reason
i.	Debtors turnover ratio	0.15	0.17	-
ii.	Inventory turnover ratio	0.22	0.19	-
iii.	Interest coverage ratio	-0.16	3.85	The decrease was mainly on account of a higher interest cost because of newly implemented Ind AS 116 and a lower operating margin
iv.	Current ratio	1.19	1.45	-
v.	Debt equity ratio	0.50	0.38	Mainly on account of reduction in equity because of loss incurred during the year and amount adjusted from reserves on transition to Ind AS 116
vi.	Operating profit margin	3.95%	7.12%	Degrowth in topline and increased brand promotional expenses lead to a fall in operating profit margin
vii.	Net profit margin	-4.04%	2.65%	As a result of lower operating margin, the net profit margin was also low
viii.	Return on net worth	-14.84%	8.00%	Return on net worth was lower primarily on account of loss incurred during the year

Opportunities

E-commerce and digital interventions: 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.

Your Company has updated its website and android based app and added more categories of its products to the online channel. Your Company intends to have 3-5% of its total revenue from the e-commerce business.

Implementation of TOC: Your Company has implemented the Theory of Constraints (TOC) programme across its stores. Under this model, your Company customises store assortment, optimally utilise inventory to maximise sell-through and align the stock targets with actual demand. Since Khadim have a vast and wide-spread network of franchisee stores, these initiatives will help in driving their performance.

Enhancing our omnichannel: Your Company is setting up an omnichannel sales strategy, which will enable it to achieve seamless flow of products between our online and offline sale mechanisms.

Risks, Threats and Concerns

Competition from peers: Your Company operates in an extremely competitive market with our peers who have similar product lines and services that can pose a threat to our business. Therefore, our operations have to be in sync with the current market trends to make ourselves immune to the industry competition.

COVID-19 impact: The outbreak of the COVID-19 pandemic has led to a shift in the consumer behaviour, which can affect our business.

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 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.

Your Company has started the virtual training platform for its employees through in-house developed mobile based app, virtual ILTs (Instructor Led Training) and other various channels. Also to ensure the health and safety during the current pandemic scenario, the Company has done an extensive awareness session covering 1000+ stakeholders from retail domain, to ensure business continuity.

As on March 31, 2020 there were 824 permanent employees on the rolls of your Company.

Internal Control Systems and Their 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. 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

valuated by internal auditors and their audit reports are periodically reviewed by the Audit Committee.

Cautionary Statement

This document contains statements about expected future events, financial and operating results of Khadim's India Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Khadim's Annual Report for FY2020.



824

Permanent employees as on March 31, 2020

Board's Report

The Directors are pleased to present the 39th 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, 2020.

Financial Highlights

The Financial Highlights are set out below:

Particulars	In ₹ million			
	Consolidated		Standalone	
	2019-20	2018-19 [^]	2019-20	2018-19
Revenue from Operations	7718.68	7991.81	7718.68	7991.81
Other Income	66.71	63.38	66.71	63.38
Total Income	7785.39	8055.19	7785.39	8055.19
Less: Expenditure	7414.06	7422.42	7413.52	7422.42
Profit before Depreciation, Interest and Tax	371.33	632.77	371.87	632.77
Depreciation	419.36	184.31	419.36	184.31
Interest	292.79	116.42	292.79	116.42
Profit / Loss before tax	(340.82)	332.04	(340.28)	332.04
Provision for Taxation				
- Current and deferred Tax	(28.13)	120.34	(28.13)	120.34
Profit / Loss for the year after tax	(312.69)	211.70	(312.15)	211.70

[^] The Company incorporated Khadim Shoe Bangladesh Limited, a wholly owned subsidiary company in Bangladesh on September 05, 2019. Accordingly, comparative figures of financials for previous periods / year represents figures for the Company only.

Dividend

In view of the losses incurred by the Company during the financial year 2019-20, the Board of Directors of the Company are unable to recommend dividend on equity shares. Previous year, dividend of ₹ 1 per equity share was declared.

General Reserve

No amount has been transferred to the General Reserve for the financial year ended March 31, 2020.

COVID-19 Pandemic

The year 2020 began with a situation which was one-of-its kind. The COVID -19 affected economies worldwide. The outbreak of Covid-19 Pandemic forced Government of India to go for nationwide lockdown. The disruption in manufacturing and sales operations of the Company due to lock down has adversely affected the revenue growth of the Company. However, the Company has taken various cost-optimisation measures to deal with the situation. The Company has increased its concentration on online sales and digital communication via Whatsapp, Instagram, facebook etc. for frequent interaction with the customers in this present scenario.

Apart from adopting the "New normal" including Work from Home in specific functions, the Company has taken the necessary steps to adhere to the guidelines for social distancing and other safety measures for the purpose of smooth functioning of its operations. The office, manufacturing facilities, retail stores and warehouses pan India are sanitized at regular intervals to ensure safety and security of staff members and other stakeholders. All safety protocols of temperature sensing, wearing of safety gears (masks, face shields, etc.), social distancing, sanitizing and washing hands are being adhered to very stringently.

The Company has also re-designed its CSR activities in the last quarter of the year under report in alignment with the Covid -19 Pandemic situation. It has undertaken various activities the details of which are given in the Annual Report on CSR activities for the financial year ended March 31, 2020 which is marked as Annexure - I and forms part of this Report.

Board's Report

Operations and State of Company's Affairs

The revenue generated from operations for the financial year 2019-20 stood at ₹ 7718.68 million which was decreased by 3.42% from the financial year 2018-19. The loss for the year was ₹ 312.15 million in comparison to profit of ₹ 211.70 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 available for inspection by the shareholders during the Annual General Meeting. A copy of the same will also be available for inspection at the registered office of the Company.

Share Capital

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

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 has incorporated a wholly owned subsidiary in Bangladesh in the name of Khadim Shoe Bangladesh Limited, which is registered with the Registrar of Joint Stock Companies and Firms Bangladesh on September 05, 2019. There are no associate or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013.

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

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

Board's Report

Deposits

The Company has not accepted any deposit from public within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 and as such no unclaimed / unpaid matured deposits or interest thereon was due as on March 31, 2020.

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. The Annual Report on CSR activities for the financial year ended March 31, 2020 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/>.

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 Regulation 25(8) of 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.

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

Ms. Namrata Ashok Chotrani (DIN: 00390845) who was acting as Non-Executive Director of the Company resigned with effect from September 11, 2019. Further she was appointed as Chief Executive Officer of the Company with effect from November 01, 2019 in place of Ms. Ishani Ray who had resigned with effect from October 31, 2019.

Mr. Rittick Roy Burman (DIN: 08537366), was appointed as an Additional Director under Section 161 of the Companies Act, 2013 and also appointed by the Board as a Whole-time Director (Whole-time Key Managerial Personnel) of the Company for a period of 3 (three) years with effect from November 08, 2019 subject to the approval of the members at the ensuing Annual General Meeting.

Your Directors recommend his appointment as Director, liable to retire by rotation and also as Whole-time Director as aforesaid in the ensuing Annual General Meeting.

Board's Report

Approval of the members by way of a Special Resolution had been obtained on June 03, 2019 (vide Postal Ballot Notice dated March 26, 2019) 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.

Mr. Ritoban Roy Burman (DIN: 08020765), Non-Executive Director the Company, retires by rotation at the ensuing Annual General Meeting, and being eligible, offered himself for re-appointment. The brief profile of Mr. Roy Burman and other relevant information under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings with respect to Director seeking re-appointment has been provided in the Notice convening Annual General Meeting. Your Directors recommend his re-appointment at the ensuing Annual General Meeting.

The members of the Company at the Annual General Meeting held on August 06, 2019 has re-appointed 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.

Pursuant to the provisions of Section 203 of the Companies Act, 2013 the Key Managerial Personnel of the Company as on March 31, 2020 are:

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2020 are:

1. Mr. Siddhartha Roy Burman, Chairman & Managing Director
2. Mr. Rittick Roy Burman, Whole-time Director
3. Ms. Namrata Ashok Chotrani, Chief Executive Officer
4. Mr. Indrajit Chaudhuri, Chief Financial Officer and
5. Mr. Abhijit Dan, Company Secretary & Head- Legal

Familiarisation Programme for Independent Directors

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

This is to confirm that all the Independent Director have registered themselves pursuant to the notification of compliance (Creation and maintenance of Independent Director) Rules, 2019.

Separate Meeting of Independent Directors

In terms of requirements of Schedule IV of the Companies Act, 2013 and the Listing Regulations, the meeting of Independent Directors was separately held on November 08, 2019 during the year under report.

Company's Policy on Appointment and Remuneration of Directors

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

Board's Report

- 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 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 2019-20 have been provided in the Corporate Governance Report which forms part of the Report.

Audit Committee

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

Extract of Annual Return

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.

Particulars of contracts and arrangement with Related Parties

All transactions entered by the Company with Related Parties during the financial year 2019-20 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 2019-20, 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.

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 2020-21.

The Secretarial Audit Report for the financial year ended March 31, 2020 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.

Board's Report

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, 2020, 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, 2020 and of the Loss 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, 2020.

Auditors

M/s. Deloitte Haskins & Sells (Firm Registration No. 302009E, Chartered Accountants) was re-appointed by the members of the Company at the 37th 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 42nd 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 2019-20 and for the succeeding financial year.

Particulars of Loans, Investments and Guarantees

During the financial year 2019-20, 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.

Board's Report

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 endeavor 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 there under is available in the website of the Company at 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 there under and the Listing Regulations, based on the criteria such as number of Board and Committee meetings attended during the year, contributions to the decision making and relevant expertise to the Board etc., the Board of Directors has carried out the annual performance evaluation of the entire Board, Committees and all the Directors based on the criteria laid down by the Nomination and Remuneration Committee.

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

Corporate Governance

A Report on Corporate Governance along with a Certificate from the Statutory Auditors confirming of corporate governance requirements as stipulated under Listing Regulations is enclosed as Annexure - 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 : July 14, 2020

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, 2020, your Company, inter alia, donated medical equipments as a part of CSR activities and also focussed on creating an impact in tackling impact of COVID-19 pandemic outbreak.

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 and is available at the link <https://www.khadims.com/policy-on-csr/>

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

Prof. (Dr.) Surabhi Banerjee	Chairperson
Mr. Siddhartha Roy Burman	Member
Mr. Ritoban Roy Burman	Member
Mr. Abhijit Dan	Secretary

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

		in ₹ million	
Particulars	Amount	Amount	
A. Net Profits of the Company for the:			
• Financial Year ended March 31, 2017	405.61		
• Financial Year ended March 31, 2018	533.33		
• Financial Year ended March 31, 2019	314.89		
B. Average Net Profit of the Company for the last three financial years*			417.94
C. Total CSR amount for the financial year 2019-20			
• Prescribed CSR Expenditure (2% of amount stated in Item no. B above)	8.36		
• Unspent amount during the financial year 2018-19	NIL		
Total			8.36
D. Details of CSR Expenditure:			
Amount spent during the financial year 2019-20			8.36
Amount unspent			NIL

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

Annexure - I

Manner in which the amount spent during the financial year 2019-20 is detailed below:

Sr. 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.	Maintenance and Beautification of Parks & Gardens in collaboration with South Dumdum Municipality, Kolkata	Protection of Flora and Fauna	Kolkata	1.64	1.64	1.64	Direct
2.	Donation to "Green for Life Foundation" for Tree Planting & Nurturing Project	Protection of Flora and Fauna	The Green Zone, Rajarhat, Action Area - 1, Kolkata	0.38	0.38	2.02	Direct
3.	Donation of medical equipments	Promotion of health care including preventive health care	Tata Medical Center, Cancer Hospital, Kolkata	0.58	0.58	2.60	Direct
4.	Donation for running cost of Khadim Supported Help Age India Mobile Health Unit	Promotion of health care including preventive health care	Kolkata	1.67	1.67	4.27	Direct
5.	Donation of medical equipments	Promotion of health care including preventive health care	Indian Institute of Liver Foundation (IILF), West Bengal	1.74	1.74	6.01	Direct
6.	Donation of masks & sanitizer to contain the spread of COVID-19 Pandemic	Promotion of health care including preventive health care	South Dumdum Municipality, Kolkata	0.15	0.15	6.16	Direct
7.	Donation to West Bengal Emergency Relief Fund	Under Eradicating hunger and promotion of health care including preventive health care	West Bengal	1.00	1.00	7.16	Direct

Annexure - I

Sr. 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 to Help Age India for providing assistance in carrying out activities related to COVID-19 Pandemic	Under eradicating hunger	Kolkata	0.60	0.60	7.76	Direct
9.	Donation to CINI for providing assistance in carrying out activities related to COVID-19 Pandemic	Under Eradicating hunger	Kolkata	0.60	0.60	8.36	Direct
Total				8.36	8.36	8.36	

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 the Board of Directors

Place: Kolkata

Date: July 14, 2020

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, 2020

[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 th 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, 1st 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:

Sr. No.	Name & Description of main products/services	NIC Code of the product /service	% to total turnover of the Company
1.	Footwear - Retail [^]	47713	62%
2.	Footwear - Wholesale ^{^^}	46413	27%

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

^{^^} Wholesale consists of Distribution Business.

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES:

Sr. 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)
2.	Khadim Shoe Bangladesh Limited	N. A.	Subsidiary	100	2 (87)

Note: Post Completion of IPO on November 14, 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

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year		% Change during the year				
		Demat	Physical	Demat	Physical					
		% of Total Shares		% of Total Shares						
A	Shareholding of Promoter and Promoter Group									
1	Indian									
a	Individuals / Hindu Undivided Family	1459209	0	1459209	8.12	1657739	0	1657739	9.23	1.10
b	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
c	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
d	Any Other (Specify)									
e	Bodies Corporate	9273229	0	9273229	51.61	9273229	0	9273229	51.61	0.00
	Sub Total (A)(1)	10732438	0	10732438	59.73	10930968	0	10930968	60.83	1.10
2	Foreign									
a	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
b	Government	0	0	0	0.00	0	0	0	0.00	0.00
c	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
d	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
e	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	10732438	0	10732438	59.73	10930968	0	10930968	60.83	1.10
B	Public Shareholding									
1	Institutions									
a	Mutual Funds / UTI	4845635	0	4845635	26.97	3610198	0	3610198	20.09	-6.88
b	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
c	Alternate Investment Funds	664000	0	664000	3.70	1042500	0	1042500	5.80	2.11
d	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
e	Foreign Portfolio Investor	498260	0	498260	2.77	7700	0	7700	0.04	-2.73
f	Financial Institutions / Banks	2134	0	2134	0.01	6490	0	6490	0.04	0.02
g	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
h	Provident Funds/Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
i	Any Other (Specify)									
	Sub Total (B)(1)	6010029	0	6010029	33.45	4666888	0	4666888	25.97	-7.47

Annexure - II

Sr. No.	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
2	Central Government/ State Government(s)/ President of India	0	0	0	0.00	0	0	0	0.00	0.00
3	Non-Institutions									
a	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	993527	20	993547	5.53	1811992	20	1812012	10.08	4.55
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	23816	0	23816	0.13	275246	0	275246	1.53	1.40
b	NBFCs registered with RBI	20	0	20	0.00	0	0	0	0.00	0.00
c	Employee Trusts	0	0	0	0.00	0	0	0	0.00	0.00
d	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00
e	Any Other (Specify)									
(i)	Hindu Undivided Family	44132	0	44132	0.25	83026	0	83026	0.46	0.22
(ii)	Non Resident Indians (Non Repat)	22100	0	22100	0.12	21372	0	21372	0.12	0.00
(iii)	Non Resident Indians (Repat)	26000	0	26000	0.14	71431	0	71431	0.40	0.25
(iv)	Clearing Member	79303	0	79303	0.44	22102	0	22102	0.12	-0.32
(v)	Bodies Corporate	38229	0	38229	0.21	86569	0	86569	0.48	0.27
	Sub Total (B)(3)	1227127	20	1227147	6.83	2371738	20	2371758	13.20	6.37
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	7237156	20	7237176	40.27	7038626	20	7038646	39.17	-1.10
C	Non Promoter - Non Public									
	Total (A)+(B)	17969594	20	17969614	100.00	17969594	20	17969614	100.00	0.00
1	Custodian/DR Holder	0	0	0	0.00	0	0	0	0.00	0.00
2	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.00	0	0	0	0.00	0.00
	Total (A)+(B)+(C)	17969594	20	17969614	100.00	17969594	20	17969614	100.00	0.00

Annexure - II

(ii) Share Holding of Promoters and Promoter Group

Sr. No.	Category of Shareholders	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 to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	KNIGHTSVILLE PRIVATE LIMITED	8737829	48.63	0.00	8737829	48.63	0.00	0.0000
2	SIDDHARTHA ROY BURMAN	1459149	8.12	0.00	1642149	9.14	0.00	1.02
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	15060	0.08	0.00	0.08
8	RITTICK ROY BURMAN	0	0.00	0.00	530	0.00	0.00	0.00
	Total	10732438	59.73	0.00	10930968	60.83	0.00	1.10

(iii) Change in shareholding of Promoters and Promoter Group

Sr. 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
1	KNIGHTSVILLE PRIVATE LIMITED						
	AT THE BEGINNING OF THE YEAR	8737829	48.63				
	AT THE END OF THE YEAR					8737829	48.63
2	SIDDHARTHA ROY BURMAN						
	AT THE BEGINNING OF THE YEAR	1459149	8.12				
	Transfer			23 Aug 2019	100507	1559656	8.68
	Transfer			14 Feb 2020	10493	1570149	8.74
	Transfer			06 Mar 2020	30000	1600149	8.90
	Transfer			13 Mar 2020	1060	1601209	8.91
	Transfer			20 Mar 2020	40940	1642149	9.14
	AT THE END OF THE YEAR					1642149	9.14
3	KHADIM DEVELOPMENT COMPANY PRIVATE LIMITED						
	AT THE BEGINNING OF THE YEAR	302950	1.69				
	AT THE END OF THE YEAR					302950	1.69

Annexure - II

Sr. 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
4	MOVIEWALLAH COMMUNICATIONS PRIVATE LIMITED						
	AT THE BEGINNING OF THE YEAR	172450	0.96				
	AT THE END OF THE YEAR					172450	0.96
5	TETENAL PHOTOCHEMIE PRIVATE LIMITED						
	AT THE BEGINNING OF THE YEAR	35000	0.19				
	AT THE END OF THE YEAR					35000	0.19
6	PHOTO IMAGING PRIVATE LIMITED						
	AT THE BEGINNING OF THE YEAR	25000	0.14				
	AT THE END OF THE YEAR					25000	0.14
7	TANUSREE ROY BURMAN						
	AT THE BEGINNING OF THE YEAR	60	0.00				
	Transfer			06 Mar 2020	10000	10060	0.06
	Transfer			13 Mar 2020	5000	15060	0.08
	AT THE END OF THE YEAR					15060	0.08
8	RITTICK ROY BURMAN						
	AT THE BEGINNING OF THE YEAR	0	0.00				
	Transfer			13 Dec 2019	160	160	0.00
	Transfer			21 Feb 2020	100	260	0.00
	Transfer			13 Mar 2020	270	530	0.00
	AT THE END OF THE YEAR					530	0.00

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

Sr. 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
1	IDFC TAX ADVANTAGE (ELSS) FUND						
	AT THE BEGINNING OF THE YEAR	1031236	5.74				
	Transfer			05 Apr 2019	8499	1039735	5.79
	Transfer			02 Aug 2019	-54710	985025	5.48
	Transfer			09 Aug 2019	4000	989025	5.50
	Transfer			16 Aug 2019	5000	994025	5.53

Annexure - II

Sr. 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			27 Sep 2019	15000	1009025	5.62
	Transfer			11 Oct 2019	5000	1014025	5.64
	Transfer			25 Oct 2019	5000	1019025	5.67
	Transfer			15 Nov 2019	-9237	1009788	5.62
	Transfer			29 Nov 2019	-19788	990000	5.51
	Transfer			06 Dec 2019	-7736	982264	5.47
	Transfer			13 Dec 2019	-1964	980300	5.46
	Transfer			20 Dec 2019	-30300	950000	5.29
	Transfer			17 Jan 2020	10000	960000	5.34
	Transfer			24 Jan 2020	5000	965000	5.37
	Transfer			31 Jan 2020	10000	975000	5.43
	AT THE END OF THE YEAR					975000	5.43
2	UTI - CCF - SAVINGS PLAN						
	AT THE BEGINNING OF THE YEAR	829273	4.61				
	Transfer			05 Apr 2019	3000	832273	4.63
	Transfer			17 May 2019	87500	919773	5.12
	Transfer			24 May 2019	5568	925341	5.15
	AT THE END OF THE YEAR					925341	5.15
3	SUNDARAM MUTUAL FUND A/C SUNDARAM SMALL CAP FUND						
	AT THE BEGINNING OF THE YEAR	777951	4.33				
	Transfer			29 Nov 2019	-1202	776749	4.32
	Transfer			13 Dec 2019	-729	776020	4.32
	Transfer			06 Mar 2020	-537	775483	4.32
	AT THE END OF THE YEAR					775483	4.32
4	MIRAE ASSET EMERGING BLUECHIP FUND						
	AT THE BEGINNING OF THE YEAR	822592	4.58				
	Transfer			14 Jun 2019	53000	875592	4.87
	Transfer			21 Jun 2019	9576	885168	4.93
	Transfer			29 Jun 2019	841	886009	4.93
	Transfer			05 Jul 2019	9583	895592	4.98
	Transfer			17 Jan 2020	-85916	809676	4.51
	Transfer			24 Jan 2020	-16853	792823	4.41
	Transfer			31 Jan 2020	-20991	771832	4.30
	Transfer			07 Feb 2020	-20882	750950	4.18
	Transfer			14 Feb 2020	-20849	730101	4.06
	Transfer			06 Mar 2020	-48700	681401	3.79
	Transfer			13 Mar 2020	-9008	672393	3.74

Annexure - II

Sr. 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			20 Mar 2020	-2520	669873	3.73
	Transfer			27 Mar 2020	-5578	664295	3.70
	Transfer			31 Mar 2020	-2824	661471	3.68
	AT THE END OF THE YEAR					661471	3.68
5	SUNDARAM ALTERNATIVE OPPORTUNITIES FUND - NANO CAP SERIES I						
	AT THE BEGINNING OF THE YEAR	499300	2.78				
	AT THE END OF THE YEAR					499300	2.78
6	TRUSTLINE DEEP ALPHA AIF						
	AT THE BEGINNING OF THE YEAR	0	0				
	Transfer			30 Aug 2019	73500	73500	0.41
	Transfer			06 Sep 2019	97500	171000	0.95
	Transfer			13 Sep 2019	40300	211300	1.18
	Transfer			18 Oct 2019	9800	221100	1.23
	Transfer			01 Nov 2019	20000	241100	1.34
	Transfer			08 Nov 2019	20100	261200	1.45
	Transfer			15 Nov 2019	17500	278700	1.55
	Transfer			22 Nov 2019	10000	288700	1.61
	Transfer			29 Nov 2019	14600	303300	1.69
	Transfer			03 Jan 2020	11000	314300	1.75
	Transfer			17 Jan 2020	20000	334300	1.86
	Transfer			14 Feb 2020	14500	348800	1.94
	Transfer			21 Feb 2020	16500	365300	2.03
	Transfer			28 Feb 2020	11200	376500	2.10
	Transfer			06 Mar 2020	2000	378500	2.11
	AT THE END OF THE YEAR					378500	2.11
7	SUNDARAM ALTERNATIVE OPPORTUNITIES FUND - NANO CAP SERIES II						
	AT THE BEGINNING OF THE YEAR	164700	0.92				
	AT THE END OF THE YEAR					164700	0.92
8	ICICI PRUDENTIAL EQUITY & DEBT FUND						
	AT THE BEGINNING OF THE YEAR	523917	2.92				
	Transfer			05 Apr 2019	-2582	521335	2.90
	Transfer			19 Apr 2019	-4405	516930	2.88
	Transfer			10 May 2019	-155	516775	2.88
	Transfer			17 May 2019	-88250	428525	2.38
	Transfer			24 May 2019	-313	428212	2.38
	Transfer			31 May 2019	-2506	425706	2.37

Annexure - II

Sr. 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			07 Jun 2019	-1150	424556	2.36
	Transfer			14 Jun 2019	-18742	405814	2.26
	Transfer			02 Aug 2019	-16438	389376	2.17
	Transfer			13 Dec 2019	-2440	386936	2.15
	Transfer			20 Dec 2019	-99016	287920	1.60
	Transfer			27 Dec 2019	-102880	185040	1.03
	Transfer			31 Dec 2019	-4145	180895	1.01
	Transfer			03 Jan 2020	-1256	179639	1.00
	Transfer			17 Jan 2020	-19176	160463	0.89
	Transfer			24 Jan 2020	-17560	142903	0.80
	AT THE END OF THE YEAR					142903	0.80
9	RELIANCE CAPITAL TRUSTEE CO LTD-A/C NIPPON INDIA CAPITAL BUILDER FUND IV - SERIES C						
	AT THE BEGINNING OF THE YEAR	130000	0.72				
	AT THE END OF THE YEAR					130000	0.72
10	KALYANI JAGANATHAN						
	AT THE BEGINNING OF THE YEAR	0	0				
	Transfer			20 Dec 2019	48858	48858	0.27
	Transfer			27 Dec 2019	66068	114926	0.64
	Transfer			24 Jan 2020	8000	122926	0.68
	AT THE END OF THE YEAR					122926	0.68
11	FRANKLIN INDIA SMALLER COMPANIES FUND						
	AT THE BEGINNING OF THE YEAR	580666	3.23				
	Transfer			29 Jun 2019	-674	579992	3.23
	Transfer			05 Jul 2019	-8573	571419	3.18
	Transfer			16 Aug 2019	-49773	521646	2.90
	Transfer			25 Oct 2019	-9995	511651	2.85
	Transfer			01 Nov 2019	-10110	501541	2.79
	Transfer			08 Nov 2019	-21254	480287	2.67
	Transfer			15 Nov 2019	-21640	458647	2.55
	Transfer			22 Nov 2019	-161	458486	2.55
	Transfer			29 Nov 2019	-56785	401701	2.24
	Transfer			06 Dec 2019	-26752	374949	2.09
	Transfer			13 Dec 2019	-10799	364150	2.03
	Transfer			03 Jan 2020	-74220	289930	1.61
	Transfer			10 Jan 2020	-181392	108538	0.60
	Transfer			17 Jan 2020	-108538	0	0
	AT THE END OF THE YEAR					0	0

Annexure - II

Sr. 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
12	HSBC GLOBAL INVESTMENT FUNDS - ASIA EX JAPAN EQUITY SMALLER COMPANIES						
	AT THE BEGINNING OF THE YEAR	419851	2.34				
	Transfer			24 May 2019	-6306	413545	2.30
	Transfer			31 May 2019	-5405	408140	2.27
	Transfer			14 Jun 2019	-38451	369689	2.06
	Transfer			09 Aug 2019	-24736	344953	1.92
	Transfer			16 Aug 2019	-54345	290608	1.62
	Transfer			23 Aug 2019	-34093	256515	1.43
	Transfer			30 Aug 2019	-81190	175325	0.98
	Transfer			06 Sep 2019	-107744	67581	0.38
	Transfer			13 Sep 2019	-67581	0	0
	AT THE END OF THE YEAR					0	0
13	HSBC SMALL CAP EQUITY FUND						
	AT THE BEGINNING OF THE YEAR	150000	0.83				
	Transfer			25 Oct 2019	-27528	122472	0.68
	Transfer			08 Nov 2019	-47150	75322	0.42
	Transfer			15 Nov 2019	-8667	66655	0.37
	Transfer			22 Nov 2019	-38535	28120	0.16
	Transfer			29 Nov 2019	-28120	0	0
	AT THE END OF THE YEAR					0	0

(v.) Shareholding of Directors & Key Managerial Personnel (KMP)

Sr. 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
1	SIDDHARTHA ROY BURMAN						
	AT THE BEGINNING OF THE YEAR	1459149	8.12				
	Transfer			23 Aug 2019	100507	1559656	8.68
	Transfer			14 Feb 2020	10493	1570149	8.74
	Transfer			06 Mar 2020	30000	1600149	8.90
	Transfer			13 Mar 2020	1060	1601209	8.91
	Transfer			20 Mar 2020	40940	1642149	9.14
	AT THE END OF THE YEAR					1642149	9.14

Annexure - II

Sr. 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
2.	RITTICK ROY BURMAN						
	AT THE BEGINNING OF THE YEAR	0	0				
	Transfer			13 Dec 2019	160	160	0.00
	Transfer			21 Feb 2020	100	260	0.00
	Transfer			13 Mar 2020	270	530	0.00
	AT THE END OF THE YEAR					530	0.00
3.	NAMRATA ASHOK CHOTRANI						
	AT THE BEGINNING OF THE YEAR	0	0				
	Transfer			13 Mar 2020	500	500	0.00
	Transfer			20 Mar 2020	500	1000	0.01
	Transfer			27 Mar 2020	2500	3500	0.02
	AT THE END OF THE YEAR					3500	0.02
4.	INDRAJIT CHAUDHURI						
	AT THE BEGINNING OF THE YEAR	958	0.005				
	Transfer			21 Feb 2020	200	1158	0.01
	AT THE END OF THE YEAR					1158	0.01

V INDEBTEDNESS

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

₹ in million

Sr. No.	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	Indebtedness at the beginning of the financial year				
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	-	-	-	-
	Total (i+ii+iii)	1,091.53	-	-	1,091.53
	Change in Indebtedness during the financial year				
	Additional	74.55	-	-	74.55
	Reduction	-	-	-	-
	Net Change	74.55	-	-	74.55
	Indebtedness at the end of the financial year				
i)	Principal Amount	1,160.47	-	-	1,160.47
ii)	Interest due but not paid	5.61	-	-	5.61
iii)	Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	1,166.08	-	-	1,166.08

Annexure - II

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ in million

Sr. No.	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
		Mr. Siddhartha Roy Burman	Mr. Rittick Roy Burman*	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961	30.22	1.07	31.29
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.93	-	0.93
	(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	-	-	-
	Total (A)	31.15	1.07	32.22
	Ceiling as per the Act-10% of Net profit.			

* Mr. Rittick Roy Burman (DIN: 08537366) has been appointed as Whole-time Director of the Company with effect from November 08, 2019 by the Board of Directors of the Company subject to the approval of the shareholders at the ensuing Annual General Meeting. The appointment and remuneration payable to Mr. Rittick Roy Burman is subject to approval of the members at the ensuing Annual General meeting.

B. Remuneration to other Directors

₹ in million

Sr. No.	Particulars of Remuneration	Name of the Directors			Total
		Mr. Alok Chauthmal Churiwala	Dr. Indra Nath Chatterjee	Prof. (Dr.) Surabhi Banerjee	
1	Independent Directors				
	(a) Fee for attending Board and Committee meetings	0.36	0.39	0.41	1.16
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total (1)	0.36	0.39	0.41	1.16
2	Other Non-Executive Directors				
	(a) Fee for attending Board and Committee meetings	0.12	0.11		0.23
	(b) Commission	-	-		-
	(c) Others, please specify	-	-		-
	Total (2)	0.12	0.11		0.23
	Total (B)=(1+2)				1.39
	Total Managerial Remuneration [Total (A)+(B)]				33.61

Overall Ceiling as per the Act- Sitting Fee paid to Non-Executive Director does not form part of the Total Managerial Remuneration.

Ms. Namrata Ashok Chotrani (DIN: 00390845), who was acting as Non-Executive, Non- Independent Director resigned from directorship of the Company with effect from September 11, 2019. Further she was appointed as Chief Executive Officer (Whole - time Key Managerial Personnel) of the Company with effect from November 01, 2019.

Annexure - II

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

₹ in million

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		Chief Executive Officer - Ms. Namrata Ashok Chotrani*	Chief Executive Officer - Ms. Ishani Ray ^	Chief Financial Officer	Company Secretary	
1	Gross Salary					
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	3.06	4.05	4.08	2.27	13.46
(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	-	-	-	-	-
	Total	3.06	4.05	4.08	2.27	13.46

Note:

* Ms. Namrata Ashok Chotrani (DIN: 00390845), who was acting as Non-Executive, Non- Independent Director resigned from directorship of the Company with effect from September 11, 2019. Further, she was appointed as Chief Executive Officer (Whole - time Key Managerial Personnel) of the Company with effect from November 01, 2019.

^ Ms. Ishani Ray, Chief Executive Officer had resigned from the Company w.e.f. October 31, 2019.

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment			None		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			None		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			None		
Compounding					

For and on behalf of the Board of Directors

Place: Kolkata
Date: July 14, 2020

Siddhartha Roy Burman
Chairman & Managing Director
DIN: 00043715

Annexure - III

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
KHADIM INDIA LIMITED
Kankaria Estate, 5th Floor
6 Little Russell Street,
Kolkata-700071

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

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, 2020, 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 31st March, 2020 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. Ms. Ishani Ray ceased to be as CEO of the Company w.e.f. 31/10/2019.
2. Ms. Namrata Ashok Chotrani (DIN: 00390845), who was acting as Non-executive, Non-independent Director resigned from directorship of the Company with effect from September 11, 2019. Further she was appointed as Chief Executive Officer (Whole - time Key Managerial Personnel) of the Company with effect from November 01, 2019.
3. Mr. Rittick Roy Burman (DIN: 08537366) has been appointed as Whole-time Director of the Company with effect from November 08, 2019 by the Board of Directors of the Company subject to the approval of the shareholders at the ensuing Annual General Meeting.
4. Continuation of office of Dr. Indra Nath Chatterjee (DIN: 00122677) as an Independent Director of the Company on attaining the age of 75 years pursuant to the provisions of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by passing special resolution under section 114 of the Companies Act, 2013 on 03/06/2019.
5. Re-appointment of Dr. Indra Nath Chatterjee (DIN: 00122677) as an Independent Director of the Company, for a second term of 5 consecutive years commencing from September 29, 2019 to September 28, 2024.
6. The members of the Company at the Annual General Meeting held on August 06, 2019 has re-appointed 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.

For B K G & COMPANY
Company Secretaries

(BINOD KUMAR GUPTA)
Partner

(ACS-12965, C. P. No.- 3242)
UDIN: A012965B000450039

Place: Kolkata
Date: 14/07/2020

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

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For B K G & COMPANY
Company Secretaries

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

Place: Kolkata
Date: 14/07/2020

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, 2020

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) and also maintaining the same to get rebate from the supply authority.
- b) Installation of screw compressor of latest technology for saving energy.
- c) Promotion to energy efficiency lighting solution such as Light Emitting Diode (LED) in place of conventional higher energy consumed lights.
- d) Use of Translucent sheets along with natural air driven turbo vents on roof of the working floor to utilized day light as well as natural air circulation in shop floor area.
- e) Use of Variable Frequency Drive (VFD) in motor operated conveyor for saving energy.
- f) Optimization of different processing steps for maximum utilization of input energy.
- g) 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 coil heater with high energy efficiency Infrared Heater (NR Lamp) for saving electrical power as well as operation time.
- i) Replacing conventional AC units (Split & AHU) with energy efficiency AC units.
- j) Usage of Ridge Vent shed to utilize day light as well as natural air circulation in the floor area of Panpur factory.
- k) Campaign for awareness of energy saving at retail outlet & warehouse staffs.

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 ₹ 3.75 million, Air Compressors was ₹ 0.90 million and Infrared Heater was ₹ 0.05 million during the financial year 2019-20.

B. TECHNOLOGY ABSORPTION:

1	Efforts made towards technology absorption	2	Benefits derived like product improvement, cost reduction, product development or import substitution
a	Development of indigenous precision tools in place of imported precision tools for processing of sheet design making	a	Savings in cost of acquisition, customs duty, transportation cost and import procurement time.
b	Development of indigenous moulds in place of imported moulds	b	Savings in cost of acquisition, customs duty, transportation cost and import procurement time.
c	Installation of automatic cutting machine.	c	Simplification of job work, increase in production, and replacement of highly precise and highly skilled manpower with semi-skilled or less skilled workers.
d	Implementation of automatic drilling machines into the system in place of manual drilling process.	d	Increase in production and reduction in labour cost.

3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

a. the details of technology imported:

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

b. the year of import – Not Applicable

c. whether the technology been fully absorbed – Not Applicable

d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof – Not Applicable

4. The expenditure incurred on Research and Development:

The total expenditure incurred during the financial year 2019-20 was ₹ 1.18 million.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the financial year 2019-20, the foreign exchange earnings of the Company amounted to ₹ 7.55 million as against ₹ 16.37 million in the previous year. The expenditure in foreign exchange during the financial year 2019-20 was ₹ 578.13 million as compared to ₹ 759.14 million in the previous year.

For and on behalf of the Board of Directors

Place : Kolkata
Date : July 14, 2020

Siddhartha Roy Burman
Chairman & Managing Director
DIN: 00043715

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 2019-20:

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	31.15	111.25
Mr. Rittick Roy Burman	Whole - time Director	1.07	-

Notes:

- Median remuneration for the financial year 2019-20 is ₹ 0.28 million per annum.
 - The remuneration to the Chairman & Managing Director and Whole-time Director is within the overall limits approved by the shareholders of the Company.
 - The Non-Executive Directors are entitled to 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.
 - Mr. Rittick Roy Burman has been appointed as Whole-time Director of the Company with effect from November 08, 2019 by the Board of Directors of the Company subject to the approval of the shareholders at the ensuing Annual General Meeting. Hence, ratio of his remuneration to the median remuneration of employees is not comparable for the financial year 2019-20.
2. The percentage increase / decrease in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager during the financial year 2019-20:

Name of Director(s)/ Key Managerial Personnel(s)	Designation	Remuneration (in ₹ million)		Increase / Decrease in Percentage
		2019 -20	2018 -19	
Mr. Siddhartha Roy Burman	Chairman & Managing Director	31.15	31.08	0.23
Mr. Rittick Roy Burman\$	Whole - time Director	1.07	-	-
Ms. Ishani Ray*	Chief Executive Officer	4.05	6.56	-
Ms. Namrata Ashok Chotrani£	Chief Executive Officer	3.06	-	-
Mr. Indrajit Chaudhuri	Chief Financial Officer	4.08	4.06	0.49
Mr. Abhijit Dan	Company Secretary & Head - Legal	2.27	2.16	5.09

\$ appointed as Whole-time Director of the Company with effect from November 08, 2019 by the Board of Directors of the Company subject to the approval of the shareholders at the ensuing Annual General Meeting

*resigned with effect from October 31, 2019

£ appointed as Chief Executive Officer (Whole - time Key Managerial Personnel) of the Company with effect from November 01, 2019

Annexure - V

- 3 The Percentage increase in the median remuneration of the employees in the financial year 2019-20:

Median remuneration of employees per annum	Remuneration (in ₹ million)		Increase / Decrease in Percentage
	2019 -20	2018 -19	
	0.28	0.30	(6.67)

4. There were 824 permanent employees on the rolls of the Company as on March 31, 2020.
5. There was no increase in remuneration of employees during financial year 2019-20 including Managerial remuneration.
6. 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, 2020, were as per the Nomination and Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Place: Kolkata
Date: July 14, 2020

Siddhartha Roy Burman
Chairman & Managing Director
DIN: 00043715

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 financial year ended March 31, 2020

Top 10 Employees including employees employed throughout the financial year 2019-20 and was in receipt of remuneration, aggregating not less than ₹ 1,02,00,000/- per annum

Sr. 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 by the Company	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	37	31.15	Contractual	25/9/1990	58	N.A.	9.14	Father of Mr. Ritoban Roy Burman, Director (Non - Executive, Non-Independent) and Mr. Rittick Roy Burman, Whole-time Director
2	Aranya Ray	GM - Supply Chain Management	M.sc, MBA	20	4.57	Permanent	13/8/2005	46	IITC Limited	0.0011	-
3	Naveen Prakash*	Assistant Vice President - Distribution & Sales	B.A. MBA	20	4.44	Permanent	11/3/2019	49	Relaxo Footwear Ltd	-	-
4	Ishani Ray ‡	Chief Executive Officer	M.Com, CA	28	4.05	Permanent	22/3/2006	56	RPG Group	-	-
5	Indrajit Chaudhuri	Chief Financial officer	M.Com, CA	18	4.06	Permanent	26/5/2007	46	P. G. Shah and Co.	0.0064	-
6	Rajeev Kumar Mishra #	General Manager - Manufacturing	B.sc, MBA, Diploma in Industrial Chemical	25	4.04	Permanent	1/4/2014	45	Diamond Footcare Udyog Private Limited	-	-
7	Jayanta Saha ^	Vice President - HR	B.A., PGDPM	25	4.04	Permanent	15/4/2016	52	Uninor	-	-
8	Tapas Ghosh	GM - Business Development & Systems	B.Com	24	3.50	Permanent	1/4/1997	49	N.A.	0.0014	-
9	Namrata Ashok Chotrani	Chief Executive Officer	B.Com, MBA	11	2.76	Permanent	1/11/2019	34	Fairwinds Pvt Ltd	0.0195	-
10	Rajib Banerjee	DGM - Retail Operations & Business Development	B.Com, PGDM	23	2.64	Permanent	9/12/1999	45	IFB Finance Limited	0.0014	-

* Mr. Naveen Prakash, Assistant Vice President - Distribution & Sales resigned with effect from March 31, 2020. His remuneration has been provided upto his last working day excluding few payments in full and final settlement.

‡ Ms. Ishani Ray, Chief Executive Officer resigned with effect from October 31, 2019. Her remuneration has been provided upto her last working day excluding few payments in full and final settlement.

Mr. Rajeev Kumar Mishra, General Manager - Manufacturing resigned with effect from January 15, 2020. His remuneration has been provided upto his last working day excluding few payments in full and final settlement.

^ Mr. Jayanta Saha, Vice President - HR resigned with effect from December 31, 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
DINE:00042715

Place: Kolkata
Date: July 14, 2020

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 one Woman Director), out of which two are Executive Directors, one is Non- Executive, Non- Independent Director and three are Non-Executive, Independent Directors of the Company.

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

The Board 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 & Managing Director	√	√	√	√	-	-
Mr. Rittick Roy Burman*	Whole-time Director	√	√	-	√	-	-
Mr. Indra Nath Chatterjee	Non-Executive Independent	√	√	√	-	√	√
Ms. Surabhi Banerjee	Non-Executive Independent	-	√	√	-	√	-
Mr. Alok Chauthmal Churiwala	Non-Executive Independent	-	√	√	√	√	√
Mr. Ritoban Roy Burman	Non-Executive Non-Independent	-	-	-	√	-	-

*Mr. Rittick Roy Burman (DIN: 08537366) has been appointed as Whole-time Director of the Company with effect from November 08, 2019 by the Board of Directors of the Company subject to the approval of the shareholders at the ensuing Annual General Meeting.

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 and Mr. Rittick Roy Burman	1	1	-
Mr. Rittick Roy Burman§	08537366	Promoter Group (Whole-time Director)	Son of Mr. Siddhartha Roy Burman and the brother of Mr. Ritoban Roy Burman	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
Dr. Indra Nath Chatterjee	00122677	Non-Executive, Independent	None	1	1	1
Prof. (Dr.) Surabhi Banerjee	07829304	Non-Executive, Independent	None	1	2	1
Mr. Alok Chauthmal Churiwala	02043221	Non-Executive, Independent	None	1	1	-
Mr. Ritoban Roy Burman	08020765	Non-Executive, Non-Independent	Son of Mr. Siddhartha Roy Burman and the brother of Mr. Rittick Roy Burman	1	1	-

\$Mr. Rittick Roy Burman (DIN: 08537366) has been appointed as Whole-time Director of the Company with effect from November 08, 2019 by the Board of Directors of the Company subject to the approval of the shareholders at the ensuing Annual General Meeting.

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 Directors 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:

Sr. No.	Date of Board Meeting	No. of Directors Present
i.	May 17, 2019	6
ii.	August 06, 2019	5
iii.	September 11, 2019	4
iv.	November 08, 2019	6
v.	February 06, 2020	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 August 08, 2019
Mr. Siddhartha Roy Burman	5	Yes
Mr. Rittick Roy Burman\$	2	NA
Dr. Indra Nath Chatterjee	5	Yes
Prof. (Dr.) Surabhi Banerjee	5	Yes
Ms. Namrata Ashok Chotrani#	2	Yes
Mr. Ritoban Roy Burman	3	Yes
Mr. Alok Chauthmal Churiwala	5	Yes

\$Mr. Rittick Roy Burman (DIN: 08537366) has been appointed as Whole-time Director of the Company with effect from November 08, 2019 by the Board of Directors of the Company subject to the approval of the shareholders at the ensuing Annual General Meeting.

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Ms. Namrata Ashok Chotrani (DIN: 00390845), who was acting as Non-Executive, Non- Independent Director resigned from directorship of the Company with effect from September 11, 2019. Further she was appointed as Chief Executive Officer (Whole - time Key Managerial Personnel) of the Company with effect from November 01, 2019.

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

As on March 31, 2020, 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 and is available at the link: https://www.khadims.com/terms_and_conditions.

During the year under review, a meeting 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, was held on November 08, 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 2019-20, are uploaded on the website of the Company and can be accessed through web-link: <https://www.khadims.com/familiarization-programme-independent-director>.

3. COMMITTEES OF THE BOARD

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

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

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

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

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

(I) Audit Committee

The Composition of the Audit Committee as on March 31, 2020, consists of following members viz.

1. Dr. Indra Nath Chatterjee - Chairman

Annexure - VII

2. Prof. (Dr.) Surabhi Banerjee - Member
3. Mr. Alok Chauthmal Churiwala – Member

The Company Secretary acts as the Secretary to the Committee.

The terms of reference of Audit Committee are as follows:

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

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- t. Reviewing the functioning of the whistle blower mechanism, in case the same is existing;
- u. Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and other applicable laws; 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.

The Company's Audit Committee met 4 times during the financial year ended March 31, 2020 viz. May 17, 2019, August 06, 2019, November 08, 2019 and February 06, 2020.

The following table presents the details of attendance at the Audit Committee meetings held during the year ended March 31, 2020:

Members	Designation & Category	No. of Meetings Attended
Dr. Indra Nath Chatterjee	Chairman, Non-Executive - Independent Director	4
Prof. (Dr.) Surabhi Banerjee	Member, Non-Executive - Independent Director	4
Ms. Namrata Ashok Chotrani#	Member, Non-Executive - Non-Independent Director	2
Mr. Alok Chauthmal Churiwala	Member, Non-Executive - Independent Director	4

Notes:

Ms. Namrata Ashok Chotrani (DIN: 00390845), ceased to be a member of the Audit Committee due to her resignation from the directorship of the Company with effect from September 11, 2019.

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 held on August 08, 2019 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, 2020, consists of following members viz.

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

The Company Secretary acts as the Secretary 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;

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- d. Identify persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- e. Analysing, monitoring and reviewing various human resource and compensation matters;
- f. Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- g. Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- h. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- i. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) 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 3 times during the financial year ended March 31, 2020 viz. September 11, 2019, November 08, 2019 and February 06, 2020.

The details of attendance of the members during the financial year 2019-20 are as under:

The following table presents the details of attendance at the Nomination & Remuneration Committee meetings held during the year ended March 31, 2020:

Members	Designation & Category	No. of Meetings Attended
Dr. Indra Nath Chatterjee	Chairman, Non-Executive - Independent Director	3
Prof. (Dr.) Surabhi Banerjee	Member, Non-Executive - Independent Director	3
Ms. Namrata Ashok Chotrani*	Member, Non-Executive - Non-Independent Director	-
Mr. Alok Chauthmal Churiwala#	Member, Non-Executive - Independent Director	2

Notes:

*Ms. Namrata Ashok Chotrani (DIN: 00390845), ceased to be a member of the Nomination & Remuneration Committee due to her resignation from the directorship of the Company with effect from September 11, 2019.

#Mr. Alok Chauthmal Churiwala was appointed as member of the Nomination and Remuneration Committee with effect from September 11, 2019.

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Performance Evaluation

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

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

Remuneration to Non-Executive Directors for the financial Year 2019-20:

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 & 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.

Details of remuneration paid/payable to the Non-Executive Directors for the financial year 2019-20 are as follows:

					in ₹ million	
Members	Designation & Category	Salary	Commission	Sitting fees	Total	
Dr. Indra Nath Chatterjee	Non-Executive - Independent	-	-	0.39	0.39	
Prof. (Dr.) Surabhi Banerjee	Non-Executive - Independent	-	-	0.41	0.41	
Mr. Alok Chauthmal Churiwala	Non-Executive - Independent	-	-	0.36	0.36	
Ms. Namrata Ashok Chotrani*	Non - Executive - Non-Independent	-	-	0.12	0.12	
Mr. Ritoban Roy Burman	Non - Executive - Non-Independent	-	-	0.11	0.11	

Notes:

* Ms. Namrata Ashok Chotrani (DIN: 00390845), Non-Executive, Non- Independent Director resigned from the directorship of the Company with effect from September 11, 2019.

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 2019-20 is ₹ 31.15 million inclusive of perquisites amounting to ₹ 0.93 million. There is no separate provision for payment of severance fees.

The remuneration paid to Mr. Rittick Roy Burman (Whole-time Director) for the financial year 2019-20 is ₹ 1.07 million. There is no separate provision for payment of severance fees. The appointment and remuneration payable to Mr. Rittick Roy Burman is subject to the approval of the shareholders at the ensuing Annual General Meeting.

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.

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(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 the 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, 2020, consists of following members viz.

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

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

During the year under review, one meeting of the Stakeholders' Relationship Committee was held on February 06, 2020. All the members of the Committee attended the said meeting.

Prof. (Dr.) Surabhi Banerjee, Chairperson of the Stakeholders' Relationship Committee attended the previous Annual General Meeting held on August 08, 2019.

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 August 05, 2019. Prof. (Dr.) Surabhi Banerjee and Mr. Siddhartha Roy Burman 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;

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

4. SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralised web based complaints 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	0	0	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
TOTAL	0	0	0

Exclusive e-mail id for Investor Grievances: 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
2018-19	'Kala Kunj' (within the premises of Kala Mandir), 48, Shakespeare Sarani, Kolkata – 700017	August 08, 2019	11:30 a.m	Re-appointment of Mr. Siddhartha Roy Burman (DIN: 00043715) as Chairman & Managing Director of the Company for a period of 5 years.
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, 5th 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.

ii. Details of special resolution passed through postal ballot:

Approval of the members by way of a Special Resolution had been obtained on June 03, 2019 (vide Postal Ballot Notice dated March 26, 2019) for the following business:

- a. **Resolution No. 1-** Continuation of directorship 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

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- b. **Resolution No. 2** - Re - appointment of Dr. Indra Nath Chatterjee as an Independent Director for a second term of 5 consecutive years commencing from September 29, 2019 till September 28, 2024.

Mr. A. K. Labh (FCS. F4848, CP No. 3238), Practicing Company Secretary was appointed as Scrutinizer for conducting Postal Ballot in a fair and transparent manner.

The postal ballot was carried out as per the provisions of Sections 108, 110 and other applicable provisions of the Act, read with the Rules framed thereunder. The details of voting pattern of the Special Resolutions passed are as under:

Particulars	Voted in favour of the Resolution			Voted against the Resolution			Invalid Votes	
	Number of Members voted	Number of votes cast by them	% of total number of valid votes cast	Number of Members voted	Number of voters cast by them	% of total number of valid votes cast	Total number of Members whose votes were declared invalid	Total number of votes cast by them
Resolution No. 1	266	1,52,30,503	99.9911	39	1,353	0.0089	16	564
Resolution No. 2	268	1,52,30,493	99.9912	39	1,343	0.0088	16	564

As at date, no Special Resolution is proposed to be passed through Postal Ballot.

6. Disclosures

i) Statutory Compliance, Penalties / Strictures

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

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

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 and can be accessed at [weblink:https://www.khadims.com/policy-on-related-party-transaction](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 has incorporated Khadim Shoe Bangladesh Limited, a wholly-owned subsidiary in Bangladesh. Further, the Company has adopted a policy on material subsidiaries which is available on the website of the Company www.khadims.com and can be accessed at [weblink: https://www.khadims.com/policy-on-material-subsiidiary](https://www.khadims.com/policy-on-material-subsiidiary).

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
A. The Board 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

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Particulars	Status
B. Shareholders' Right 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
C. Modified opinion in audit report The listed entity may move towards a regime of financial statements with unmodified opinion	Complied, there are no qualification in the Audit Report
D. Separate posts of Chairperson and Chief Executive Officer 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.
E. Reporting of internal auditor 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.

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

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

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

10. 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.

All the Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct of the Company for the year ended March 31, 2020.

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 Khadim India Limited (the 'Company') have affirmed, compliance with provisions of the applicable Code of Conduct of the Company during the financial year ended 31st March, 2020.

For Khadim India Limited

Sd/-

Namrata Ashok Chotrani
Chief Executive Officer

13. CEO/ CFO Certification

In terms of requirement of Regulation 17(8) of the Listing Regulations, Ms. Namrata Ashok Chotrani, 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 July 14, 2020.

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14. Directors' Responsibility Statement

The draft Directors' Responsibility Statement signed by Mr. Siddhartha Roy Burman, Chairman & Managing Director which is included in the Board's Report for the financial year 2019-20 has the financial year 2019-20 been reviewed by the Audit Committee at its meeting held on July 14, 2020.

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 apart

During the year under review, the Company paid total fee (including out of pocket expenditure) of ₹ 4.23 million on a consolidated basis to M/s. Deloitte Haskins & Sells, Statutory Auditors of the Company and Nurul Faruk Hasan & Co. (Deloitte Bangladesh), Statutory Auditors of the Khadim Shoe Bangladesh Limited, a wholly owned subsidiary company.

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

- a. Number of Complaints filed during the 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 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.

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 Shareholder's information:

a. Annual General Meeting	
Date time and venue	The 39th Annual General Meeting (AGM) of the Company will be held on Wednesday, September 23, 2020 at 11:30 a.m. IST through Video Conferencing / Other Audio-Video Means pursuant to the MCA Circular dated May 05, 2020 and as such there is no requirement to have a venue for the AGM.
b. Financial Year	Financial Year is April 01 to March 31 of the following year
Quarterly results will be declared as per the following tentative schedule:	
Financial reporting for the quarter ending June 30, 2020	First fortnight of August, 2020
Financial reporting for the half year ending September 30, 2020	First fortnight of November, 2020
Financial reporting for the quarter ending December 31, 2020	First fortnight of February, 2021
Financial reporting for the year ending March 31, 2021	By end of May, 2021
c. Dates of Book Closure	Thursday, September 17, 2020 to Wednesday September 23, 2020
d. Record date for Dividend	N.A.
e. Dividend Payment Date	N.A.
f. Listing on Stock Exchanges & Payment of Listing Fees	Your Company's shares are listed on: BSE Limited (BSE) Floor 27, P. J. Towers, Dalal Street, Mumbai - 400 001 National Stock Exchange of India Limited Exchange Plaza, Bandra- Kurla Complex, Bandra(E), Mumbai - 400 051 Your Company has paid the annual listing fee to both the exchanges.
g. Stock Code	BSE Security Code: 540775; NSE: KHADIM; ISIN: INE834I01025
h. Registrars and Transfer Agents	Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli (W) Mumbai - 400083 Tel: +91 22 49186000 F: +91 22 49186060 Email:mumbai@linkintime.co.in
i. Share Transfer System	In terms of Regulation 40(1) of the Listing Regulations, as amended, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.
j. Address for Correspondence	Mr. Abhijit Dan Company Secretary and Compliance Officer Khadim India Limited "Kankaria Estate," 5th Floor 6, Little Russell Street, Kolkata , West Bengal-700071 Tel: +91- 33-40090501 Fax: +91-33-40090500 E-mail: compliance@khadims.com
k. Dematerialization of Shares and Liquidity	99.99% shares of your Company are held in the electronic mode as on March 31, 2020

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l. Electronic Clearing Service (ECS)	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 / Company's Registrars and Transfer Agents, M/s. Link Intime India Private Limited (for shares held in the physical form)
m. Investor Complaints to be addressed to	Registrars and Transfer Agents or Mr. Abhijit Dan, Company Secretary, at the addresses mentioned earlier.
n. Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, Conversion Date and likely impact on equity	The Company has not issued any GDRs/ADRs/ Warrants or any Convertible Instruments.
o. Plant Locations	<p>Kasba Factory Khadim India Limited P - 31 & S 26, Kasba Industrial Estate, Phase -III, Kolkata – 700107</p> <p>Panpur Factory Khadim India Limited, 25/1, 25/2 & 25/3, Panpur Road, Mouza-Madrail, P.O.- Narayanpur, P.S. Jagatdal, Dist- 24 Parganas (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 did not 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, 2019 to March 31, 2020 are mentioned below:

[All prices in ₹]

Month	BSE		NSE	
	High	Low	High	Low
April, 2019	494.90	494.90	493.95	397.00
May, 2019	410.00	400.00	408.90	331.30
June, 2019	348.90	280.00	349.65	274.00
July, 2019	323.90	196.15	312.85	197.15
August, 2019	222.95	166.05	224.00	166.00
September, 2019	287.75	180.00	281.40	173.90
October, 2019	273.70	205.00	274.00	208.65
November, 2019	274.70	180.00	272.00	183.70
December, 2019	190.50	163.30	190.95	163.00
January, 2020	188.95	167.00	189.15	166.00
February, 2020	170.15	104.00	169.90	102.00
March, 2020	110.30	60.20	114.00	65.20

Annexure - VII

t. Summary of Shareholding Pattern as on March 31, 2020

Category of Shareholder	Number of Shareholders	Number of Shares held	Percentage of Shareholding
Promoter & Promoter Group	8	1,09,30,968	60.83
Public	41,450	70,38,646	39.17
Total	41,458	1,79,69,614	100.00

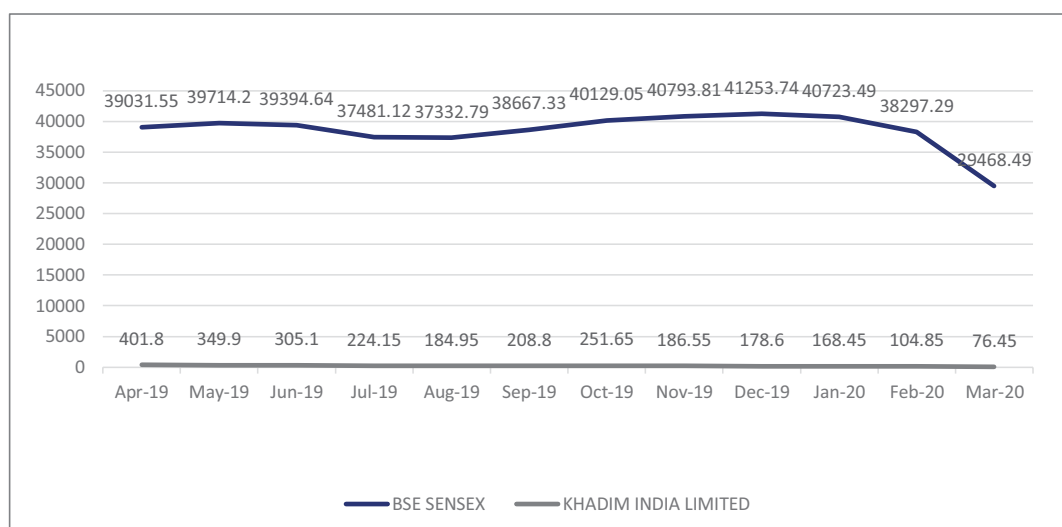
u. Distribution of Shareholding as on March 31, 2020

Category of Shareholder	Number of Shareholders	Number of Shares held	Percentage of Shareholding
1 - 500	40,883	13,46,673	7.49
501 - 1000	314	2,42,108	1.35
1001 - 2000	131	1,83,473	1.02
2001 - 3000	37	94,293	0.53
3001 - 4000	14	49,346	0.27
4001 - 5000	9	40,152	0.22
5001 - 10000	17	1,18,031	0.66
10001 and Above	53	1,58,95,538	88.46
Total	41,458	1,79,69,614	100.00

v. Bifurcation of shares held in physical and demat form as on March 31, 2020

Particulars	No. of Shares	Percentage (%)
Physical Shares (I)	20	0.00
Sub-Total	20	0.00
Demat Shares (II)		
NSDL (A)	65,36,417	36.37
CDSL (B)	1,14,33,177	63.63
Sub-Total (A+B)	1,79,69,594	100.00
Total (I+II)	1,79,69,614	100.00

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 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, 8/2011 and SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated April 21, 2011, April 29, 2011 and May 12, 2020 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, and SEBI circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 Notice convening the General Meetings, Financial Statements, Board's Report, Auditor's Report and other documents are sent to the email address provided by the Shareholders with the relevant depositories.

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

For and on behalf of the Board of Directors

Place : Kolkata
Date : 14 July, 2020

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 September, 2019.
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 March 2020, 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 March, 2020.
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)
UDIN: 20054110AAAADA2833

Kolkata, 14 July, 2020

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, 5th 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, 5th 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) as considered necessary and explanations furnished to us by the Company & its Officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

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

(BINOD KUMAR GUPTA)
Partner

(ACS-12965, C. P. No.- 3242)
UDIN : A012965B000449951

Place: Kolkata
Date: July 14, 2020

Independent Auditor's Report

To The Members of Khadim India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Khadim India Limited ("the Company"), which comprise the Balance Sheet as at 31 March, 2020, and the Statement of Profit and Loss (including Other Comprehensive Loss), 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 standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2020, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone 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 Standalone 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 standalone 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 standalone 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Revenue Recognition	Principal Audit Procedures
	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.	In order to address the risk of misstatement related to Wholesale Cut-off in revenue recognition, we have performed the following procedures:-
	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.	Our audit approach (in respect of Wholesale Sales) was a combination of test of internal controls and substantive procedures including:
	The Company operates through two different revenue streams – Wholesale and Retail.	<ul style="list-style-type: none"> 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.
	The Retail revenues consist of small transactions under cash and carry model. Hence the likelihood of occurrence and magnitude of a potential misstatement arising out of revenue recognition before transfer of control is minimal.	<ul style="list-style-type: none"> Evaluating the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls.
	Accordingly, we focused our work on the risk of revenue being recognized before control is transferred in respect of it's Wholesale revenue.	<ul style="list-style-type: none"> Evaluating the design and implementation of Company's controls in respect of revenue recognition.

Independent Auditor's Report

Sr. No.	Key Audit Matter	Auditor's Response
	Refer Note 2.9 to the Standalone Financial Statements - Significant Accounting Policies.	<ul style="list-style-type: none"> • 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.
2	Existence of Inventories at year end	With respect to the existence of inventories at the year-end:
	The Company's management conducts physical verification of inventories during the year at reasonable intervals. However, on account of the COVID-19 related lockdown restrictions, management was unable to perform year end physical verification of inventories. Physical verification of inventories was performed by the management subsequent to the year end.	1. Evaluated the design and implementation of the controls over physical verification of inventory and tested the operating effectiveness of these controls during the interim periods.
	We therefore performed alternate procedures to test existence of inventory as at year-end, in accordance with the requirements of the auditing standards; and hence identified as a key audit matter.	2. We have performed the following alternate procedures to audit the existence of inventory:
	The total value of inventories as at 31 March, 2020 is ₹ 1,696.50 millions.	<ul style="list-style-type: none"> • We obtained and tested the management's physical verification records performed subsequent to the year-end and traced to the inventory ledgers and performed necessary roll back procedures to arrive at the balance of inventory as of 31 March, 2020 • Participated in the physical verification of inventories conducted by the management subsequent to the year end in selective locations, through video calls and performed necessary roll back procedures. • Tested purchase of inventory of raw material and finished goods prior to the year-end and lying as inventory at year end on sample basis. • Verified quantitative reconciliations of inventories prepared by the management on a sample basis. • On a sample basis, inspected documentation supporting the sale of finished goods made subsequent to the year-end; determined whether such sale was made out of production upto the year-end.

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 Director's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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.

Independent Auditor's Report

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 Standalone Financial Statements

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

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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone financial statements.

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

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.

Independent Auditor's Report

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 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. In respect of one director, aggregate remuneration of ₹ 1.07 million paid/ provided during the year, is subject to the approval of the members at the forthcoming Annual General Meeting.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in Note 34.1 of the standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, 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 Registration No. 302009E)

A. Bhattacharya
Partner
(Membership No. 054110)
UDIN: 20054110AAAADB9083

Place: Kolkata
Date: 14 July, 2020

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 31 March, 2020 in conjunction with our audit of the standalone Ind AS 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.

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.

Annexure “A” to the Independent Auditor’s Report

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 31 March, 2020, 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 Registration No. 302009E)

A. Bhattacharya
Partner
(Membership No. 054110)
UDIN: 20054110AAAADB9083

Place: Kolkata
Date: 14 July, 2020

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 (including the verifications conducted by the Management post year end on account of the lock-down) 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.

Sales Tax, Service Tax, Excise Duty and Value Added Tax were not applicable to the Company during the year.

- (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 31 March, 2020 for a period of more than six months from the date they became payable.

Sales Tax, Service Tax, Excise Duty and Value Added Tax were not applicable to the Company during the year.

- (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 31 March, 2020 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount (Rupees in millions)
Income Tax Act, 1961	Income Tax	Deputy Commissioner of Income Tax	2007-09	1.11
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax Appeals	2012-13	2.55
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax Appeals	2016-17	0.06
West Bengal Value Added Tax Act, 2003	Sales Tax	West Bengal Taxation Tribunal	2011- 12 and 2015-16	1.08

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount (Rupees in millions)
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
Kerala VAT Act,2003	Sales Tax	Deputy Commissioner, Appeal, Thiruvananthapuram	2014-16	0.41
Total				8.21

Out of the total disputed dues aggregating ₹ 8.21 million as above, ₹ 5.49 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. In respect of one director, aggregate remuneration of ₹ 1.07 million paid/ provided during the year, is subject to the approval of the members at the forthcoming Annual General Meeting.
- (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.
- (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 Registration No. 302009E)

A. Bhattacharya
Partner

(Membership No. 054110)

UDIN: 20054110AAAADB9083

Place: Kolkata
Date: 14 July, 2020

KHADIM INDIA LIMITED
Annual Report 2019-20

Balance Sheet

as at 31st March 2020
(All amounts in Rupees millions, unless otherwise stated)

Particulars	Note No.	As at 31 st March 2020	As at 31 st March 2019
ASSETS			
1 Non - current assets			
(a) Property, Plant and Equipment	4A	1,299.69	1,308.25
(b) Capital work - in - progress	4B	5.52	17.08
(c) Right of Use Asset	4C	1,467.56	-
(d) Intangible assets	4D	3.65	8.23
(e) Intangible assets under development	4E	0.88	0.30
(f) Financial Assets			
(i) Investments	5	0.85	-
(ii) Others	6	174.93	169.49
(g) Deferred tax assets (net)	17	101.23	-
(h) Income tax assets (net)	23A	49.65	26.16
(i) Other non-current assets	7	116.34	250.25
2 Current assets			
(a) Inventories	8	1,696.50	1,549.95
(b) Financial Assets			
(i) Trade receivables	9	1,189.77	1,341.18
(ii) Cash and cash equivalents	10	43.00	42.65
(iii) Other Bank balances	11	36.00	43.10
(iv) Others	12	89.45	110.13
(c) Other current assets	13	709.63	631.22
Total Assets		6,984.65	5,497.99
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	14	179.70	179.70
(b) Other Equity		2,155.28	2,697.02
LIABILITIES			
1 Non-current liabilities			
(a) Financial Liabilities			
Lease liabilities	15	1,489.12	-
(b) Provisions	16	5.06	15.36
(c) Deferred tax liabilities (net)	17	-	39.09
(d) Other non-current liabilities	18	2.92	3.93
2 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	1,160.47	1,090.40
(ii) Lease liabilities	15	216.05	-
(iii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises		-	0.41
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,581.65	1,319.64
(iv) Other financial liabilities	20	132.04	113.14
(b) Other current liabilities	21	57.74	32.62
(c) Provisions	22	2.81	4.87
(d) Income Tax Liabilities (net)	23B	1.81	1.81
Total Equity and Liabilities		6,984.65	5,497.99

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

Rittick Roy Burman
Wholetime Director

A. Bhattacharya
Partner

Namrata Ashok Chotrani
Chief Executive Officer

Indrajit Chaudhuri
Chief Financial Officer

Place: Kolkata
Date: 14th July 2020

Abhijit Dan
Company Secretary & Head - Legal

Statement of Profit and Loss

for the year ended 31st March 2020
(All amounts in Rupees millions, unless otherwise stated)

Particulars	Note No.	For the year ended 31 st March 2020	For the year ended 31 st March 2019
I. Revenue From Operations	24	7,718.68	7,991.81
II. Other Income	25	66.71	63.38
III. Total Income (I + II)		7,785.39	8,055.19
IV. Expenses :			
Cost of materials consumed		1,708.36	1,764.38
Purchases of Stock-in-Trade		3,368.35	3,487.91
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	26	(164.49)	(287.68)
Employee benefits expense	27	732.70	720.55
Finance costs	28	292.79	116.42
Depreciation and amortization expense	4F	419.36	184.31
Other expenses	29	1,768.60	1,737.26
Total expenses (IV)		8,125.67	7,723.15
V (Loss)/Profit before tax (III - IV)		(340.28)	332.04
VI Tax expense:	30		
(1) Current tax		-	128.55
(2) Deferred tax		(28.13)	(8.21)
		(28.13)	120.34
VII. (Loss)/Profit for the year (V - VI)		(312.15)	211.70
VIII. Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
- Re-measurement losses on defined benefit plans	36.2	(0.46)	(8.90)
(ii) Income tax relating to items that will not be reclassified to profit or loss	30	0.12	3.11
Other Comprehensive Loss for the year		(0.34)	(5.79)
IX Total Comprehensive (Loss)/Income for the year		(312.49)	205.91
X. Earnings per equity share : [Nominal Value per Share ₹ 10/-	31		
(Previous year ₹10/-)]			
(1) Basic (In ₹)		(17.37)	11.78
(2) Diluted (In ₹)		(17.37)	11.77

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

Rittick Roy Burman
Wholtime Director

A. Bhattacharya
Partner

Namrata Ashok Chotrani
Chief Executive Officer

Indrajit Chaudhuri
Chief Financial Officer

Place: Kolkata
Date: 14th July 2020

Abhijit Dan
Company Secretary & Head - Legal

Statement of Changes in Equity

for the year ended 31st March 2020
(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 31st March 2019	179.65	0.05	179.70
For the year ended 31st March 2020	179.70	-	179.70

(b) Other Equity

Particulars	Reserves and surplus				Total other equity
	Capital reserve -Amalgamation Reserve	Securities premium	Share options outstanding account	Retained earnings	
As at 1st April 2018	231.92	1,219.09	4.49	1,049.66	2,505.16
Profit for the year	-	-	-	211.70	211.70
Other comprehensive income (net of tax)	-	-	-	(5.79)	(5.79)
Total comprehensive income	-	-	-	205.91	205.91
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)
As at 31st March 2019	231.92	1,221.83	8.27	1,235.00	2,697.02
Loss for the year	-	-	-	(312.15)	(312.15)
Other comprehensive loss (net of tax)	-	-	-	(0.34)	(0.34)
Total comprehensive loss	-	-	-	(312.49)	(312.49)
Recognition of share based payment	-	-	1.04	-	1.04
Transfer from share option reserve on lapse	-	-	(0.86)	0.86	-
Amount adjusted from reserves on transition to Ind AS 116 (Refer Note 41)	-	-	-	(320.70)	(320.70)
Deferred tax asset recognised on transition to Ind AS 116 (Refer Note 41)	-	-	-	112.07	112.07
Dividend paid	-	-	-	(17.97)	(17.97)
Income tax on dividend paid	-	-	-	(3.69)	(3.69)
As at 31st March 2020	231.92	1,221.83	8.45	693.08	2,155.28

The Board of Directors of the Company has not recommended any dividend for the current financial year. During the previous year, the Board of Directors of the Company recommended a dividend of Re.1 per equity share to be paid on fully paid up equity shares. The equity dividend was approved by shareholders at the Annual General Meeting. Total equity dividend paid was ₹17.97 millions and Income tax on dividend being ₹3.69 millions.

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

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

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

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

See accompanying notes to the financial statements.

In terms of our Report attached

For and on behalf of Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

Siddhartha Roy Burman
Chairman & Managing Director

Rittick Roy Burman
Wholetime Director

A. Bhattacharya
Partner

Namrata Ashok Chotrani
Chief Executive Officer

Indrajit Chaudhuri
Chief Financial Officer

Place: Kolkata
Date: 14th July 2020

Abhijit Dan
Company Secretary & Head - Legal

Cash Flow Statement

for the year ended 31st March 2020
(All amounts in Rupees millions, unless otherwise stated)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit before Tax for the year	(340.28)	332.04
Adjustments for:		
Depreciation and amortization expense	419.36	184.31
Share based payments to employees	1.04	6.23
(Gain)/Loss on disposal of property, plant and equipment (net)	9.00	(2.32)
Interest Received	(17.74)	(18.46)
Gain arising on sale of financial assets mandatorily measured at Fair Value through Profit and Loss	(1.41)	(2.32)
Liabilities/Provisions no longer required written back	(6.93)	(2.54)
Government grant received	(1.21)	(1.23)
Provision for doubtful debts, advances and other assets	24.73	4.62
Debts/Advances written off	8.70	0.69
Foreign currency translations and transactions - Net	1.93	0.01
Finance costs	292.79	116.42
Operating Profit before Working Capital Changes	389.98	617.45
Adjustments for:		
Trade Receivables, Loans and Advances and Other Assets	72.22	(306.08)
Inventories	(146.55)	(283.06)
Trade Payables, Other Liabilities and Provisions	279.11	34.64
Cash Generated from Operations	594.76	62.95
Income taxes paid	(23.49)	(170.08)
Net Cash generated from / (used in) Operating Activities	571.27	(107.13)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, intangible assets	(166.17)	(251.84)
Sale of property, plant and equipment, intangible assets	0.08	12.86
Investments in bank deposits	(6.75)	(57.38)
Maturity of bank deposits	17.69	129.85
Investment in Wholly-Owned Subsidiary	(0.85)	-
Purchase of Current Investments	(77.50)	(109.00)
Sale of Current Investments	78.91	111.32
Interest Received	2.62	10.62
Net Cash used in Investing Activities	(151.97)	(153.57)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	-	1.41
Interest paid	(139.08)	(117.03)
Dividend paid	(17.97)	(17.96)
Income tax on dividend paid	(3.69)	(3.69)
Repayment of lease liability	(325.50)	-
Payment of initial direct cost recognised as Right of Use Asset	(2.78)	-

Cash Flow Statement

for the year ended 31st March 2020 (Continued)
(All amounts in Rupees millions, unless otherwise stated)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Proceeds from issue of Commercial Paper	850.00	-
Redemption of Commercial Paper	(850.00)	-
Short term loans taken/(repaid)	230.68	(34.00)
Net Cash used in Financing Activities	(258.34)	(171.27)
Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C)	160.96	(431.97)
Cash and Cash Equivalents at beginning of year	(781.75)	(349.78)
Cash and Cash Equivalents at end of year	(620.79)	(781.75)

Notes:

I	The above Cash Flow Statement has been prepared under "Indirect Method" as set out in Ind AS - 7 on "Statement of Cash Flows".		
II	Cash and Cash Equivalents:		
	Cash Credit facilities	(663.79)	(824.40)
	Cash and cash equivalents (Note 10)	43.00	42.65
	Cash and cash equivalents as above	(620.79)	(781.75)

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

A. Bhattacharya
Partner

Siddhartha Roy Burman
Chairman & Managing Director

Rittick Roy Burman
Wholetime Director

Namrata Ashok Chotrani
Chief Executive Officer

Indrajit Chaudhuri
Chief Financial Officer

Place: Kolkata
Date: 14th July 2020

Abhijit Dan
Company Secretary & Head - Legal

Notes

to Financial Statements for the year ended 31st March 2020
(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", 5th Floor, 6, Little Russell Street, Kolkata - 700071. The Company listed its equity shares on 14th 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 ASs) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy as mentioned in Note 2.2 (III).

2.2 Basis of preparation

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

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

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

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

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

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

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

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

III. Adoption of New Standard Ind AS 116 - Leases

The Company has adopted Ind AS 116 "Leases" for the first time with effect from 1st April 2019 as the new standard became mandatory for financial years commencing on or after 1st April 2019. The new standard replaces the erstwhile lease standard Ind AS 17 - Leases and related interpretation guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Refer Note 41 for further details.

The Company has applied Ind AS 116 to all lease contracts outstanding as at 1st April 2019 using modified retrospective method by recording the cumulative effect of initial application as an adjustment to opening balance of retained earnings as on 1st April 2019. Accordingly, prior-period comparative figures were not restated.

On adoption of Ind AS 116, the Company has recorded the lease liability at the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application for leases previously classified as an operating lease applying Ind AS 17 and the right of use ("RoU") asset at its carrying amount as if the standard had been applied since the commencement date of the lease but discounted using the incremental borrowing rate at the date of initial application.

Notes

to Financial Statements for the year ended 31st March 2020
(All amounts in Rupees millions, unless otherwise stated)

- IV Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On 30th March 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective from 1st April 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.
- V Amendment to Ind AS 19 'Employee Benefits': On 30th March 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment is effective from 1st April 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that this amendment is currently not applicable.
- VI Amendment to Ind AS 12 'Income Taxes': On 30th March 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment is effective from 1st April 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no impact.

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. Accordingly, the Company has determined its operating cycle to be 12 months.

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 1st April 2016 measured as per the previous GAAP.

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

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

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

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

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

Notes

to Financial Statements for the year ended 31st March 2020
(All amounts in Rupees millions, unless otherwise stated)

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 Tangible and Intangible Assets

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

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

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.

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 and the Company has performed its obligations. Revenue is measured at the fair value of the consideration received or receivable for goods supplied, net of returns and discounts to customers.

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

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

Notes

to Financial Statements for the year ended 31st March 2020
(All amounts in Rupees millions, unless otherwise stated)

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

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.

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.

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2.14 Leases

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

Company as a Lessee

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

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

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

Right-of-use assets

"At the lease commencement date, the right-of-use asset is initially measured at cost which comprises the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

Lease Liabilities

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

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

For short-term leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Company as a Lessor

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

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. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss.

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

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

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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.

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

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

Classification

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

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

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

Impairment

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

Reclassification

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

Derecognition

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

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

Income Recognition

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

Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognized at the value of the respective contractual

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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.

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Notes

to Financial Statements for the year ended 31st March 2020
(All amounts in Rupees millions, unless otherwise stated)

4A	PROPERTY, PLANT AND EQUIPMENT	GROSS BLOCK						As at 31st March 2020
		As at 1st April 2018	Additions during the year	Disposal/adjustment during the year	As at 31st March 2019	Additions during the year	Disposal/adjustment during the year	
	Buildings	628.29	28.17	7.10	649.36	47.71	-	697.07
	Leasehold Improvements	248.23	75.67	4.08	319.82	43.25	11.20	351.87
	Plant and equipment	474.34	117.73	0.79	591.28	69.28	19.39	641.17
	Furniture and Fixtures	147.26	19.15	1.54	164.87	18.39	4.23	179.03
	Vehicles	8.02	3.85	1.96	9.91	0.58	0.04	10.45
	Office Equipment	29.71	4.03	0.17	33.57	8.22	2.28	39.51
	Total	1,535.85	248.60	15.64	1,768.81	187.43	37.14	1,919.10
4B	Capital work - in - progress	14.02			17.08			5.52

4A	PROPERTY, PLANT AND EQUIPMENT	ACCUMULATED DEPRECIATION/AMORTIZATION					NET BLOCK			
		As at 1st April 2018	Additions during the year	Disposal/adjustment during the year	As at 31st March 2019	Additions during the year	Disposal/adjustment during the year	As at 31st March 2020	As at 31st March 2020	As at 31st March 2019
	Buildings	32.68	17.33	0.32	49.69	18.65	-	68.34	628.73	599.67
	Leasehold Improvements	93.85	53.07	4.08	142.84	55.28	10.19	187.93	163.94	176.98
	Plant and equipment	102.13	77.47	0.47	179.13	85.12	12.88	251.37	389.80	412.15
	Furniture and Fixtures	44.59	20.91	1.16	64.34	21.96	2.80	83.50	95.53	100.53
	Vehicles	2.04	1.23	0.28	2.99	1.37	0.04	4.32	6.13	6.92
	Office Equipment	14.40	7.33	0.16	21.57	4.51	2.13	23.95	15.56	12.00
	Total	289.69	177.34	6.47	460.56	186.89	28.04	619.41	1,299.69	1,308.25
4B	Capital work - in - progress								5.52	17.08

Note:

The amount of expenditures recognized in the carrying amount of property, plant and equipment in the course of construction is ₹3.79 millions (Previous Year - ₹ 26.56 millions)

4C	RIGHT-TO-USE ASSETS	GROSS BLOCK		
		Buildings	Land*	Total
	Recognition on initial application of Ind AS 116 as at 1st April 2019 (Refer Note 41)	1,248.14	-	1,248.14
	Reclassified on account of adoption of Ind AS 116	9.43	119.81	129.24
	Additions during the year	337.66	-	337.66
	Deletions during the year	(21.78)	-	(21.78)
	Gross Carrying Value as at 31st March 2020	1,573.45	119.81	1,693.26
		ACCUMULATED DEPRECIATION		
		Buildings	Land	Total
	Accumulated Depreciation as at 1st April 2019	-	-	-
	Depreciation Expenses	225.70	2.19	227.89
	Deductions / Adjustments	(2.19)	-	(2.19)
	Accumulated Depreciation as at 31st March 2020	223.51	2.19	225.70

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	NET CARRYING VALUE		
	Buildings	Land	Total
Net Carrying Value as at 1st April 2019	1,248.14	-	1,248.14
Net Carrying Value as at 31st March 2020	1,349.94	117.62	1,467.56

*This includes 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.

4D	INTANGIBLE ASSETS	GROSS BLOCK						
		As at 1st April 2018	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2019	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2020
	Computer software (acquired)	22.89	2.89	2.09	23.69	-	4.91	18.78

INTANGIBLE ASSETS	ACCUMULATED DEPRECIATION/AMORTIZATION						NET BLOCK		
	As at 1st April 2018	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2019	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2020	As at 31st March 2020	As at 31st March 2019
Computer software (acquired)	10.58	6.97	2.09	15.46	4.58	4.91	15.13	3.65	8.23

4E	INTANGIBLE ASSETS UNDER DEVELOPMENT	GROSS BLOCK						
		As at 1st April 2018	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2019	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2020
	Computer software (acquired)	0.54			0.30			0.88

4F	DEPRECIATION AND AMORTIZATION EXPENSE	For the year ended 31st March 2020	For the year ended 31st March 2019
	Tangible Assets	186.89	177.34
	Right-to-Use Assets	227.89	-
	Intangible Assets	4.58	6.97
	Total	419.36	184.31

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5 INVESTMENTS - NON-CURRENT

	As at 31 st March 2020	As at 31 st March 2019
Investment in Equity Instruments (Unquoted)		
In Subsidiary (at cost)		
Khadiim Shoe Bangladesh Limited		
99 (Previous Year - Nil) ordinary shares of BDT 10,000 each fully paid up	0.85	-
	0.85	-
Aggregate book value of unquoted investments	0.85	-

6 OTHER FINANCIAL ASSETS - NON-CURRENT

	As at 31 st March 2020	As at 31 st March 2019
Unsecured, Considered Good		
Bank deposits with more than 12 months maturity		
- Against guarantees and letter of credit	7.47	11.32
- As security with Sales Tax Authorities	0.38	0.36
Security and other deposits	166.70	157.28
Employee Advances	0.38	0.53
Total	174.93	169.49

7 OTHER NON-CURRENT ASSETS

	As at 31 st March 2020	As at 31 st March 2019
Unsecured, Considered Good		
Capital Advances	8.48	7.20
Advances other than capital advances:		
Security Deposits	11.46	11.13
Prepaid expenses	78.88	214.39
Other advances	6.03	6.04
Government Grant Receivable	11.49	11.49
Total	116.34	250.25

8 INVENTORIES

	As at 31 st March 2020	As at 31 st March 2019
Raw Material (including packing material)	164.85	182.79
Work-in-progress	54.75	47.66
Finished goods (manufactured)	335.91	303.63
Stock-in-trade (goods purchased for resale)	1,140.99	1,015.87
Total	1,696.50	1,549.95

Notes:

- (i) Cost of inventory recognized as an expense during the year ₹ 5,127.90 millions (Previous Year - ₹ 5,137.39 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 - ₹ 5.93 millions (Previous Year - ₹ 8.80 millions).
- (iii) Refer Note 2.8 for mode of valuation.

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9 TRADE RECEIVABLES

	As at 31 st March 2020	As at 31 st March 2019
Considered good - Secured	54.97	56.17
Considered good - Unsecured*	1,134.80	1,285.01
Considered doubtful	51.75	27.02
	1,241.52	1,368.20
Less : Allowance for doubtful debts	51.75	27.02
Total	1,189.77	1,341.18

*Includes ₹0.08 millions (31st March 2019: ₹0.02 millions) due from KM Khadim and Co. which is a firm in which a director is a partner.

10 CASH AND CASH EQUIVALENTS

	As at 31 st March 2020	As at 31 st March 2019
Balances with banks		
On Current Accounts	33.37	24.07
Cheques, drafts on hand	3.72	1.40
Cash on hand	5.91	17.18
Total	43.00	42.65

11 OTHER BANK BALANCES

	As at 31 st March 2020	As at 31 st March 2019
Dividend Accounts	0.02	0.01
Fixed Deposits with banks*		
- Against guarantees and letter of credit	35.96	40.58
- As security with Sales Tax Authorities	0.02	0.01
- Others	-	2.50
Total	36.00	43.10

*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.

12 OTHER FINANCIAL ASSETS - CURRENT

	As at 31 st March 2020	As at 31 st March 2019
Unsecured, Considered Good		
Assets held for disposal *	52.49	52.49
Interest Receivable	1.61	1.11
Employee Advances	3.49	2.45
Other receivables (Tender deposits, scrap sales etc.)	31.86	54.08
Total	89.45	110.13

*Represents certain property, plant and equipment which are not in active use. A Memorandum of Understanding has been signed for disposal of the same and an amount of ₹5.00 millions received as advance against sale consideration which is disclosed under Other Current Liabilities (Refer note 21)

Notes

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13 OTHER CURRENT ASSETS

	As at 31 st March 2020	As at 31 st March 2019
Unsecured, Considered Good		
Advances other than capital advances:		
Advances to related parties	0.35	0.18
Other advances	36.50	19.03
Prepaid expenses	51.19	58.12
Advance to Government Authorities	621.59	553.89
Total	709.63	631.22

14 EQUITY SHARE CAPITAL

	As at 31 st March 2020	As at 31 st March 2019
Authorised		
6,00,00,000 (31st March 2019: 6,00,00,000) Equity Shares of ₹10/- each	600.00	600.00
Issued, Subscribed and Paid up		
1,79,69,614 (31st March 2019: 1,79,69,614) Equity Shares of ₹10/- each	179.70	179.70
Total	179.70	179.70

14.1 Reconciliation of the number of Equity shares

	As at 31 st March 2020		As at 31 st March 2019	
Balance as at the beginning of the year	17,969,614	179.70	17,965,197	179.65
Equity shares issued during the year (Refer Note 14.3)	-	-	4,417	0.05
Balance as at the end of the year	17,969,614	179.70	17,969,614	179.70

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

Name of Shareholders	As at 31 st March 2020		As at 31 st March 2019	
	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	48.63
Siddhartha Roy Burman	1,642,149	9.14	1,459,149	8.12
IDFC Mutual Fund	975,000	5.43	1,031,236	5.74
UTI Mutual Fund	925,341	5.15	829,273	4.61

14.3 During the year ended 31st March 2019, the Company had issued 4,417 equity shares of ₹10 each on exercise of employee stock options. For details refer Note 37.

14.4 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.

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14.5 Equity Shares allotted as fully paid pursuant to contract without payment being received in cash during the period of five years immediately preceding 31st March 2020

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.

14.6 Shares reserved for issue under Options

	As at 31 st March 2020	As at 31 st March 2019
Equity shares of ₹10/- each	34,560	49,005
	34,560	49,005

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

Terms and conditions of Options granted

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

The vesting period for conversion of Options is as follows:

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

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

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

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

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

Further details of 'Khadim Employee Stock Option Plan 2017' are provided in Note 38.

* Refer Note 34.2

15 LEASE LIABILITIES

	As at 31 st March 2020			As at 31 st March 2019		
	Non-Current	Current	Total	Non-Current	Current	Total
Lease Liabilities	1489.12	216.05	1,705.17	-	-	-
Total	1489.12	216.05	1,705.17	-	-	-

15.1 The details of the contractual maturities of lease liabilities as at 31st March, 2020 on an undiscounted basis are as follows:

	As at 31 st March 2020
Less than one year	216.05
One to two years	238.29
Two to three years	242.88
Three to four years	226.34
Four to five years	189.13
More than five years	592.48
Total	1,705.17

Notes

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16 PROVISIONS - NON-CURRENT

	As at 31 st March 2020	As at 31 st March 2019
Post employment benefits		
Gratuity (Refer Note 36.2)	-	6.38
Other long term benefits		
Leave Encashment	5.06	8.98
Total	5.06	15.36

17 DEFERRED TAX (ASSETS)/LIABILITIES (NET)

	As at 31 st March 2020	As at 31 st March 2019
Deferred tax liabilities	74.30	79.83
Less: Deferred tax assets	175.53	40.74
Total	(101.23)	39.09

17.1 Movement in deferred tax liabilities/assets balances

	Opening balance	Recognized in profit or loss	Recognized in Reserves	Recognized in OCI	Closing balance
2019-20					
Deferred tax liabilities/assets in relation to:					
On fiscal allowances on property, plant and equipment, etc.	79.83	(5.53)	-	-	74.30
Total deferred tax liabilities	79.83	(5.53)	-	-	74.30
On employees' separation and retirement etc.	5.57	(3.71)	-	0.12	1.98
On Right of use asset and lease liabilities	-	(16.22)	112.07	-	95.85
On accumulated business loss	-	53.68	-	-	53.68
On Financial assets measured at fair value	6.82	(2.50)	-	-	4.32
On Other assets	9.01	(9.87)	-	-	(0.86)
On Provision for Doubtful Debts And Advances	8.58	4.45	-	-	13.03
On Provision for slow moving inventories	10.76	(3.23)	-	-	7.53
Total deferred tax assets	40.74	22.60	112.07	0.12	175.53
	39.09	(28.13)	(112.07)	(0.12)	(101.23)

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(All amounts in Rupees millions, unless otherwise stated)

	Opening balance	Recognized in profit or loss	Recognized in Reserves	Recognized in OCI	Closing balance
2018-19					
Deferred tax liabilities/assets in relation to:					
On fiscal allowances on property, plant and equipment, etc.	83.98	(4.15)	-	-	79.83
Total deferred tax liabilities	83.98	(4.15)	-	-	79.83
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
Total deferred tax assets before MAT Credit entitlement	33.57	4.06	-	3.11	40.74
Less: MAT Credit utilised during the year	0.01	(0.01)	-	-	-
Total deferred tax assets	33.58				40.74
	50.40	(8.21)	-	(3.11)	39.09

18 OTHER NON-CURRENT LIABILITIES

	As at 31 st March 2020	As at 31 st March 2019
Deferred Government Grant	2.92	3.93
Total	2.92	3.93

19 BORROWINGS - CURRENT

		As at 31 st March 2020	As at 31 st March 2019
SECURED			
Loans repayable on demand			
Cash Credit / Working Capital Demand Loans from Banks			
State Bank of India Cash Credit	[Refer Note 1 of 19.1]	399.80	476.54
State Bank of India Standby Line of Credit	[Refer Note 1 of 19.1]	40.00	-
Axis Bank Cash Credit	[Refer Note 2 of 19.1]	16.62	64.39
ICICI Bank Cash Credit	[Refer Note 2 of 19.1]	52.00	29.87
HDFC Bank Cash Credit	[Refer Note 2 of 19.1]	155.37	173.33
YES Bank Cash Credit	[Refer Note 2 of 19.1]	-	12.69
Kotak Mahindra Bank Cash Credit	[Refer Note 2 of 19.1]	-	67.58
Axis Bank Demand Loan	[Refer Note 2 of 19.1]	36.00	-
YES Bank Demand Loan	[Refer Note 2 of 19.1]	-	6.00
Kotak Mahindra Bank Demand Loan	[Refer Note 2 of 19.1]	9.60	-
HDFC Bank Demand Loan	[Refer Note 2 of 19.1]	158.08	-
ICICI Bank Demand Loan I	[Refer Note 2 of 19.1]	18.00	-
ICICI Bank Demand Loan II	[Refer Note 3 of 19.1]	125.00	60.00
HDFC Bank Short Term Loan	[Refer Note 4 of 19.1]	150.00	150.00
YES Bank Short Term Loan	[Refer Note 5 of 19.1]	-	50.00
Total		1,160.47	1,090.40

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to Financial Statements for the year ended 31st March 2020
(All amounts in Rupees millions, unless otherwise stated)

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

- 1 Primary security - Hypothecation charge on inventory, receivables and all other current assets of the Company, both present and future, on pari-passu basis with other working capital member banks under the consortium.
Collateral security - 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 guarantee of Managing Director and corporate guarantee of group company.
- 2 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 guarantee of Managing Director and corporate guarantee of group company.
- 3 Primary security - Secured by mortgage of factory building at S19, S20 and S21 at Kasba, Kolkata, retail outlet at Rashbehari Avenue, Kolkata and personal guarantee of Managing Director.
- 4 Secured by personal guarantee of Managing Director and mortgage of properties at Tollygunje, Chandannagar and Madhyamgram.
- 5 Secured by personal guarantee of Managing Director.

20 OTHER FINANCIAL LIABILITIES - CURRENT

	As at 31 st March 2020	As at 31 st March 2019
Interest accrued and due on borrowings	5.61	1.13
Unpaid Dividend [Refer Note 20.1]	0.02	0.01
Deposits from customers	102.23	97.84
Other payables:		
Payables on purchase of property, plant and equipment	24.18	12.60
Others [Reimbursement claims, etc.]	-	1.56
Total	132.04	113.14

20.1 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.

21 OTHER CURRENT LIABILITIES

	As at 31 st March 2020	As at 31 st March 2019
Advance from customers	33.04	18.14
Advance against sale of Assets held for disposal	5.00	-
Statutory remittances (GST, Contribution to Provident and Other Funds, Withholding Tax)	17.64	11.72
Deferred Government Grant	1.04	1.23
Others	1.02	1.53
Total	57.74	32.62

22 PROVISIONS - CURRENT

	As at 31 st March 2020	As at 31 st March 2019
Post employment benefits		
Gratuity (Refer Note 36.2)	1.72	3.53
Other long term benefits		
Leave Encashment	1.09	1.34
Total	2.81	4.87

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23 INCOME TAX ASSETS/LIABILITIES

23A INCOME TAX ASSETS

	As at 31 st March 2020	As at 31 st March 2019
Advance Income Tax (Net of Provision ₹381.26 millions; 31st March 2019: ₹381.26 millions)	49.65	26.16
Total	49.65	26.16

23B INCOME TAX LIABILITIES

	As at 31 st March 2020	As at 31 st March 2019
Provision for Income Tax (Net of advance taxes ₹1.20 millions; 31st March 2019: ₹1.20 millions)	1.81	1.81
Total	1.81	1.81

24 REVENUE FROM OPERATIONS

	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Sale of products * [Refer Note 24.1]	7,612.80	7,910.38
Other operating revenues [Refer Note 24.2]	105.88	81.43
Total	7,718.68	7,991.81

* Net of sales returns

24.1 Details of sale of products

	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Footwear and accessories	7,612.80	7,910.38
Total	7,612.80	7,910.38

24.2 Details of other operating revenues

	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Sale of raw materials	86.32	61.58
Scrap sales	19.45	18.98
Export incentives	0.11	0.87
Total	105.88	81.43

25 OTHER INCOME

	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Interest income comprises interest from:		
- Deposits with banks - carried at amortised cost	3.10	3.63
- Other financial assets measured at amortised cost	14.64	14.83
Gain arising on sale of financial assets mandatorily measured at Fair Value through Profit and Loss	1.41	2.32
Gain on sale/discard of property, plant and equipments - Net	-	2.32
Other non-operating income (Rental income, etc.)	47.56	40.28
Total	66.71	63.38

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

	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Inventories at the end of the year		
Work - in - progress	54.75	47.66
Finished goods	335.91	303.63
Stock-in-trade	1,140.99	1,015.87
	1,531.65	1,367.16
Inventories at the beginning of the year		
Work - in - progress	47.66	53.73
Finished goods	303.63	182.21
Stock-in-trade	1,015.87	843.54
	1,367.16	1,079.48
Total	(164.49)	(287.68)

27 EMPLOYEE BENEFITS EXPENSE

	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Salaries and wages	647.35	638.76
Contribution to Provident and other funds	25.25	22.51
Share based payments to employees	1.04	6.23
Staff Welfare Expenses	59.06	53.05
Total	732.70	720.55

28 FINANCE COSTS

	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Interest expense on financial liabilities measured at amortised cost	143.58	116.42
Interest expense on lease liabilities	149.21	-
Total	292.79	116.42

29 OTHER EXPENSES

	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Consumption of Stores	8.71	9.87
Power and Fuel	179.05	166.10
Rent	73.81	333.60
Rates and Taxes	16.33	24.27
Bank Charges	34.42	21.84
Insurance	20.98	21.61
Repairs:		
Plant and Machinery	12.36	12.80
Others	113.48	95.23
Travelling and Conveyance Expenses	57.19	58.83
Printing and Stationery	3.96	6.66
Postage, Telephone and other Communication Expenses	18.81	61.08
Advertising, Marketing and Sales Promotion Expenses	497.06	274.36
Freight Charges, Transport and Delivery	253.75	221.30
Job work Charges	206.45	193.38
Professional Fees	71.19	52.22
Commission and Discount	112.99	124.05

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	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Legal Expenses	0.22	0.42
Debts/Advances written off	8.70	0.69
Loss on sale/discard of property, plant and equipments - Net	9.00	-
Provision for doubtful debts, advances and other assets	24.73	4.62
Security Hire Charges	19.88	19.26
Miscellaneous Expenses (Refer Note 29.1)	25.53	35.07
Total	1,768.60	1,737.26

29.1 Miscellaneous Expenses include :

Amount paid /payable to Auditors (excluding tax)	For the year ended 31 st March 2020	For the year ended 31 st March 2019
- Statutory Audit	1.80	1.80
- Tax Audit	0.40	0.40
- Other matters	1.60	1.71
- Out of pocket expenses	0.23	0.10
Total	4.03	4.01

30 INCOME TAX EXPENSES

	For the year ended 31 st March 2020	For the year ended 31 st March 2019
A Amount recognised in profit or loss		
Current tax		
Income tax for the year		
Current tax	-	129.38
Adjustments/(credits) related to previous years - Net		
Current tax	-	(0.83)
Total Current tax	-	128.55
Deferred tax		
Deferred tax for the year	(28.13)	(8.21)
Total	(28.13)	120.34
B Amount recognised in other comprehensive income		
The tax (charge)/credit arising on income and expenses recognised in other comprehensive income is as follows:		
Deferred tax		
On items that will not be reclassified to profit or loss		
Re-measurement losses on defined benefit plans	0.12	3.11
Total	0.12	3.11
C Reconciliation of effective tax rate		
(Loss)/Profit before tax	(340.28)	332.04
Applicable tax rate	25.168%	34.944%
Income tax expense on above rate	(85.64)	116.03
Adjustment for rate difference (Refer Note 1 below)	(10.94)	-
Expenses not allowable under tax laws	72.78	6.67
Additional expenses allowable under tax laws	(4.33)	(1.53)
	(28.13)	121.17
Tax adjustment of prior periods	-	(0.83)
Tax as per statement of profit and loss	(28.13)	120.34

Notes

to Financial Statements for the year ended 31st March 2020
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Notes:

- The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Company has recognised Provision for Income Tax for the year ended 31st March 2020 and remeasured its Deferred Tax Liabilities based on the rates prescribed in the aforesaid section.
- The Company has long term capital losses of ₹49.99 millions (31st March 2019 - ₹ 50.24 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 st March 2020	For the year ended 31 st March 2019
Assessment year 2019-2020	-	0.25
Assessment year 2026-2027	49.99	49.99
Total	49.99	50.24

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

	Year Ended 31 st March 2020	Year Ended 31 st March 2019
i. (Loss)/Profit after Tax attributable to the Equity Shareholders	(312.15)	211.70
ii. Weighted average number of equity shares outstanding for the purpose of basic earnings per share	17,969,614	17,966,516
iii. Effect of potential equity shares on Employee Stock Options outstanding	-	18,710
iv. Weighted average number of equity shares in computing diluted earnings per share	17,969,614	17,985,226
[(ii) + (iii)]		
v. Earnings per share on (loss)/profit for the year (Face value ₹10/- per share)		
- Basic [(i) / (ii)]	(17.37)	11.78
- Diluted [(i) / (iv)]	(17.37)	11.77

- Miscellaneous Expenses included in "Note 29 - 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 ₹8.36 millions (Previous Year - ₹8.02 millions) and amount spent during the year is ₹8.36 millions (Previous Year - ₹10.28 millions).

- 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 st March 2020	For the year ended 31 st March 2019
Revenue from external customers		
- Within India	7,711.13	7,975.44
- Outside India	7.55	16.37
Total	7,718.68	7,991.81

	As at 31 st March 2020	As at 31 st March 2019
Non-current assets*		
- Within India	2,943.29	1,610.27
- Outside India	-	-
Total	2,943.29	1,610.27

* 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

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34.1 Contingent Liabilities in respect of -

	As at 31 st March 2020	As at 31 st March 2019
Claims not acknowledged as debts :		
a. Sales Tax Matters under dispute	7.04	16.64
b. Income Tax Matters under dispute	1.19	1.11
c. Service Tax matters under dispute	-	0.15
d. Excise Duty matters under dispute	-	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.

34.2 Post Completion of IPO on 14th 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.

35 Commitments

	As at 31 st March 2020	As at 31 st March 2019
Capital Commitment (Net of capital advances - ₹2.55 millions; 31st March 2019 - ₹4.65 millions)	3.95	9.49

36 Employee Benefits

The Company has recognized, in the Statement of Profit and Loss for the year ended 31st March 2020 an amount of ₹20.21 millions (Previous Year - ₹18.24 millions) as expenses under defined contribution plans (Employer's Contribution to Provident and Other Funds) under note 27.

36.1 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

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36.2

	Gratuity (Funded)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
I. Components of Employer Expense		
- recognized in Statement of Profit and loss		
a. Current Service cost	4.56	4.39
b. Net Interest cost	0.48	(0.12)
c. Total expense recognized in the Statement of Profit and Loss	5.04	4.27
- Re-measurements recognized in Other Comprehensive Income		
d. Return on plan assets (excluding amounts included in Net interest cost)	0.05	0.22
e. Effect of changes in financial assumptions	3.43	0.35
f. Effect of experience adjustments	(3.02)	8.33
g. Total re-measurement loss/(gain) included in Other Comprehensive Income	0.46	8.90
h. Total defined benefit cost recognized in Statement of Profit and Loss and Other Comprehensive Income (c+g)	5.50	13.17
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 27. The remeasurements of the net defined benefit liability are included in Other Comprehensive Income .		
II. Actual Returns	3.32	2.75
III. Changes in Defined Benefit Obligation (DBO)		
a. Present value of DBO at the beginning of the year	50.08	39.75
b. Current Service Cost	4.56	4.39
c. Interest Cost	3.86	2.85
d. Re-measurement losses/(gains):		
- Effect of changes in financial assumptions	3.43	0.35
- Effect of experience adjustments	(3.02)	8.33
e. Benefits paid	(6.41)	(5.59)
f. Present value of DBO at the end of the year	52.50	50.08
IV. Change in the Fair Value of Plan Assets		
a. Plan Assets at the beginning of the year	40.17	38.46
b. Interest income	3.38	2.97
c. Re-measurement losses on plan assets	(0.06)	(0.22)
d. Actual Company contributions	13.70	4.55
e. Benefits paid	(6.41)	(5.59)
f. Plan Assets at the end of the year	50.78	40.17
	As at	As at
	31st March 2020	31st March 2019
V. Net Asset/(Liability) recognized in Balance Sheet		
a. Present value of Defined Benefit Obligation	52.50	50.08
b. Fair value of Plan Assets	50.78	40.17
c. Funded Status [Surplus/(Deficit)]	(1.72)	(9.91)
d. Net Asset/(Liability) recognized in Balance Sheet	(1.72)	(9.91)
- Current	(1.72)	(3.53)
- Non-Current	-	(6.38)
VI. Best estimate of Employers' expected contribution for the next year	5.29	4.50

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to Financial Statements for the year ended 31st March 2020
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	As at 31 st March 2020	As at 31 st March 2019
VII. Actuarial Assumptions		
a. Discount Rate (%)	7.00%	7.70%
b. Salary Escalation	5.00%	5.00%
c. Mortality	Indian Assured Lives Mortality (2012-14) table ultimate	

The estimates of rate of escalation in salary considered in actuarial valuation take into account inflation, seniority, promotions and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

	As at 31 st March 2020	As at 31 st March 2019
VIII. Major Category of Plan Assets as a % of the Total Plan Assets		
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.

IX. Net Asset/(Liability) recognized in Balance Sheet (including experience adjustment impact)

	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Gratuity		
Present value of DBO	52.50	50.08
Fair value of plan assets	50.78	40.17
Funded status [Surplus / (Deficit)]	(1.72)	(9.91)
Experience gain / (loss) adjustments on plan liabilities	3.02	(8.33)
Experience gain / (loss) adjustments on plan assets	(0.06)	(0.22)

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.

	Gratuity - DBO as at	
	31 st March 2020	31 st March 2019
1. Discount rate + 100 basis points	48.12	46.00
2. Discount rate - 100 basis points	57.53	54.76
3. Salary increase rate + 1%	57.66	54.82
4. Salary increase rate - 1%	47.87	45.73

XI. Maturity analysis of the benefit payments

	Gratuity	
	31 st March 2020	31 st March 2019
Year 1	3.01	3.53
Year 2	3.49	3.90
Year 3	3.60	3.62
Year 4	3.31	3.30
Year 5	3.85	3.70
Next 5 years	23.28	22.82

Notes

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

A) List of Related Parties	
Holding Company	Knightsville Private Limited
Subsidiary Company	Khadim Shoe Bangladesh Limited*
Key Management Personnel (KMP)	Mr. Siddhartha Roy Burman - Chairman and Managing Director
	Mr. Ritoban Roy Burman, Non-Executive Director
	Dr. Indranath Chatterjee, Non-Executive Independent Director
	Prof. (Dr.) Surabhi Banerjee, Non-Executive Independent Director
	Mr. Alok Chauthmal Churiwala, Non-Executive Independent Director
	Mr. Rittick Roy Burman, Wholetime Director (w.e.f. from 8th November 2019)**
	Ms. Namrata Ashok Chotrani, Chief Executive Officer (w.e.f. from 1st November 2019)
	[Held the post of Non-Executive Director till 11th September 2019]
	Ms. Ishani Ray, Chief Executive Officer (till 31st October 2019)
	Mr. Indrajit Chaudhuri, Chief Financial Officer
Mr. Abhijit Dan, Company Secretary and Head Legal	
Enterprises over which KMP and their relatives exercise significant influence	PU Pillar Consultant and Strategic Solutions Private Limited (erstwhile 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
Khadim Estate Advisors Private Limited	
Relatives of KMP	Mrs. Namita Roy Burman (Mother of Mr. Siddhartha Roy Burman)
	Mr. Rittick Roy Burman (Son of Mr. Siddhartha Roy Burman)**

Notes

to Financial Statements for the year ended 31st March 2020
(All amounts in Rupees millions, unless otherwise stated)

B) Particulars of transactions during the year ended 31st March 2020:

Particulars	Year Ended 31st March 2020		Year Ended 31st March 2019	
I) Holding Company		-		-
II) Subsidiary Company		-		-
III) Key Management Personnel ^				
a) Remuneration				
- Mr.Siddhartha Roy Burman #	31.15		31.08	
- Mr.Rittick Roy Burman	1.07		-	
- Ms.Namrata Ashok Chotrani	3.06		-	
- Ms.Ishani Ray	4.05		6.56	
- Mr.Indrajit Chaudhuri	4.08		4.06	
- Mr.Abhijit Dan	2.27	45.68	2.16	43.86
b) Share based payments				
- Ms.Ishani Ray	-		1.12	
- Mr.Indrajit Chaudhuri	0.46	0.46	0.68	1.80
c) Rent paid to Mr.Siddhartha Roy Burman		0.08		0.08
d) Sitting fees				
- Dr.Indranath Chatterjee	0.39		0.42	
- Prof.(Dr.) Surabhi Banerjee	0.41		0.44	
- Mr.Alok Chauthmal Churiwala	0.36		0.30	
- Ms.Namrata Ashok Chotrani	0.12		0.36	
- Mr.Ritoban Roy Burman	0.11	1.39	0.17	1.69
IV) Enterprises over which KMP and their relatives exercise significant influence				
a) Royalty received from K M Khadim & Co.[31st March 2019 - ₹ 1,211/-]		0.02	
b) Rent paid to Khadim Development Co. Pvt Ltd #		0.84		0.84
c) Commission paid				
- Khadim Enterprises	0.32		0.34	
- Bee Tee Enterprises	0.72		0.77	
- Sheila Departmental Stores Pvt Ltd	0.66		0.70	
- St. Mary's Clinic & Drug Stores	0.15	1.85	0.13	1.94
d) Rent received from K M Khadim & Co.		0.03		0.03
V) Relatives of Key Management Personnel				
Remuneration				
- Mrs.Namita Roy Burman	1.44		1.44	
- Mr.Rittick Roy Burman	1.08	2.52	1.79	3.23

	As at 31st March 2020	As at 31st March 2019
Outstanding Balances		
I) Key Management Personnel		
- Mr.Siddhartha Roy Burman	(0.81)	-
- Mr.Rittick Roy Burman	(0.17)	-
II) Enterprises over which KMP and their relatives exercise significant influence		
- Khadim Enterprises	0.12	0.18
- Bee Tee Enterprises	(0.33)	(0.35)
- Sheila Departmental Stores Pvt Ltd	(3.43)	(3.13)
- St. Mary's Clinic & Drug Stores	0.23	(0.23)
- Khadim Development Co Pvt Ltd	(0.03)	-
- K M Khadim & Co.	0.08	0.02

* The Company incorporated Khadim Shoe Bangladesh Limited, a wholly owned subsidiary company in Bangladesh on 5th September 2019.

Also refer Note 19.1 in respect of guarantees given for loans taken by the Company.

^ Post employment benefits are actuarially determined on overall basis and not included above.

**Appointment and remuneration of Mr.Rittick Roy Burman is subject to approval in ensuing Annual General Meeting.

Notes

to Financial Statements for the year ended 31st March 2020
(All amounts in Rupees millions, unless otherwise stated)

38 Information in respect of Options granted under the Company's Employee Stock Option Scheme ('Scheme'):

Name of the Scheme	Khadim Employee Stock Option Plan 2017	
i. Date of Shareholders' approval	:	17th June 2017
ii. Total number of Options approved under the Scheme	:	Options equivalent to 1,86,465 equity shares of ₹10/- each
iii. Vesting schedule	:	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 2019-20 is ₹1.04 millions (Previous Year - ₹6.23 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	:	49,005
b. Options granted during the year	:	-
c. Options cancelled and lapsed during the year	:	14,445
d. Options vested and exercisable during the year (net of Options lapsed and exercised)	:	5,676
e. Options exercised during the year	:	-
f. Number of equity shares of ₹10 each arising as a result of exercise of Options during the year	:	-
g. Options outstanding and exercisable at the end of the year	:	34,560
h. Money realised by exercise of the Options during the year	:	-

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to Financial Statements for the year ended 31st March 2020
(All amounts in Rupees millions, unless otherwise stated)

Name of the Scheme	Khadim Employee Stock Option Plan 2017
xii. Weighted average share price of shares arising upon exercise of Options	: No options were exercised during the year
xiii. A description of the method used during the year to estimate the fair value of Options, the weighted average exercise price and weighted average fair value of Options granted	: The fair value of each Option is estimated using the Black Scholes Option Pricing model
	Weighted average exercise price per Option - ₹320
	Weighted average fair value per Option - ₹310
The significant assumptions used to ascertain the above	: The fair value of each Option is estimated using the Black Scholes Option Pricing model after applying the following key assumptions on a weighted average basis:
	Risk-free interest rate - 8%
	Expected life - 6 years
	Expected volatility - 80%
	Dividend yield - 0%
	Fair market value of the underlying share in the market at the time of Option grant - ₹400
xiv. Methodology for determination of expected volatility	: "The volatility used in the Black Scholes Option Pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. The period considered for the working is based on the daily volatility of the stock prices on National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE) over a period prior to the date of grant corresponding with the expected life of the options." "
xv. Options granted to	: No options were granted during the year.
a. Key managerial personnel	: Nil
b. Senior managerial personnel	: Nil
c. Any other employee who received a grant on any one year of Options amounting to 5% or more of the Options granted during the year	: Nil
d. Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant.	: None

39 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.

Notes

to Financial Statements for the year ended 31st March 2020
(All amounts in Rupees millions, unless otherwise stated)

B Categories of Financial Instruments

	As at 31st March 2020		As at 31st March 2019	
	Carrying value	Fair value	Carrying value	Fair value
I Financial assets				
a. Measured at amortised cost				
Trade receivables	1,189.77	1,189.77	1,341.18	1,341.18
Cash and cash equivalents	43.00	43.00	42.65	42.65
Other bank balances	36.00	36.00	43.10	43.10
Other financial assets	264.39	264.39	279.62	279.62
Total Financial assets	1,533.16	1,533.16	1,706.55	1,706.55
II Financial liabilities				
a. Measured at amortised cost				
Lease liabilities	1,705.17	1,705.17	-	-
Borrowings	1,160.47	1,160.47	1,090.40	1,090.40
Trade payables	1,581.65	1,581.65	1,320.05	1,320.05
Other financial liabilities	132.04	132.04	113.14	113.14
Total Financial liabilities	4,579.33	4,579.33	2,523.59	2,523.59

Note:

Investment in Subsidiary is carried at cost and hence not included in the above table.

C Financial risk management objectives

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's financial risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. Backed by strong internal control systems, the current risk management framework rests on policies and procedures issued by appropriate authorities; process of regular reviews to set appropriate risk limits and controls; monitoring of such risks and compliance confirmation for the same.

Interest rate risk

As majority of the financial assets and liabilities of the Company are either non-interest bearing or fixed interest bearing instruments, the Company's net exposure to interest risk is negligible.

Price risk

The Company invests its short term funds primarily in debt mutual fund. Accordingly, these do not pose any significant price risk.

Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. The Company consistently generated strong cash flows from operations by ensuring timely collections of its trade receivables and this together with the available cash and cash equivalents provides adequate liquidity in short terms as well in the long term.

The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date.

As at 31st March 2020	Carrying value	Less than 1 year	Between 1 to 5 years	Beyond 5 years	Total
Lease liabilities	1,705.17	216.05	896.64	592.48	1,705.17
Borrowings	1,160.47	1,160.47	-	-	1,160.47
Trade payables	1,581.65	1,581.65	-	-	1,581.65
Other financial liabilities	132.04	132.04	-	-	132.04
Total	4,579.33	3,090.21	896.64	592.48	4,579.33

Notes

to Financial Statements for the year ended 31st March 2020
(All amounts in Rupees millions, unless otherwise stated)

As at 31st 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
Total	2,523.59	2,523.59	-	-	2,523.59

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 st March 2020	As at 31 st March 2019
Opening Balance	27.02	22.40
Add: Provisions made (net)	24.73	4.62
Closing Balance	51.75	27.02

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 st March 2020 USD	As at 31 st March 2019 USD
Financial assets	2.32	4.26
Financial liabilities	52.48	38.41

The forward exchange contracts that were outstanding on respective reporting dates (not designated under Hedge Accounting):

	Currency	Cross Currency	Buy
As at 31st March 2020	USD	Rupees	0.69
As at 31st March 2019	USD	Rupees	1.00

The aforesaid contracts have a maturity of less than 1 year from the year end.

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to Financial Statements for the year ended 31st March 2020
(All amounts in Rupees millions, unless otherwise stated)

40 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 st March 2020	As at 31 st March 2019
I Financial assets			
a. Measured at amortised cost			
Other financial assets - Non-Current	3	174.93	169.49
Total Financial assets		174.93	169.49
II Financial liabilities		Nil	Nil

- 41 (i) In applying Ind AS 116 for the first time, the Company has made use of the following practical expedients as permitted by the standard:**
- not to reassess whether a contract is or contains a lease, accordingly the definition of lease in accordance with erstwhile standard Ind AS 17 will continue to be applied to those leases entered or modified before 1st April 2019.
 - applied a single discount rate to a portfolio of leases of similar assets in similar economic environment,
 - excluded the initial direct costs from measurement of the RoU Assets
 - not to recognize RoU assets and lease liabilities for leases with remaining lease term less than twelve months as at 1st April 2019.
 - the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease
- (ii) On transition, the adoption of the new Standard resulted in recognition of RoU asset of ₹1,248.14 millions and Lease liability of ₹1,568.84 millions. The cumulative effect of applying the Standard resulted in ₹208.64 millions being debited to retained earnings, net of taxes of ₹112.07 millions.
- (iii) The weighted average of discount rate applied to lease liabilities as at 1st April 2019 is 9.04%.
- (iv) Lease liabilities recognized in the books exclude expenses of ₹58.68 millions in relation to short-term leases and recorded as 'Rent expenses' under Other Expenses in Note 29.
- (v) The Company for the year ended 31st March 2020 has recognised expenses of ₹3.75 millions as variable lease payment for commissioned outlets and ₹0.92 millions for leased outlet and recorded as 'Commission and Discount' under Other Expenses in Note 29.

Notes

to Financial Statements for the year ended 31st March 2020
(All amounts in Rupees millions, unless otherwise stated)

42 Micro, Small and Medium scale business entities:

Details as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). This information has been determined to the extent such parties have been identified on the basis of information available with the Company

Sl. No.	Particulars	31st March, 2020	31st March, 2019
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	Nil	0.41
	Principal	Nil	Nil
	Interest		
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

43 Consequent to the nationwide lock down announced by Government of India due to COVID-19, the Company had been adversely impacted, by way of temporarily closure of its manufacturing and sales operations pan India. Subsequently, the Company has resumed its operations, in strict compliance with the Government regulations, as applicable.

On the basis of assessment done by the Company and based on the internal/ external sources of information and application of reasonable estimates, the Company has concluded that it does not foresee any significant incremental risk to the recoverability of its Trade Receivables, Inventories and Other Financial Assets or, in meeting its financial obligations over the foreseeable future and hence no material adjustments are required in the Financial Statements.

Since the situation is continuously evolving, the impact assessed in future may be different from the estimates made as at the date of approval of these financial results. The Company will continue to closely monitor any material changes to future economic conditions due to uncertainties linked to COVID -19, which may impact the above assessment.

44 The financial statements were approved for issue by the Board of Directors on 14th July 2020.

For and on behalf of Board of Directors

Siddhartha Roy Burman
Chairman & Managing Director

Rittick Roy Burman
Wholetime Director

Namrata Ashok Chotrani
Chief Executive Officer

Indrajit Chaudhuri
Chief Financial Officer

Abhijit Dan
Company Secretary & Head - Legal

Form AOC-1

(Pursuant to first proviso to Section 129(3) read with rule 5 of Companies (Accounts) Rules, 2014
Statement containing salient features of the financial statements of subsidiaries
(All amounts in Rupees, unless otherwise stated)

Name of the Subsidiary Company	Khadim Shoe Bangladesh Limited
Date since subsidiary was acquired	5th September 2019
Financial Year ending on	31st March 2020
Reporting Currency	Bangladesh taka
Exchange rate as on 31st March 2020	0.88 Indian Rupee
Share Capital	990,000
Reserves and Surplus	(614,856)
Total Assets	996,360
Total Liabilities	996,360
Investments (excluding Investments made in subsidiaries)	Nil
Turnover	Nil
Loss before tax	(614,856)
Provision for tax	Nil
Loss after tax	(614,856)
Proposed Dividend	Nil
% of shareholding	100.00%
Country	Bangladesh

For and on behalf of Board of Directors

Siddhartha Roy Burman
Chairman & Managing Director

Rittick Roy Burman
Wholetime Director

Namrata Ashok Chotrani
Chief Executive Officer

Indrajit Chaudhuri
Chief Financial Officer

Place: Kolkata
Date: 14th July 2020

Abhijit Dan
Company Secretary & Head - Legal

Independent Auditor's Report

To The Members of Khadim India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Khadim India Limited ("the Parent") and its subsidiary, (the Parent and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Loss), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2020, and their consolidated loss, their consolidated total comprehensive loss, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Revenue Recognition</p> <p>Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the Parent performs its obligation to its customers, the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition is when 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 Parent. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.</p> <p>The Parent operates through two different revenue streams – Wholesale and Retail.</p> <p>The Retail revenues consist of small transactions under cash and carry model. Hence the likelihood of occurrence and magnitude of a potential misstatement arising out of revenue recognition before transfer of control is minimal.</p> <p>Accordingly, we focused our work on the risk of revenue being recognized before control is transferred in respect of it's Wholesale revenue.</p>	<p>Principal Audit Procedures</p> <p>In order to address the risk of misstatement related to Wholesale Cut-off in revenue recognition, we have performed the following procedures:-</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"> Assessing the appropriateness of the Parent's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof. Evaluating the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls. Evaluating the design and implementation of Parent's controls in respect of revenue recognition. Testing the effectiveness of such controls over revenue cut off at year-end.

Independent Auditor's Report

Sr. No.	Key Audit Matter	Auditor's Response
	Refer Note 2.9 to the Consolidated Financial Statements - Significant Accounting Policies.	<ul style="list-style-type: none"> • 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.
2	<p>Existence of Inventories at year end</p> <p>The Parent's management conducts physical verification of inventories during the year at reasonable intervals. However, on account of the COVID-19 related lockdown restrictions, management was unable to perform year end physical verification of inventories. Physical verification of inventories was performed by the management subsequent to the year end.</p> <p>We therefore performed alternate procedures to test existence of inventory as at year-end, in accordance with the requirements of the auditing standards; and hence identified as a key audit matter.</p> <p>The total value of inventories as at 31 March, 2020 is ₹ 1,696.50 millions.</p>	<p>With respect to the existence of inventories at the year-end:</p> <ol style="list-style-type: none"> 1. Evaluated the design and implementation of the controls over physical verification of inventory and tested the operating effectiveness of these controls during the interim periods. 2. We have performed the following alternate procedures to audit the existence of inventory: <ul style="list-style-type: none"> • We obtained and tested the management's physical verification records performed subsequent to the year-end and traced to the inventory ledgers and performed necessary roll back procedures to arrive at the balance of inventory as of 31 March, 2020 • Participated in the physical verification of inventories conducted by the management subsequent to the year end in selective locations, through video calls and performed necessary roll back procedures. • Tested purchase of inventory of raw material and finished goods prior to the year-end and lying as inventory at year end on sample basis. • Verified quantitative reconciliations of inventories prepared by the management on a sample basis. • On a sample basis, inspected documentation supporting the sale of finished goods made subsequent to the year-end; determined whether such sale was made out of production upto the year-end.

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiary, and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary is traced from their respective financial statements.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive loss, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

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

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

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

Independent Auditor's Report

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Group as on 31 March, 2020 taken on record by the Board of Directors of the Parent, none of the directors of the Parent are disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Parent.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, refer clause (xi) of "Annexure B" to the Independent Auditor's report on the Standalone Financial Statements.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group- Refer Note 33.1 to the consolidated financial statements.
 - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent.

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

A. Bhattacharya
Partner
(Membership No. 054110)

UDIN: 20054110AAAACZ1840

Place: Kolkata
Date: 14 July, 2020

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”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March, 2020, we have audited the internal financial controls over financial reporting of Khadim India Limited (hereinafter referred to as “Parent”).

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Parent is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the 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 internal financial controls system over financial reporting of the Parent.

Meaning of Internal Financial Controls Over Financial Reporting

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

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 Parent, in all material respects, has an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2020, based on the criteria for internal financial control over financial reporting established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Firm Registration No. 302009E)

A. Bhattacharya

Partner
(Membership No. 054110)

UDIN: 20054110AAAACZ1840

Place: Kolkata

Date: 14 July, 2020

Consolidated Balance Sheet

as at 31st March 2020

(All amounts in Rupees millions, unless otherwise stated)

Particulars	Note No.	As at 31 st March 2020	As at 31 st March 2019
ASSETS			
1 Non - current assets			
(a) Property, Plant and Equipment	4A	1,299.69	1,308.25
(b) Capital work - in - progress	4B	5.52	17.08
(c) Right of Use Asset	4C	1,467.56	-
(d) Intangible assets	4D	3.65	8.23
(e) Intangible assets under development	4E	0.88	0.30
(f) Financial Assets			
Others	5	174.93	169.49
(g) Deferred tax assets (net)	16	101.23	-
(h) Income tax assets (net)	22A	49.65	26.16
(i) Other non-current assets	6	116.34	250.25
2 Current assets			
(a) Inventories	7	1,696.50	1,549.95
(b) Financial Assets			
(i) Trade receivables	8	1,189.77	1,341.18
(ii) Cash and cash equivalents	9	43.88	42.65
(iii) Other Bank balances	10	36.00	43.10
(iv) Others	11	89.45	110.13
(c) Other current assets	12	709.63	631.22
Total Assets		6,984.68	5,497.99
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	13	179.70	179.70
(b) Other Equity		2,154.76	2,697.02
LIABILITIES			
1 Non-current liabilities			
(a) Financial Liabilities			
Lease liabilities	14	1,489.12	-
(b) Provisions	15	5.06	15.36
(c) Deferred tax liabilities (net)	16	-	39.09
(d) Other non-current liabilities	17	2.92	3.93
2 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	1,160.47	1,090.40
(ii) Lease liabilities	14	216.05	-
(iii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises		-	0.41
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,582.17	1,319.64
(iv) Other financial liabilities	19	132.05	113.14
(b) Other current liabilities	20	57.76	32.62
(c) Provisions	21	2.81	4.87
(d) Income Tax Liabilities (net)	22B	1.81	1.81
Total Equity and Liabilities		6,984.68	5,497.99

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

Rittick Roy Burman
Wholetime Director

A. Bhattacharya
Partner

Namrata Ashok Chotrani
Chief Executive Officer

Indrajit Chaudhuri
Chief Financial Officer

Place: Kolkata
Date: 14th July 2020

Abhijit Dan
Company Secretary & Head - Legal

Consolidated Statement of Profit and Loss

for the year ended 31st March 2020
(All amounts in Rupees millions, unless otherwise stated)

Particulars	Note No.	For the year ended 31 st March 2020	For the year ended 31 st March 2019
I. Revenue From Operations	23	7,718.68	7,991.81
II. Other Income	24	66.71	63.38
III. Total Income (I + II)		7,785.39	8,055.19
IV. Expenses :			
Cost of materials consumed		1,708.36	1,764.38
Purchases of Stock-in-Trade		3,368.35	3,487.91
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	25	(164.49)	(287.68)
Employee benefits expense	26	732.70	720.55
Finance costs	27	292.79	116.42
Depreciation and amortization expense	4F	419.36	184.31
Other expenses	28	1,769.14	1,737.26
Total expenses (IV)		8,126.21	7,723.15
V (Loss)/Profit before tax (III - IV)		(340.82)	332.04
VI Tax expense:	29		
(1) Current tax		-	128.55
(2) Deferred tax		(28.13)	(8.21)
		(28.13)	120.34
VII. (Loss)/Profit for the year (V - VI)		(312.69)	211.70
VIII. Other Comprehensive Income			
A(i) Items that will not be reclassified to profit or loss			
- Re-measurement losses on defined benefit plans	35.2	(0.46)	(8.90)
(ii) Income tax relating to items that will not be reclassified to profit or loss	29	0.12	3.11
B(i) Items that will be reclassified to profit or loss		0.02	-
- Exchange differences in translating the financial statements of foreign operations			
Other Comprehensive Loss for the year		(0.32)	(5.79)
IX Total Comprehensive (Loss)/Income for the year		(313.01)	205.91
(Loss)/Profit for the year attributable to:			
Owners of the parent		(312.69)	211.70
Non-controlling interests		-	-
Total Comprehensive (Loss)/Income for the year attributable to:			
Owners of the parent		(313.01)	205.91
Non-controlling interests		-	-
X. Earnings per equity share : [Nominal Value per Share ₹10/- (Previous year ₹10/-)]	30		
(1) Basic (In ₹)		(17.40)	11.78
(2) Diluted (In ₹)		(17.40)	11.77

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

Rittick Roy Burman
Wholetime Director

A. Bhattacharya
Partner

Namrata Ashok Chotrani
Chief Executive Officer

Indrajit Chaudhuri
Chief Financial Officer

Place: Kolkata
Date: 14th July 2020

Abhijit Dan
Company Secretary & Head - Legal

Consolidated Statement of Changes in Equity

for the year ended 31st March 2020
(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 31st March 2019	179.65	0.05	179.70
For the year ended 31st March 2020	179.70	-	179.70

(b) Other Equity

	Reserves and surplus				Items of other comprehensive income	Attributable to owners of the parent	Non-controlling interests	Total other equity
	Capital reserve -Amalgamation Reserve	Securities premium	Share options outstanding account	Retained earnings				
As at 1st April 2018	231.92	1,219.09	4.49	1,049.66	-	2,505.16	-	2,505.16
Profit for the year	-	-	-	211.70	-	211.70	-	211.70
Other comprehensive income (net of tax)	-	-	-	(5.79)	-	(5.79)	-	(5.79)
Total comprehensive income	-	-	-	205.91	-	205.91	-	205.91
Recognition of share based payment	-	-	6.23	-	-	6.23	-	6.23
Transfer from share option reserve on exercise and lapse	-	2.74	(2.45)	1.08	-	1.37	-	1.37
Dividend paid	-	-	-	(17.96)	-	(17.96)	-	(17.96)
Income tax on dividend paid	-	-	-	(3.69)	-	(3.69)	-	(3.69)
As at 31st March 2019	231.92	1,221.83	8.27	1,235.00	-	2,697.02	-	2,697.02
Loss for the year	-	-	-	(312.69)	-	(312.69)	-	(312.69)
Other comprehensive loss (net of tax)	-	-	-	(0.34)	0.02	(0.32)	-	(0.32)
Total comprehensive loss	-	-	-	(313.03)	0.02	(313.01)	-	(313.01)
Recognition of share based payment	-	-	1.04	-	-	1.04	-	1.04
Transfer from share option reserve on lapse	-	-	(0.86)	0.86	-	-	-	-
Amount adjusted from reserves on transition to Ind AS 116 (Refer Note 41)	-	-	-	(320.70)	-	(320.70)	-	(320.70)
Deferred tax asset recognised on transition to Ind AS 116 (Refer Note 41)	-	-	-	112.07	-	112.07	-	112.07
Dividend paid	-	-	-	(17.97)	-	(17.97)	-	(17.97)
Income tax on dividend paid	-	-	-	(3.69)	-	(3.69)	-	(3.69)
As at 31st March 2020	231.92	1,221.83	8.45	692.54	0.02	2,154.76	-	2,154.76

The Board of Directors of the Company has not recommended any dividend for the current financial year. During the previous year, the Board of Directors of the Company recommended a dividend of Re.1 per equity share to be paid on fully paid up equity shares. The equity dividend was approved by shareholders at the Annual General Meeting. Total equity dividend paid was ₹17.97 millions and Income tax on dividend being ₹3.69 millions.

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

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

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

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

See accompanying notes to the financial statements.

In terms of our Report attached

For and on behalf of Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

Siddhartha Roy Burman
Chairman & Managing Director

Rittick Roy Burman
Wholtime Director

A. Bhattacharya
Partner

Namrata Ashok Chotrani
Chief Executive Officer

Indrajit Chaudhuri
Chief Financial Officer

Place: Kolkata
Date: 14th July 2020

Abhijit Dan
Company Secretary & Head - Legal

Consolidated Cash Flow Statement

for the year ended 31st March 2020
(All amounts in Rupees millions, unless otherwise stated)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit before Tax for the year	(340.82)	332.04
Adjustments for:		
Depreciation and amortization expense	419.36	184.31
Share based payments to employees	1.04	6.23
(Gain)/Loss on disposal of property, plant and equipment (net)	9.00	(2.32)
Interest Received	(17.74)	(18.46)
Gain arising on sale of financial assets mandatorily measured at Fair Value through Profit and Loss	(1.41)	(2.32)
Liabilities/Provisions no longer required written back	(6.93)	(2.54)
Government grant received	(1.21)	(1.23)
Provision for doubtful debts, advances and other assets	24.73	4.62
Debts/Advances written off	8.70	0.69
Foreign currency translations and transactions - Net	1.93	0.01
Finance costs	292.79	116.42
Operating Profit before Working Capital Changes	389.44	617.45
Adjustments for:		
Trade Receivables, Loans and Advances and Other Assets	72.22	(306.08)
Inventories	(146.55)	(283.06)
Trade Payables, Other Liabilities and Provisions	279.68	34.64
Cash Generated from Operations	594.79	62.95
Income taxes paid	(23.49)	(170.08)
Net Cash generated from /(used in) Operating Activities	571.30	(107.13)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, intangible assets	(166.17)	(251.84)
Sale of property, plant and equipment, intangible assets	0.08	12.86
Investments in bank deposits	(6.75)	(57.38)
Maturity of bank deposits	17.69	129.85
Purchase of Current Investments	(77.50)	(109.00)
Sale of Current Investments	78.91	111.32
Interest Received	2.62	10.62
Net Cash used in Investing Activities	(151.12)	(153.57)

Consolidated Cash Flow Statement

for the year ended 31st March 2020 (Continued)
(All amounts in Rupees millions, unless otherwise stated)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	-	1.41
Interest paid	(139.08)	(117.03)
Dividend paid	(17.97)	(17.96)
Income tax on dividend paid	(3.69)	(3.69)
Repayment of lease liability	(325.50)	-
Payment of initial direct cost recognised as Right of Use Asset	(2.78)	-
Proceeds from issue of Commercial Paper	850.00	-
Redemption of Commercial Paper	(850.00)	-
Short term loans taken/(repaid)	230.68	(34.00)
Net Cash used in Financing Activities	(258.34)	(171.27)
Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C)	161.84	(431.97)
Cash and Cash Equivalents at beginning of year	(781.75)	(349.78)
Cash and Cash Equivalents at end of year	(619.91)	(781.75)

Notes:

I	The above Cash Flow Statement has been prepared under "Indirect Method" as set out in Ind AS - 7 on "Statement of Cash Flows".		
II	Cash and Cash Equivalents:		
	Cash Credit facilities	(663.79)	(824.40)
	Cash and cash equivalents (Note 10)	43.88	42.65
	Cash and cash equivalents as above	(619.91)	(781.75)

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

Rittick Roy Burman
Wholetime Director

A. Bhattacharya
Partner

Namrata Ashok Chotrani
Chief Executive Officer

Indrajit Chaudhuri
Chief Financial Officer

Place: Kolkata
Date: 14th July 2020

Abhijit Dan
Company Secretary & Head - Legal

Notes

to Consolidated Financial Statements for the year ended 31st March 2020
(All amounts in Rupees millions, unless otherwise stated)

1 Corporate information

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

2 Significant accounting policies

2.1 Statement of Compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind ASs) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. The consolidated financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy as mentioned in Note 2.2 (III).

2.2 Basis of preparation

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

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

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

- I In the principal market for the asset or liability, or
- II In the absence of a principal market, in the most advantageous market for the asset or liability.
The principal or the most advantageous market must be accessible by the Group.

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

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

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

III. Adoption of New Standard Ind AS 116 - Leases

The Group has adopted Ind AS 116 "Leases" for the first time with effect from 1st April 2019 as the new standard became mandatory for financial years commencing on or after 1st April 2019. The new standard replaces the erstwhile lease standard Ind AS 17 - Leases and related interpretation guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Refer Note 40 for further details.

The Group has applied Ind AS 116 to all lease contracts outstanding as at 1st April 2019 using modified retrospective method by recording the cumulative effect of initial application as an adjustment to opening balance of retained earnings as on 1st April 2019. Accordingly, prior-period comparative figures were not restated.

Notes

to Consolidated Financial Statements for the year ended 31st March 2020
(All amounts in Rupees millions, unless otherwise stated)

On adoption of Ind AS 116, the Group has recorded the lease liability at the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application for leases previously classified as an operating lease applying Ind AS 17 and the right of use ("RoU") asset at its carrying amount as if the standard had been applied since the commencement date of the lease but discounted using the incremental borrowing rate at the date of initial application.

- IV Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On 30th March 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective from 1st April 2019. The Group has evaluated the effect of this amendment on the consolidated financial statements and concluded that there is no significant impact.
- V Amendment to Ind AS 19 'Employee Benefits': On 30th March 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment is effective from 1st April 2019. The Group has evaluated the effect of this amendment on the consolidated financial statements and concluded that this amendment is currently not applicable.
- VI Amendment to Ind AS 12 'Income Taxes': On 30th March 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment is effective from 1st April 2019. The Group has evaluated the effect of this amendment on the consolidated financial statements and concluded that there is no impact.

2.3 Basis of Consolidation

- A) The consolidated financial statements relate to Khadim India Limited (the "Company"), its subsidiary Khadim Shoe Bangladesh Limited, together constitute the "Group". The consolidated financial statements have been prepared on the following basis:
- i) The financial statements of the company and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and unrealized profits or losses as per Ind AS 110 'Consolidated Financial Statements', as specified under section 133 of the Companies Act, 2013.
 - ii) The financial statements of subsidiary, consolidated are drawn upto the same reporting date as that of the company.
 - iii) The excess of the Group's share in equity of each subsidiary, over the cost of its acquisition at the date on which the investment is made, is recognized as "Capital Reserve on Consolidation" and included as Other Equity under Equity in the Consolidated Balance Sheet.
 - iv) Non-controlling Interest comprises:
 - a) The amount of equity attributable to the non-controlling interests at the date of which investment in a subsidiary is made; and
 - b) The non-controlling interests' share of movements in equity since the date the parent-subsidiary relationship came into existence Non-controlling interests' share of net profit / (loss) for the year of consolidated subsidiaries is identified and adjusted against the profit / (Loss) after tax of the Group. The losses attributable to the non-controlling interests are restricted to the extent of non-controlling interests' equity.

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2.4 Operating cycle

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

2.5 Property, Plant and Equipment – Tangible Assets

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

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

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

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

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

Buildings - 30 – 60 Years

Leasehold Improvements - Shorter of lease period or over 6 years

Plant and Equipment - 5 – 15 Years

Furniture and Fixtures – 10 Years

Vehicles - 10 Years

Office Equipment - 5 Years

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

2.6 Intangible Assets

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

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

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

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2.7 Impairment of Tangible and Intangible Assets

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

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

2.8 Assets held for disposal

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

2.9 Inventories

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

2.10 Revenue Recognition

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

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made and the Group has performed its obligations.

Revenue is measured at the fair value of the consideration received or receivable for goods supplied, net of returns and discounts to customers.

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

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

2.11 Government Grant

The Group receives government grants that require compliance with certain conditions related to the Group's operating activities or are provided to the Group by way of financial assistance on the basis of certain qualifying criteria.

Government grants are recognized when there is reasonable assurance that the grant will be received, and the Group will comply with the conditions attached to the grant. Accordingly, government grants:

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

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2.12 Foreign Currency Transactions

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

2.13 Borrowing Cost

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

2.14 Retirement and Other Employee Benefits

I Short-term employee benefits

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

II Defined contribution plan

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

III Defined benefit plan

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

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

IV Other long term employee benefits

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

V Employee Share Based Compensation

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

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

2.15 Leases

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

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Group as a Lessee

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

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

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

Right-of-use assets

At the lease commencement date, the right-of-use asset is initially measured at cost which comprises the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

Lease Liabilities

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

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

For short-term leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Group as a Lessor

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

2.16 Taxes on Income

Taxes on income comprises of current taxes and deferred taxes.

Current income tax

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

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

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

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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.

2.17 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the 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.

2.18 Dividend Distribution

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

2.19 Contingent liability

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

2.20 Cash and cash equivalents

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

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

2.21 Financial instruments, Financial assets, Financial liabilities and Equity instruments

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

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Financial assets

Recognition

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

Classification

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

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

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

Impairment

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

Reclassification

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

Derecognition

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

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

Income Recognition

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

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Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognized at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognized in the Consolidated Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Consolidated Balance Sheet. Financial liabilities are derecognized when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled 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 consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

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

Key sources of estimation uncertainty

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

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

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

II Actuarial Valuation

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

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4A	PROPERTY, PLANT AND EQUIPMENT	GROSS BLOCK						As at 31st March 2020
		As at 1st April 2018	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2019	Additions during the year	Disposal/ adjustment during the year	
	Buildings	628.29	28.17	7.10	649.36	47.71	-	697.07
	Leasehold Improvements	248.23	75.67	4.08	319.82	43.25	11.20	351.87
	Plant and equipment	474.34	117.73	0.79	591.28	69.28	19.39	641.17
	Furniture and Fixtures	147.26	19.15	1.54	164.87	18.39	4.23	179.03
	Vehicles	8.02	3.85	1.96	9.91	0.58	0.04	10.45
	Office Equipment	29.71	4.03	0.17	33.57	8.22	2.28	39.51
	Total	1,535.85	248.60	15.64	1,768.81	187.43	37.14	1,919.10
4B	Capital work - in - progress	14.02			17.08			5.52

4A	PROPERTY, PLANT AND EQUIPMENT	ACCUMULATED DEPRECIATION/AMORTIZATION					NET BLOCK			
		As at 1st April 2018	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2019	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2020	As at 31st March 2020	As at 31st March 2019
	Buildings	32.68	17.33	0.32	49.69	18.65	-	68.34	628.73	599.67
	Leasehold Improvements	93.85	53.07	4.08	142.84	55.28	10.19	187.93	163.94	176.98
	Plant and equipment	102.13	77.47	0.47	179.13	85.12	12.88	251.37	389.80	412.15
	Furniture and Fixtures	44.59	20.91	1.16	64.34	21.96	2.80	83.50	95.53	100.53
	Vehicles	2.04	1.23	0.28	2.99	1.37	0.04	4.32	6.13	6.92
	Office Equipment	14.40	7.33	0.16	21.57	4.51	2.13	23.95	15.56	12.00
	Total	289.69	177.34	6.47	460.56	186.89	28.04	619.41	1,299.69	1,308.25
4B	Capital work - in - progress								5.52	17.08

Note:

The amount of expenditures recognized in the carrying amount of property, plant and equipment in the course of construction is ₹3.79 millions (Previous Year - ₹ 26.56 millions)

4C	RIGHT-TO-USE ASSETS	GROSS BLOCK		
		Buildings	Land*	Total
	Recognition on initial application of Ind AS 116 as at 1st April 2019 (Refer Note 40)	1,248.14	-	1,248.14
	Reclassified on account of adoption of Ind AS 116	9.43	119.81	129.24
	Additions during the year	337.66	-	337.66
	Deletions during the year	(21.78)	-	(21.78)
	Gross Carrying Value as at 31st March 2020	1,573.45	119.81	1,693.26
		ACCUMULATED DEPRECIATION		
		Buildings	Land	Total
	Accumulated Depreciation as at 1st April 2019	-	-	-
	Depreciation Expenses	225.70	2.19	227.89
	Deductions / Adjustments	(2.19)	-	(2.19)
	Accumulated Depreciation as at 31st March 2020	223.51	2.19	225.70

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	NET CARRYING VALUE		
	Buildings	Land	Total
Net Carrying Value as at 1st April 2019	1,248.14	-	1,248.14
Net Carrying Value as at 31st March 2020	1,349.94	117.62	1,467.56

*This includes 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 Group has received possession for 10.75 cottahs, for which the related lease deed has been executed. Remaining portion of the said land measuring 34.25 cottahs is under dispute for which legal proceeding is pending.

4D INTANGIBLE ASSETS	GROSS BLOCK						
	As at 1st April 2018	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2019	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2020
Computer software (acquired)	22.89	2.89	2.09	23.69	-	4.91	18.78

INTANGIBLE ASSETS	ACCUMULATED DEPRECIATION/AMORTIZATION						NET BLOCK		
	As at 1st April 2018	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2019	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2020	As at 31st March 2020	As at 31st March 2019
Computer software (acquired)	10.58	6.97	2.09	15.46	4.58	4.91	15.13	3.65	8.23

4E INTANGIBLE ASSETS UNDER DEVELOPMENT	GROSS BLOCK						
	As at 1st April 2018	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2019	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2020
Computer software (acquired)	0.54						0.30

4F DEPRECIATION AND AMORTIZATION EXPENSE	For the year ended 31st March 2020	For the year ended 31st March 2019
Tangible Assets	186.89	177.34
Right-to-Use Assets	227.89	-
Intangible Assets	4.58	6.97
Total	419.36	184.31

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5 OTHER FINANCIAL ASSETS - NON-CURRENT

	As at 31 st March 2020	As at 31 st March 2019
Unsecured, Considered Good		
Bank deposits with more than 12 months maturity		
- Against guarantees and letter of credit	7.47	11.32
- As security with Sales Tax Authorities	0.38	0.36
Security and other deposits	166.70	157.28
Employee Advances	0.38	0.53
Total	174.93	169.49

6 OTHER NON-CURRENT ASSETS

	As at 31 st March 2020	As at 31 st March 2019
Unsecured, Considered Good		
Capital Advances	8.48	7.20
Advances other than capital advances:		
Security Deposits	11.46	11.13
Prepaid expenses	78.88	214.39
Other advances	6.03	6.04
Government Grant Receivable	11.49	11.49
Total	116.34	250.25

7 INVENTORIES

	As at 31 st March 2020	As at 31 st March 2019
Raw Material (including packing material)	164.85	182.79
Work-in-progress	54.75	47.66
Finished goods (manufactured)	335.91	303.63
Stock-in-trade (goods purchased for resale)	1,140.99	1,015.87
Total	1,696.50	1,549.95

Notes:

- (i) Cost of inventory recognized as an expense during the year ₹5,127.90 millions (Previous Year - ₹ 5,137.39 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 - ₹ 5.93 millions (Previous Year - ₹ 8.80 millions).
- (iii) Refer Note 2.9 for mode of valuation.

8 TRADE RECEIVABLES

	As at 31 st March 2020	As at 31 st March 2019
Considered good - Secured	54.97	56.17
Considered good - Unsecured*	1,134.80	1,285.01
Considered doubtful	51.75	27.02
	1,241.52	1,368.20
Less : Allowance for doubtful debts	51.75	27.02
Total	1,189.77	1,341.18

*Includes ₹0.08 millions (31st March 2019: ₹0.02 millions) due from KM Khadim and Co. which is a firm in which a director is a partner.

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9 CASH AND CASH EQUIVALENTS

	As at 31 st March 2020	As at 31 st March 2019
Balances with banks		
On Current Accounts	34.25	24.07
Cheques, drafts on hand	3.72	1.40
Cash on hand	5.91	17.18
Total	43.88	42.65

10 OTHER BANK BALANCES

	As at 31 st March 2020	As at 31 st March 2019
Dividend Accounts	0.02	0.01
Fixed Deposits with banks*		
- Against guarantees and letter of credit	35.96	40.58
- As security with Sales Tax Authorities	0.02	0.01
- Others	-	2.50
Total	36.00	43.10

*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 st March 2020	As at 31 st March 2019
Unsecured, Considered Good		
Assets held for disposal *	52.49	52.49
Interest Receivable	1.61	1.11
Employee Advances	3.49	2.45
Other receivables (Tender deposits, scrap sales etc.)	31.86	54.08
Total	89.45	110.13

*Represents certain property, plant and equipment which are not in active use. A Memorandum of Understanding has been signed for disposal of the same and an amount of ₹5.00 millions received as advance against sale consideration which is disclosed under Other Current Liabilities (Refer note 20)

12 OTHER CURRENT ASSETS

	As at 31 st March 2020	As at 31 st March 2019
Unsecured, Considered Good		
Advances other than capital advances:		
Advances to related parties	0.35	0.18
Other advances	36.50	19.03
Prepaid expenses	51.19	58.12
Advance to Government Authorities	621.59	553.89
Total	709.63	631.22

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13 EQUITY SHARE CAPITAL

	As at 31 st March 2020	As at 31 st March 2019
Authorised		
6,00,00,000 (31st March 2019: 6,00,00,000) Equity Shares of ₹10/- each	600.00	600.00
Issued, Subscribed and Paid up		
1,79,69,614 (31st March 2019: 1,79,69,614) Equity Shares of ₹10/- each	179.70	179.70
Total	179.70	179.70

13.1 Reconciliation of the number of Equity shares

	As at 31 st March 2020		As at 31 st March 2019	
Balance as at the beginning of the year	17,969,614	179.70	17,965,197	179.65
Equity shares issued during the year (Refer Note 13.3)	-	-	4,417	0.05
Balance as at the end of the year	17,969,614	179.70	17,969,614	179.70

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 st March 2020		As at 31 st March 2019	
	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	48.63
Siddhartha Roy Burman	1,642,149	9.14	1,459,149	8.12
IDFC Mutual Fund	975,000	5.43	1,031,236	5.74
UTI Mutual Fund	925,341	5.15	829,273	4.61

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

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 pursuant to contract without payment being received in cash during the period of five years immediately preceding 31st March 2020

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.

13.6 Shares reserved for issue under Options

	As at 31 st March 2020	As at 31 st March 2019
Equity shares of ₹10/- each	34,560	49,005
	34,560	49,005

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

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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 37.

* Refer Note 33.2

14 LEASE LIABILITIES

	As at 31 st March 2020			As at 31 st March 2019		
	Non-Current	Current	Total	Non-Current	Current	Total
Lease Liabilities	1,489.12	216.05	1,705.17	-	-	-
Total	1,489.12	216.05	1,705.17	-	-	-

14.1 The details of the contractual maturities of lease liabilities as at 31st March, 2020 on an undiscounted basis are as follows:

	As at 31 st March 2020
Less than one year	216.05
One to two years	238.29
Two to three years	242.88
Three to four years	226.34
Four to five years	189.13
More than five years	592.48
Total	1,705.17

15 PROVISIONS - NON-CURRENT

	As at 31 st March 2020	As at 31 st March 2019
Post employment benefits		
Gratuity (Refer Note 35.2)	-	6.38
Other long term benefits		
Leave Encashment	5.06	8.98
Total	5.06	15.36

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16 DEFERRED TAX (ASSETS)/LIABILITIES (NET)

	As at 31 st March 2020	As at 31 st March 2019
Deferred tax liabilities	74.30	79.83
Less: Deferred tax assets	175.53	40.74
Total	(101.23)	39.09

16.1 Movement in deferred tax liabilities/assets balances

2019-20	Opening balance	Recognized in profit or loss	Recognized in Reserves	Recognized in OCI	Closing balance
Deferred tax liabilities/assets in relation to:					
On fiscal allowances on property, plant and equipment, etc.	79.83	(5.53)	-	-	74.30
Total deferred tax liabilities	79.83	(5.53)	-	-	74.30
On employees' separation and retirement etc.	5.57	(3.71)	-	0.12	1.98
On Right of use asset and lease liabilities	-	(16.22)	112.07	-	95.85
On accumulated business loss	-	53.68	-	-	53.68
On Financial assets measured at fair value	6.82	(2.50)	-	-	4.32
On Other assets	9.01	(9.87)	-	-	(0.86)
On Provision for Doubtful Debts And Advances	8.58	4.45	-	-	13.03
On Provision for slow moving inventories	10.76	(3.23)	-	-	7.53
Total deferred tax assets	40.74	22.60	112.07	0.12	175.53
	39.09	(28.13)	(112.07)	(0.12)	(101.23)
2018-19					
2018-19	Opening balance	Recognized in profit or loss	Recognized in Reserves	Recognized in OCI	Closing balance
Deferred tax liabilities/assets in relation to:					
On fiscal allowances on property, plant and equipment, etc.	83.98	(4.15)	-	-	79.83
Total deferred tax liabilities	83.98	(4.15)	-	-	79.83
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
Total deferred tax assets before MAT Credit entitlement	33.57	4.06	-	3.11	40.74
Less: MAT Credit utilised during the year	0.01	(0.01)	-	-	-
Total deferred tax assets	33.58	-	-	-	40.74
	50.40	(8.21)	-	(3.11)	39.09

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17 OTHER NON-CURRENT LIABILITIES

	As at 31 st March 2020	As at 31 st March 2019
Deferred Government Grant	2.92	3.93
Total	2.92	3.93

18 BORROWINGS - CURRENT

		As at 31 st March 2020	As at 31 st March 2019
SECURED			
Loans repayable on demand			
Cash Credit / Working Capital Demand Loans from Banks			
State Bank of India Cash Credit	[Refer Note 1 of 18.1]	399.80	476.54
State Bank of India Standby Line of Credit	[Refer Note 1 of 18.1]	40.00	-
Axis Bank Cash Credit	[Refer Note 2 of 18.1]	16.62	64.39
ICICI Bank Cash Credit	[Refer Note 2 of 18.1]	52.00	29.87
HDFC Bank Cash Credit	[Refer Note 2 of 18.1]	155.37	173.33
YES Bank Cash Credit	[Refer Note 2 of 18.1]	-	12.69
Kotak Mahindra Bank Cash Credit	[Refer Note 2 of 18.1]	-	67.58
Axis Bank Demand Loan	[Refer Note 2 of 18.1]	36.00	-
YES Bank Demand Loan	[Refer Note 2 of 18.1]	-	6.00
Kotak Mahindra Bank Demand Loan	[Refer Note 2 of 18.1]	9.60	-
HDFC Bank Demand Loan	[Refer Note 2 of 18.1]	158.08	-
ICICI Bank Demand Loan I	[Refer Note 2 of 18.1]	18.00	-
ICICI Bank Demand Loan II	[Refer Note 3 of 18.1]	125.00	60.00
HDFC Bank Short Term Loan	[Refer Note 4 of 18.1]	150.00	150.00
YES Bank Short Term Loan	[Refer Note 5 of 18.1]	-	50.00
Total		1,160.47	1,090.40

18.1 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 guarantee of Managing Director and corporate guarantee of group company.
- Primary security** - Same as State Bank of India Cash Credit (Refer Note 1 above).
Collateral security - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, on pari-passu basis with other working capital members banks under the consortium, personal guarantee of Managing Director and corporate guarantee of group company.
- Primary security** - Secured by mortgage of factory building at S19, S20 and S21 at Kasba, Kolkata, retail outlet at Rashbehari Avenue, Kolkata and personal guarantee of Managing Director.
- Secured by personal guarantee of Managing Director and mortgage of properties at Tollygunje, Chandannagar and Madhyamgram.
- Secured by personal guarantee of Managing Director.

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19 OTHER FINANCIAL LIABILITIES - CURRENT

	As at 31 st March 2020	As at 31 st March 2019
Interest accrued and due on borrowings	5.61	1.13
Unpaid Dividend [Refer Note 19.1]	0.02	0.01
Deposits from customers	102.23	97.84
Other payables:		
Payables on purchase of property, plant and equipment	24.18	12.60
Others [Reimbursement claims, etc.]	0.01	1.56
Total	132.05	113.14

19.1 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.

20 OTHER CURRENT LIABILITIES

	As at 31 st March 2020	As at 31 st March 2019
Advance from customers	33.04	18.14
Advance against sale of Assets held for disposal	5.00	-
Statutory remittances (GST, Contribution to Provident and Other Funds, Withholding Tax)	17.66	11.72
Deferred Government Grant	1.04	1.23
Others	1.02	1.53
Total	57.76	32.62

21 PROVISIONS - CURRENT

	As at 31 st March 2020	As at 31 st March 2019
Post employment benefits		
Gratuity (Refer Note 35.2)	1.72	3.53
Other long term benefits		
Leave Encashment	1.09	1.34
Total	2.81	4.87

22 INCOME TAX ASSETS/LIABILITIES

22A INCOME TAX ASSETS

	As at 31 st March 2020	As at 31 st March 2019
Advance Income Tax (Net of Provision ₹381.26 millions; 31st March 2019: ₹381.26 millions)	49.65	26.16
Total	49.65	26.16

22B INCOME TAX LIABILITIES

	As at 31 st March 2020	As at 31 st March 2019
Provision for Income Tax (Net of advance taxes ₹1.20 millions; 31st March 2019: ₹1.20 millions)	1.81	1.81
Total	1.81	1.81

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23 REVENUE FROM OPERATIONS

	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Sale of products *	7,612.80	7,910.38
[Refer Note 23.1]		
Other operating revenues [Refer Note 23.2]	105.88	81.43
Total	7,718.68	7,991.81

* Net of sales returns

23.1 Details of sale of products

	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Footwear and accessories	7,612.80	7,910.38
Total	7,612.80	7,910.38

23.2 Details of other operating revenues

	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Sale of raw materials	86.32	61.58
Scrap sales	19.45	18.98
Export incentives	0.11	0.87
Total	105.88	81.43

24 OTHER INCOME

	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Interest income comprises interest from:		
- Deposits with banks - carried at amortised cost	3.10	3.63
- Other financial assets measured at amortised cost	14.64	14.83
Gain arising on sale of financial assets mandatorily measured at Fair Value through Profit and Loss	1.41	2.32
Gain on sale/discard of property, plant and equipments - Net	-	2.32
Other non-operating income (Rental income, etc.)	47.56	40.28
Total	66.71	63.38

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

	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Inventories at the end of the year		
Work - in - progress	54.75	47.66
Finished goods	335.91	303.63
Stock-in-trade	1,140.99	1,015.87
	1,531.65	1,367.16
Inventories at the beginning of the year		
Work - in - progress	47.66	53.73
Finished goods	303.63	182.21
Stock-in-trade	1,015.87	843.54
	1,367.16	1,079.48
	(164.49)	(287.68)

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26 EMPLOYEE BENEFITS EXPENSE

	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Salaries and wages	647.35	638.76
Contribution to Provident and other funds	25.25	22.51
Share based payments to employees	1.04	6.23
Staff Welfare Expenses	59.06	53.05
Total	732.70	720.55

27 FINANCE COSTS

	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Interest expense on financial liabilities measured at amortised cost	143.58	116.42
Interest expense on lease liabilities	149.21	-
Total	292.79	116.42

28 OTHER EXPENSES

	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Consumption of Stores	8.71	9.87
Power and Fuel	179.05	166.10
Rent	73.84	333.60
Rates and Taxes	16.42	24.27
Bank Charges	34.42	21.84
Insurance	20.98	21.61
Repairs:		
Plant and Machinery	12.36	12.80
Others	113.48	95.23
Travelling and Conveyance Expenses	57.19	58.83
Printing and Stationery	3.96	6.66
Postage, Telephone and other Communication Expenses	18.81	61.08
Advertising, Marketing and Sales Promotion Expenses	497.06	274.36
Freight Charges, Transport and Delivery	253.75	221.30
Jobwork Charges	206.45	193.38
Professional Fees	71.41	52.22
Commission and Discount	112.99	124.05
Legal Expenses	0.22	0.42
Debts/Advances written off	8.70	0.69
Loss on sale/discard of property, plant and equipments - Net	9.00	-
Provision for doubtful debts, advances and other assets	24.73	4.62
Security Hire Charges	19.88	19.26
Miscellaneous Expenses (Refer Note 28.1)	25.73	35.07
Total	1,769.14	1,737.26

28.1 Miscellaneous Expenses include :

Amount paid /payable to Auditors (excluding tax)	For the year ended 31 st March 2020	For the year ended 31 st March 2019
- Statutory Audit	2.00	1.80
- Tax Audit	0.40	0.40
- Other matters	1.60	1.71
- Out of pocket expenses	0.23	0.10
Total	4.23	4.01

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29 INCOME TAX EXPENSES

	For the year ended 31 st March 2020	For the year ended 31 st March 2019
A Amount recognised in profit or loss		
Current tax		
Income tax for the year		
Current tax	-	129.38
Adjustments/(credits) related to previous years - Net		
Current tax	-	(0.83)
Total Current tax	-	128.55
Deferred tax		
Deferred tax for the year	(28.13)	(8.21)
Total	(28.13)	120.34
B Amount recognised in other comprehensive income		
The tax (charge)/credit arising on income and expenses recognised in other comprehensive income is as follows:		
Deferred tax		
On items that will not be reclassified to profit or loss		
Re-measurement losses on defined benefit plans	0.12	3.11
Total	0.12	3.11
C Reconciliation of effective tax rate		
(Loss)/Profit before tax	(340.82)	332.04
Applicable tax rate	25.168%	34.944%
Income tax expense on above rate	(85.78)	116.03
Effect of unused tax loss not recognised as deferred tax assets	0.14	-
Adjustment for rate difference (Refer Note 1 below)	(10.94)	-
Expenses not allowable under tax laws	72.78	6.67
Additional expenses allowable under tax laws	(4.33)	(1.53)
	(28.13)	121.17
Tax adjustment of prior periods	-	(0.83)
Tax as per statement of profit and loss	(28.13)	120.34

Notes:

- The Group has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Group has recognised Provision for Income Tax for the year ended 31st March 2020 and remeasured its Deferred Tax Liabilities based on the rates prescribed in the aforesaid section.
- The Group has long term capital losses of ₹49.99 millions (31st March 2019 - ₹ 50.24 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 st March 2020	For the year ended 31 st March 2019
Assessment year 2019-2020	-	0.25
Assessment year 2026-2027	49.99	49.99
Total	49.99	50.24

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

	Year Ended 31 st March 2020	Year Ended 31 st March 2019
i. (Loss)/Profit after Tax attributable to the Equity Shareholders	(312.69)	211.70
ii. Weighted average number of equity shares outstanding for the purpose of basic earnings per share	17,969,614	17,966,516
iii. Effect of potential equity shares on Employee Stock Options outstanding	-	18,710
iv. Weighted average number of equity shares in computing diluted earnings per share	17,969,614	17,985,226
[(ii) + (iii)]		
v. Earnings per share on (loss)/profit for the year (Face value ₹10/- per share)		
- Basic [(i) / (ii)]	(17.40)	11.78
- Diluted [(i) / (iv)]	(17.40)	11.77

31 Miscellaneous Expenses included in "Note 28 - Other Expenses" includes expenditure incurred under Section 135 of the Companies Act, 2013 on Corporate Social Responsibility (CSR) activities and the same represents contributions for promoting health care, education and other expenses. Gross amount required to be spent by the Group is ₹8.36 millions (Previous Year - ₹8.02 millions) and amount spent during the year is ₹8.36 millions (Previous Year - ₹10.28 millions).

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

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

Geographical information	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Revenue from external customers		
- Within India	7,711.13	7,975.44
- Outside India	7.55	16.37
Total	7,718.68	7,991.81

	As at 31 st March 2020	As at 31 st March 2019
Non-current assets*		
- Within India	2,943.29	1,610.27
- Outside India	-	-
Total	2,943.29	1,610.27

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

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

33.1 Contingent Liabilities in respect of

Claims not acknowledged as debts :	As at 31 st March 2020	As at 31 st March 2019
a. Sales Tax Matters under dispute	7.04	16.64
b. Income Tax Matters under dispute	1.19	1.11
c. Service Tax matters under dispute	-	0.15
d. Excise Duty matters under dispute	-	0.19

The claims disputed by the Group as above relate to issues of applicability and classification and it is not practicable for the Group to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the above.

33.2 Post Completion of IPO on 14th November 2017, the shareholding of Knightville Private Limited has come down to 48.63% from 50.51%. However, Knightville Private Limited remains as Holding Company since it continues to control the Group.

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34 Commitments

	As at 31 st March 2020	As at 31 st March 2019
Capital Commitment (Net of capital advances - ₹2.55 millions; 31st March 2019 - ₹4.65 millions)	3.95	9.49

35 Employee Benefits

The Group has recognized, in the Consolidated Statement of Profit and Loss for the year ended 31st March 2020 an amount of ₹20.21 millions (Previous Year - ₹18.24 millions) as expenses under defined contribution plans (Employer's Contribution to Provident and Other Funds) under note 26.

35.1 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.

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35.2

	Gratuity (Funded)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
I. Components of Employer Expense		
- recognized in Consolidated Statement of Profit and loss		
a. Current Service cost	4.56	4.39
b. Net Interest cost	0.48	(0.12)
c. Total expense recognized in the Consolidated Statement of Profit and Loss	5.04	4.27
- Re-measurements recognized in Other Comprehensive Income		
d. Return on plan assets (excluding amounts included in Net interest cost)	0.05	0.22
e. Effect of changes in financial assumptions	3.43	0.35
f. Effect of experience adjustments	(3.02)	8.33
g. Total re-measurement loss/(gain) included in Other Comprehensive Income	0.46	8.90
h. Total defined benefit cost recognized in Consolidated Statement of Profit and Loss and Other Comprehensive Income (c+g)	5.50	13.17
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 26. The remeasurements of the net defined benefit liability are included in Other Comprehensive Income.		
II. Actual Returns	3.32	2.75
III. Changes in Defined Benefit Obligation (DBO)		
a. Present value of DBO at the beginning of the year	50.08	39.75
b. Current Service Cost	4.56	4.39
c. Interest Cost	3.86	2.85
d. Re-measurement losses/(gains):		
- Effect of changes in financial assumptions	3.43	0.35
- Effect of experience adjustments	(3.02)	8.33
e. Benefits paid	(6.41)	(5.59)
f. Present value of DBO at the end of the year	52.50	50.08
IV. Change in the Fair Value of Plan Assets		
a. Plan Assets at the beginning of the year	40.17	38.46
b. Interest income	3.38	2.97
c. Re-measurement losses on plan assets	(0.06)	(0.22)
d. Actual Company contributions	13.70	4.55
e. Benefits paid	(6.41)	(5.59)
f. Plan Assets at the end of the year	50.78	40.17
	As at 31st March 2020	As at 31st March 2019
V. Net Asset/(Liability) recognized in Consolidated Balance Sheet		
a. Present value of Defined Benefit Obligation	52.50	50.08
b. Fair value of Plan Assets	50.78	40.17
c. Funded Status [Surplus/(Deficit)]	(1.72)	(9.91)
d. Net Asset/(Liability) recognized in Consolidated Balance Sheet	(1.72)	(9.91)
- Current	(1.72)	(3.53)
- Non-Current	-	(6.38)
VI. Best estimate of Employers' expected contribution for the next year	5.29	4.50

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	As at 31 st March 2020	As at 31 st March 2019
VII. Actuarial Assumptions		
a. Discount Rate (%)	7.00%	7.70%
b. Salary Escalation	5.00%	5.00%
c. Mortality	Indian Assured Lives Mortality (2012-14) table ultimate	

The estimates of rate of escalation in salary considered in actuarial valuation take into account inflation, seniority, promotions and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

	As at 31 st March 2020	As at 31 st March 2019
VIII. Major Category of Plan Assets as a % of the Total Plan Assets		
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.

IX. Net Asset/(Liability) recognized in Consolidated Balance Sheet (including experience adjustment impact)

	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Gratuity		
Present value of DBO	52.50	50.08
Fair value of plan assets	50.78	40.17
Funded status [Surplus / (Deficit)]	(1.72)	(9.91)
Experience gain / (loss) adjustments on plan liabilities	3.02	(8.33)
Experience gain / (loss) adjustments on plan assets	(0.06)	(0.22)

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.

	Gratuity - DBO as at	
	31 st March 2020	31 st March 2019
1. Discount rate + 100 basis points	48.12	46.00
2. Discount rate - 100 basis points	57.53	54.76
3. Salary increase rate + 1%	57.66	54.82
4. Salary increase rate - 1%	47.87	45.73

XI. Maturity analysis of the benefit payments

	Gratuity	
	31 st March 2020	31 st March 2019
Year 1	3.01	3.53
Year 2	3.49	3.90
Year 3	3.60	3.62
Year 4	3.31	3.30
Year 5	3.85	3.70
Next 5 years	23.28	22.82

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37 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 Mr. Ritoban Roy Burman, Non-Executive Director Dr. Indranath Chatterjee, Non-Executive Independent Director Prof.(Dr.) Surabhi Banerjee, Non-Executive Independent Director Mr. Alok Chauthmal Churiwala, Non-Executive Independent Director Mr. Rittick Roy Burman, Wholetime Director (w.e.f. from 8th November 2019)** Ms. Namrata Ashok Chotrani, Chief Executive Officer (w.e.f. from 1st November 2019) [Held the post of Non-Executive Director till 11th September 2019] Ms. Ishani Ray, Chief Executive Officer (till 31st October 2019) Mr. Indrajit Chaudhuri, Chief Financial Officer Mr. Abhijit Dan, Company Secretary and Head Legal
Enterprises over which KMP and their relatives exercise significant influence	PU Pillar Consultant and Strategic Solutions Private Limited (erstwhile 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 Khadim Estate Advisors Private Limited
Relatives of KMP	Mrs. Namita Roy Burman (Mother of Mr. Siddhartha Roy Burman) Mr. Rittick Roy Burman (Son of Mr. Siddhartha Roy Burman)**

B) Particulars of transactions during the year ended 31st March 2020:

Particulars	Year Ended 31st March 2020		Year Ended 31st March 2019	
I) Holding Company		-		-
II) Key Management Personnel ^				
a) Remuneration				
- Mr. Siddhartha Roy Burman #	31.15		31.08	
- Mr. Rittick Roy Burman	1.07		-	
- Ms. Namrata Ashok Chotrani	3.06		-	
- Ms. Ishani Ray	4.05		6.56	
- Mr. Indrajit Chaudhuri	4.08		4.06	
- Mr. Abhijit Dan	2.27	45.68	2.16	43.86
b) Share based payments				
- Ms. Ishani Ray	-		1.12	
- Mr. Indrajit Chaudhuri	0.46	0.46	0.68	1.80
c) Rent paid to Mr. Siddhartha Roy Burman		0.08		0.08
d) Sitting fees				
- Dr. Indranath Chatterjee	0.39		0.42	
- Prof.(Dr.) Surabhi Banerjee	0.41		0.44	
- Mr. Alok Chauthmal Churiwala	0.36		0.30	
- Ms. Namrata Ashok Chotrani	0.12		0.36	
- Mr. Ritoban Roy Burman	0.11	1.39	0.17	1.69
III) Enterprises over which KMP and their relatives exercise significant influence				
a) Royalty received from K M Khadim & Co. [31st March 2019 - ₹ 1,211/-]		0.02	
b) Rent paid to Khadim Development Co. Pvt Ltd #		0.84		0.84

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Particulars	Year Ended		Year Ended	
	31st March 2020		31st March 2019	
c) Commission paid				
- Khadim Enterprises	0.32		0.34	
- Bee Tee Enterprises	0.72		0.77	
- Sheila Departmental Stores Pvt Ltd	0.66		0.70	
- St. Mary's Clinic & Drug Stores	0.15	1.85	0.13	1.94
d) Rent received from K M Khadim & Co.		0.03		0.03
IV) Relatives of Key Management Personnel				
Remuneration				
- Mrs.Namita Roy Burman	1.44		1.44	
- Mr.Rittick Roy Burman	1.08	2.52	1.79	3.23
			As at	As at
			31st March 2020	31st March 2019
Outstanding Balances				
I) Key Management Personnel				
- Mr.Siddhartha Roy Burman			(0.81)	-
- Mr.Rittick Roy Burman			(0.17)	-
II) Enterprises over which KMP and their relatives exercise significant influence				
- Khadim Enterprises			0.12	0.18
- Bee Tee Enterprises			(0.33)	(0.35)
- Sheila Departmental Stores Pvt Ltd			(3.43)	(3.13)
- St. Mary's Clinic & Drug Stores			0.23	(0.23)
- Khadim Development Co Pvt Ltd			(0.03)	-
- K M Khadim & Co.			0.08	0.02

Also refer Note 19.1 in respect of guarantees given for loans taken by the Group.

^ Post employment benefits are actuarially determined on overall basis and not included above.

**Appointment and remuneration of Mr.Rittick Roy Burman is subject to approval in ensuing Annual General Meeting.

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37 Information in respect of Options granted under the Company's Employee Stock Option Scheme ('Scheme'):

Name of the Scheme	Khadim Employee Stock Option Plan 2017
i. Date of Shareholders' approval	: 17th June 2017
ii. Total number of Options approved under the Scheme	: Options equivalent to 1,86,465 equity shares of ₹10/- each
iii. Vesting schedule	: 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 2019-20 is ₹1.04 millions (Previous Year - ₹6.23 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	: 49,005
b. Options granted during the year	: -
c. Options cancelled and lapsed during the year	: 14,445
d. Options vested and exercisable during the year (net of Options lapsed and exercised)	: 5,676
e. Options exercised during the year	: -
f. Number of equity shares of ₹10 each arising as a result of exercise of Options during the year	: -
g. Options outstanding and exercisable at the end of the year	: 34,560
h. Money realised by exercise of the Options during the year	: -
xii. Weighted average share price of shares arising upon exercise of Options	: No options were exercised during the year
xiii. A description of the method used during the year to estimate the fair value of Options, the weighted average exercise price and weighted average fair value of Options granted	: The fair value of each Option is estimated using the Black Scholes Option Pricing model Weighted average exercise price per Option - ₹320 Weighted average fair value per Option - ₹310

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Name of the Scheme	Khadim Employee Stock Option Plan 2017
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

38 Financial Instruments and related disclosures

A Capital Management

The Group aims at maintaining a strong capital base safeguarding business continuity and augments its internal generations with a judicious use of borrowing facilities to meet the requirements of working capital that arise from time to time as well as requirements to finance business growth. The Group is not subject to any externally imposed capital requirements.

B Categories of Financial Instruments

	As at 31st March 2020		As at 31st March 2019	
	Carrying value	Fair value	Carrying value	Fair value
I Financial assets				
a. Measured at amortised cost				
Trade receivables	1,189.77	1,189.77	1,341.18	1,341.18
Cash and cash equivalents	43.88	43.88	42.65	42.65
Other bank balances	36.00	36.00	43.10	43.10
Other financial assets	264.39	264.39	279.62	279.62
Total Financial assets	1,534.04	1,534.04	1,706.55	1,706.55
II Financial liabilities				
a. Measured at amortised cost				
Lease liabilities	1,705.17	1,705.17	-	-
Borrowings	1,160.47	1,160.47	1,090.40	1,090.40
Trade payables	1,582.17	1,582.17	1,320.05	1,320.05
Other financial liabilities	132.05	132.05	113.14	113.14
Total Financial liabilities	4,579.86	4,579.86	2,523.59	2,523.59

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C Financial risk management objectives

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group's financial risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. Backed by strong internal control systems, the current risk management framework rests on policies and procedures issued by appropriate authorities; process of regular reviews to set appropriate risk limits and controls; monitoring of such risks and compliance confirmation for the same.

Interest rate risk

As majority of the financial assets and liabilities of the Group are either non-interest bearing or fixed interest bearing instruments, the Group's net exposure to interest risk is negligible.

Price risk

The Group invests its short term funds primarily in debt mutual fund. Accordingly, these do not pose any significant price risk.

Liquidity Risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. The Group consistently generated strong cash flows from operations by ensuring timely collections of its trade receivables and this together with the available cash and cash equivalents provides adequate liquidity in short terms as well in the long term.

The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date.

As at 31st March 2020	Carrying value	Less than 1 year	Between 1 to 5 years	Beyond 5 years	Total
Lease liabilities	1,705.17	216.05	896.64	592.48	1,705.17
Borrowings	1,160.47	1,160.47	-	-	1,160.47
Trade payables	1,582.17	1,582.17	-	-	1,582.17
Other financial liabilities	132.05	132.05	-	-	132.05
Total	4,579.86	3,090.74	896.64	592.48	4,579.86

As at 31st 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
Total	2,523.59	2,523.59	-	-	2,523.59

Credit Risk

"The Group's customer base is diverse limiting the risk arising out of credit concentration. Further, credit is extended in business interest in accordance with guidelines issued centrally and business-specific credit policies. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. Loss allowances and impairment is recognized, where considered appropriate by responsible management. The Group has adopted a simplified approach by computing the expected credit loss allowance for trade receivables based on a provision matrix taking into account historical credit loss experience.

The movement of the expected loss provision (allowance for bad and doubtful receivables) made by the Group are as under:"

	Expected Loss Provision	
	As at 31st March 2020	As at 31st March 2019
Opening Balance	27.02	22.40
Add: Provisions made (net)	24.73	4.62
Closing Balance	51.75	27.02

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Foreign currency Risk

The Group 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 st March 2020	As at 31 st March 2019
	USD	USD
Financial assets	2.32	4.26
Financial liabilities	52.48	38.41

The forward exchange contracts that were outstanding on respective reporting dates (not designated under Hedge Accounting):

	Currency	Cross Currency	Buy
As at 31st March 2020	USD	Rupees	0.69
As at 31st March 2019	USD	Rupees	1.00

The aforesaid contracts have a maturity of less than 1 year from the year end.

39 Fair value measurement

Fair value hierarchy

Fair value of the financial instruments is classified in various hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, current investments, trade payables, other current financial assets and liabilities and short-term borrowings are considered to be equal to the carrying amounts of these items due to their short-term nature and accordingly not included in the below table. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Group has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

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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 st March 2020	As at 31 st March 2019
I	Financial assets		
a.	Measured at amortised cost		
	Other financial assets - Non-Current	174.93	169.49
	Total Financial assets	174.93	169.49
II	Financial liabilities	Nil	Nil

- 40** (i) **In applying Ind AS 116 for the first time, the Group has made use of the following practical expedients as permitted by the standard:**
- not to reassess whether a contract is or contains a lease, accordingly the definition of lease in accordance with erstwhile standard Ind AS 17 will continue to be applied to those leases entered or modified before 1st April 2019.
 - applied a single discount rate to a portfolio of leases of similar assets in similar economic environment,
 - excluded the initial direct costs from measurement of the RoU Assets
 - not to recognize RoU assets and lease liabilities for leases with remaining lease term less than twelve months as at 1st April 2019.
 - the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease
- (ii) On transition, the adoption of the new Standard resulted in recognition of RoU asset of ₹1,248.14 millions and Lease liability of ₹1,568.84 millions. The cumulative effect of applying the Standard resulted in ₹208.64 millions being debited to retained earnings, net of taxes of ₹112.07 millions.
- (iii) The weighted average of discount rate applied to lease liabilities as at 1st April 2019 is 9.04%.
- (iv) Lease liabilities recognized in the books exclude expenses of ₹58.68 millions in relation to short-term leases and recorded as 'Rent expenses' under Other Expenses in Note 28.
- (v) The Group for the year ended 31st March 2020 has recognised expenses of ₹3.75 millions as variable lease payment for commissioned outlets and ₹0.92 millions for leased outlet and recorded as 'Commission and Discount' under Other Expenses in Note 28.

41.1 Micro, Small and Medium scale business entities:

Details as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). This information has been determined to the extent such parties have been identified on the basis of information available with the Group

Sl. No.	Particulars	31st March, 2020	31st March, 2019
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year. Principal Interest	Nil Nil	0.41 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

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41.2 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

Name of the entity	Net Assets		Share in Loss		Share in Other Comprehensive Loss		Share in Total Comprehensive Loss	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Loss	Amount	As % of Consolidated Other Comprehensive Loss	Amount	As % of Consolidated Total Comprehensive Loss	Amount
Parent								
Khadim India Limited	99.99%	2,334.13	99.83%	(312.15)	106.47%	(0.34)	99.83%	(312.49)
Subsidiary								
Foreign								
Khadim Shoe Bangladesh Limited	0.01%	0.33	0.17%	(0.54)	(6.47%)	0.02	0.17%	(0.52)
Total	100.00%	2,334.46	100.00%	(312.69)	100.00%	(0.32)	100.00%	(313.01)

- 42** Consequent to the nationwide lock down announced by Government of India due to COVID-19, the Group had been adversely impacted, by way of temporarily closure of its manufacturing and sales operations pan India. Subsequently, the Group has resumed its operations, in strict compliance with the Government regulations, as applicable.

On the basis of assessment done by the Group and based on the internal/ external sources of information and application of reasonable estimates, the Group has concluded that it does not foresee any significant incremental risk to the recoverability of its Trade Receivables, Inventories and Other Financial Assets or, in meeting its financial obligations over the foreseeable future and hence no material adjustments are required in the Consolidated Financial Statements.

Since the situation is continuously evolving, the impact assessed in future may be different from the estimates made as at the date of approval of these financial results. The Group will continue to closely monitor any material changes to future economic conditions due to uncertainties linked to COVID -19, which may impact the above assessment.

- 43** The consolidated financial statements were approved for issue by the Board of Directors on 14th July 2020.

For and on behalf of Board of Directors

Siddhartha Roy Burman
Chairman & Managing Director

Rittick Roy Burman
Wholtime Director

Namrata Ashok Chotrani
Chief Executive Officer

Indrajit Chaudhuri
Chief Financial Officer

Abhijit Dan
Company Secretary & Head - Legal

Place: Kolkata
Date: 14th July 2020

Notice

NOTICE is hereby given that the 39th (Thirty - Ninth) Annual General Meeting ('AGM') of the members of Khadim India Limited ("the Company") will be held on Wednesday, September 23, 2020 at 11:30 a.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2020 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ritoban Roy Burman (DIN: 08020765), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To appoint Mr. Rittick Roy Burman (DIN: 08537366) as a Director of the Company

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Rittick Roy Burman (DIN: 08537366) who was appointed as an Additional Director of the Company under Section 161 of the Companies Act, 2013 with effect from November 08, 2019 and holds office upto the date of this Annual General Meeting of the Company be and is hereby appointed as Director of the Company, liable to retire by rotation."

4. Appointment of Mr. Rittick Roy Burman (DIN: 08537366) as the Whole-time Director ("Key Managerial Personnel") of the Company

To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 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 the applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, 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 appointment of Mr. Rittick Roy Burman (DIN: 08537366), as the Whole-time Director (Key Managerial Personnel) [or such other designation which the Board may determine and deem fit to give] of the Company, for a period of 3 (Three) years with effect from November 08, 2019 till November 07, 2022 (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 tenure 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 appointment in accordance with the provisions of the Companies Act, 2013 and as may be agreed to between the Board of Directors and Mr. Rittick Roy Burman."

By Order of the Board of Directors

Abhijit Dan

Company Secretary & Head -Legal
Membership No.: A21358

Date : July 14, 2020
Place : Kolkata

Notice

NOTES:

1. Pursuant to the General Circular Number 20/2020 dated May 5, 2020 read with General Circular Numbers 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively issued by the Ministry of Corporate Affairs (MCA) (hereinafter collectively referred to as "the MCA Circulars") and Circular Number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (SEBI), the listed Companies are allowed to hold AGM through VC / OAVM without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (as amended) ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the aforesaid Circulars, the AGM of the Company is being held through VC / OAVM.
2. The relevant Explanatory Statement pursuant to Section 102 of the Act and Rules framed thereunder, in respect of the Special Business to be transacted during the meeting is enclosed herewith and marked as Annexure-I. The recommendation of the Board of Directors of the Company in terms of Regulation 17(11) of the Listing Regulations is also provided in the said Statement.
3. The information as required under Regulation 26(4) and 36(3) of the Listing Regulations and the Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India, relating to the re-appointment of Mr. Ritoban Roy Burman and appointment of Mr. Rittick Roy Burman at the AGM, is enclosed herewith and marked as Annexure-II.
4. Since the AGM is being held through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not enclosed to this Notice.
5. As per the provisions of the MCA Circulars, Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. In case of Joint-holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to attend and vote during the AGM.
7. Corporate members are requested to send to the Company at compliance@khadims.com, a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the AGM.
8. Since the AGM will be held through VC /OAVM, the Route Map of the AGM venue is not enclosed to this Notice.
9. **Procedure for inspection of documents by the members:**
The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, shall be made electronically available for inspection by the members during the AGM upon login at NSDL e-voting system at <https://www.evoting.nsdl.com>.
All documents referred to in the Notice and the Explanatory Statement shall also be available for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 23, 2020. Members seeking to inspect such documents can send an e-mail to compliance@khadims.com mentioning their names, folio numbers / demat account numbers and contact numbers.
10. To support the "Green Initiative" members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
11. Pursuant to Section 91 of the Act read with Rule 10 of the Companies (Management and Administration) Rules, 2014 and Regulation 42 of the Listing Regulations, the Register of Members and the Share Transfer books of the Company will remain closed from Thursday, September 17, 2020 till Wednesday September 23, 2020 (inclusive of both days).
12. Members are requested to quote the ledger folio / DP ID in all communication with the Company.
13. Members desirous of making a nomination in respect of their shareholding, under Section 72 of the Act are requested to send their request to the Secretarial Department in the prescribed form.
14. Members are requested to:
 - a) intimate to the Secretarial Department or Company's Registrar and Transfer Agent, Link Intime India Private Limited (LIPL), changes, if any, in their registered addresses, telephone number / mobile number at an early date, along with self-attested copy of address proof i.e. Aadhaar Card / electricity bill / telephone bill / driving license / passport / bank passbook particulars in case of Shares held in physical form; and
 - b) intimate to the respective Depository Participant, changes, if any, in their registered addresses, telephone number / mobile number at an early date, along with self-attested copy of address proof i.e. Aadhaar Card / electricity bill / telephone bill / driving license / passport /bank passbook particulars in case of Shares held in dematerialized form.

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15. Procedure for registration as speakers / seek clarification:

- a) Members willing to express their views or ask questions during the AGM are required to register themselves as speakers by sending their requests from Monday, September 14, 2020 (10:00 a.m. IST) to Friday, September 18, 2020 (5:00 p.m. IST) at compliance@khadims.com from their registered e-mail addresses, mentioning their names, folio numbers / demat account numbers, PAN details and mobile numbers. Only those Members who have registered themselves as speakers will be allowed to express their views / ask questions during the AGM. The Company / the Chairman of the Meeting reserves the right to restrict the number of questions, time allotted and number of speakers to ensure smooth conduct of the AGM.
- b) Any Member desirous of receiving any information on the Financial Statements or Operations of the Company is requested to forward his / her queries to the Company through e-mail at compliance@khadims.com, mentioning their names, folio numbers / demat account numbers, e-mail addresses and mobile numbers, at least seven working days prior to the AGM, so that the required information can be made available during the AGM.

16. As per Regulation 12 of the Listing Regulations read with Schedule - I to the said Regulations, it is mandatory for all the Companies to use bank details furnished by the investors for distributing dividends, interests, redemption or repayment amounts to them through National / Regional / Local Electronic Clearing Services (ECS) or Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT), National Automated Clearing House (NACH) wherever ECS / RTGS / NEFT / NACH and bank details are available. In the absence of electronic facility, Companies are required to mandatorily print bank details of the investors on 'payable-at-par' warrants, cheques or demand draft for distribution of Dividends or other cash benefits to the investors. In addition to that, if bank details of investors are not available, Companies shall mandatorily print the address of the investor on such payment instruments.

Therefore, Members holding shares in physical mode 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.

17. The Company has uploaded the details of unpaid and unclaimed dividend lying with the Company on the website of the Company www.khadims.com. Members wishing to claim dividends that remain unclaimed / unpaid are requested to correspond with the RTA as mentioned above, or with the Secretarial Department. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.

The due dates for transfer of the unclaimed / unpaid dividend relating to subsequent years to IEPF are as follows:

Dividend for the financial year ended	Due dates for transfer to IEPF
March 31, 2018	October 12, 2025
March 31, 2019	September 11, 2026

18. In compliance with the MCA Circulars and the aforesaid SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report is being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories / RTA. Members may note that the Notice and Annual Report will also be available on the website of the Company viz., www.khadims.com and on the website of NSDL www.evoting.nsdl.com. The Notice of the AGM along with the Annual Report will also be available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com.
19. 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 RTA in this regard.
20. Procedure for attending the AGM through VC / OAVM:
- i. Members will be able to attend the AGM through VC / OAVM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN for the AGM.
 - ii. The facility of joining the AGM through VC/OAVM will be opened 15 minutes before and will remain open upto 15 minutes after the scheduled start time of the AGM, i.e. from 11:15 a.m. IST to 11:45 a.m. IST and will be available for 1,000 members on a first-come first-served basis. This restriction would however not apply to participation of shareholders holding 2% or more shareholding of the Company, promoters, institutional investors, directors, key and senior managerial personnel, auditors, scrutinizer, etc.
 - iii. The instructions to attend the AGM through VC / OAVM is enclosed herewith and marked as Annexure-III and the same shall form part of this Notice.

Notice

21. Voting through electronic means:

- i) As per the provisions of Section 108 and other applicable provisions, if any, of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 and amendments thereto, read with the MCA Circulars and Regulation 44 of the Listing Regulations, the Company is pleased to facilitate its Members to transact business of the AGM of the Company by voting through electronic means. For this, the Company has engaged the services of NSDL having office at Trade World, A wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013, to provide remote e-voting services and e-voting facility during the AGM, who are holding the shares as on the cut-off date.
- ii) The facility for voting through electronic means shall be made available during the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be able to exercise their right during the AGM through electronic voting system. However, members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- iii) The remote e-voting period commences at 9:00 a.m. IST on Sunday, September 20, 2020 and ends at 5:00 p.m. IST on Tuesday, September 22, 2020. During this period, the Members of the Company, holding shares either in physical or dematerialized mode, as on the cut-off date i.e., Wednesday, September 16, 2020 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting there after. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- iv) The instructions to cast votes through remote e-voting and through e-voting system during the AGM is enclosed herewith and marked as Annexure-IV and the same shall form part of this Notice.

22. In order to scrutinize the e-voting process in a fair and transparent manner, Mr. A.K. Labh, 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.

23. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through electronic voting system provided during the AGM 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.

24. The results declared along with the scrutinizer's report shall be placed on the website of the Company i.e., www.khadims.com and on the website of NSDL immediately after the results are declared by the Chairman or a person authorised by him in writing. The same shall be communicated by the Company to the stock exchanges i.e., BSE Limited and National Stock Exchange of India Limited.

Notice

Annexure-I

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF COMPANIES ACT, 2013

Item No. 3 & 4

Mr. Rittick Roy Burman 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. Prior to his appointment as Director at the meeting of the Board of Directors held on November 08, 2019, he acted as Head – Merchandising & New Initiative, taking care of the long-term strategy of the organisation and drive all the new initiatives, ventures and merchandising of the Company. He has a varied exposure in business operations.

Mr. Rittick Roy Burman (DIN: 08537366) was appointed as an Additional Director of the Company at the meeting of the Board of Directors held on November 08, 2019. In terms of Section 161(1) of the Companies Act, 2013 and Rules made there under ("the Act"), he holds office upto the date of this Annual General Meeting and is eligible for appointment as a Director of the Company, liable to retire by rotation.

The Board (based on the recommendation of the Nomination and Remuneration Committee) at the same meeting, also approved the appointment of Mr. Rittick Roy Burman as Whole-time Director ("Key Managerial Personnel"), for a period of three years with effect from November 08, 2019 till November 07, 2022 (both days inclusive), subject to the approval of the Members of the Company.

Mr. Rittick Roy Burman holds 530 equity shares (0.0029%) of the Company as on the date of the Notice.

Mr. Rittick Roy Burman has given his consent to act as a Director of the Company, along with declaration in Form DIR - 8 stating that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act. Mr. Rittick 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.

Further, taking into consideration his contribution towards the growth of the Company, his appointment would be immensely beneficial for the Company.

The broad terms and conditions of appointment of and remuneration to Mr. Rittick 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. Rittick Roy Burman shall be entitled to receive from the Company the following remuneration.

I. Salary

₹ 24,18,120/- (Rupees Twenty Four Lakh Eighteen Thousand One Hundred and Twenty Only) per annum with an annual increment up to 20% on the last drawn basic salary.

II. Performance Linked Incentive & Commission

Mr. Rittick Roy Burman shall be entitled to variable pay of ₹ 2,68,000/- (Rupees Two Lakh and Sixty Eight Thousand Only) per annum based on his performance as per the Company Rules.

III. Perquisites

In addition to the salary and incentives mentioned above, the following perquisites would be provided.

i. Car:

One Company owned and maintained, chauffer driven car.

ii. Medical Facilities:

As per Company Rules.

Notice

iii. Mobile Expenses and Internet Facility:

As per Company Rules.

iv. Leave Travel Allowance:

As per Company Rules.

v. All other benefits as per the Policy of the Company from time to time.

IV. Retiral Benefits

i. Gratuity:

As per Company Rules read with the Payment of Gratuity Act, 1972.

ii. Bonus / Ex Gratia:

As per Company Rules.

iii. Provident Fund:

As per Company Policy read with Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

iv. Leave

As per Company Rules.

v. Leave Encashment:

As per Company Rules.

V. The emoluments and benefits shall be subject to taxes as may be applicable.

Minimum Remuneration

In the event of absence or inadequacy of profits of the Company in any financial year, Mr. Rittick Roy Burman shall be entitled to receive such minimum remuneration as specified above, subject to the applicable provisions of the Act. Such minimum remuneration can be payable during the tenure of his appointment in case of loss or inadequacy of profit.

Sitting Fees

Mr. Rittick Roy Burman shall not be entitled to receive any sitting fees from the Company for attending meetings of the Board of Directors or any committee thereof during the tenure of his appointment.

The following additional information as required under Section II of Part II of Schedule V of the Act is given below:

I. General Information

1. Nature of Industry:

Footwear Manufacturing, Retailing and Whole selling.

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, 2020.

5. Foreign Investment or collaborations, if any:

No such investment or collaboration yet.

Notice

II. Information about the appointee:

Particulars	Mr. Rittick Roy Burman
Background Details	Mr. Rittick Roy Burman is the son of Mr. Siddhartha Roy Burman, Chairman & Managing Director and brother of Mr. Ritoban Roy Burman, Non – Executive, Non Independent Director. He holds 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.
Past Remuneration	₹1.08 million ⁵
Recognition and Award	The Company has incorporated Khadim Shoe Bangladesh Limited, a wholly-owned subsidiary in Bangladesh for the purpose of venturing into the footwear domain of the said neighbouring country under the able leadership of Mr. Rittick Roy Burman.
Job profile and his suitability	To look after the overall Management of the Company in association with the Chairman & Managing Director.
Remuneration proposed	As mentioned above
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The proposed remuneration commensurate with respect to the industry standard and on account of the varied 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 disclosed in the Notes to the Audited Financial Statements of the Company for the financial year ended on March 31, 2020 under the head Related Party disclosure. He is the son of Mr. Siddhartha Roy Burman, Chairman & Managing Director and brother of Mr. Ritoban Roy Burman, Non – Executive, Non - Independent Director.

⁵Remuneration drawn by Mr. Rittick Roy Burman as Head-Merchandising & New Initiative during the period April 01, 2019 till November 07, 2019.

III. Other Information

a. Reasons for loss or inadequate profits:

The business conditions are dynamic and the Company has incurred loss for the financial year March 31, 2020. Further, considering the unprecedented impact of Covid-19 Pandemic including nationwide / state wise lock down imposed by the Central / various State Governments on the Economy and business, the Company may incur loss during the remaining term of the appointment of Mr. Rittick Roy Burman and in such event Mr. Rittick Roy Burman would require to be compensated adequately considering the abilities and varied experience possessed by him.

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 has increased its concentration towards online sales and omni channel sales and further the Company is giving deep discounts to achieve its target sales. The Company is in frequent interaction with the customers and other stake holders through digital communication via Whats App, Instagram, Facebook etc. Further, the Company's Management is placing strategies with strong marketing team, for improved performance.

Notice

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.

Name of the Companies in which Mr. Rittick Roy Brman holds directorship other than the Company are:

Sl. No.	Name of the Company	Designation
1.	Khadim Estate Advisors Private Limited	Director
2.	Khadim Shoe Bangladesh Limited	Nominee Director

In accordance with the provisions of Sections 152 and other applicable provisions of the Act, the proposed appointment of Mr. Rittick Roy Burman as Director, liable to retire by rotation requires approval of the members by passing an Ordinary Resolution.

Further, in accordance with the provisions of Sections 196, 197, 198 and other applicable provisions of the Act, read with Schedule V to the said Act, the appointment of Mr. Rittick Roy Burman as Whole-time Director and the terms of remuneration payable to him also requires approval of the members by passing a Special Resolution.

Accordingly, the Board recommends the resolutions set out at Item No. 3 and Item No. 4 as an Ordinary Resolution and Special Resolution respectively, for approval of the shareholders.

The Company has received a Notice in writing under Section 160 of the Act from a Member proposing the said appointment of Mr. Rittick Roy Burman.

Except Mr. Rittick Roy Burman (Self), Mr. Siddhartha Roy Burman (father) and Mr. Ritoban Roy Burman (brother), and their relatives, none of the Directors, Key Managerial Personnel of the Company or their relatives is deemed to be interested or concerned, financially or otherwise in the said resolution.

The brief profile of Mr. Rittick Roy Burman as per the requirements of the Act and the Listing Regulations and the rules made thereunder and the Secretarial Standard on General Meetings is given in Annexure-II, which forms part of the notes to the Notice.

By Order of the Board of Directors

Abhijit Dan

Company Secretary & Head -Legal
Membership No.: A21358

Date : July 14, 2020
Place : Kolkata

Notice

Annexure – II

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]

Particulars	(Item No. 2)	(Item No. 3 and 4)
Name of the Director	Mr. Ritoban Roy Burman (DIN: 08020765)	Mr. Rittick Roy Burman (DIN: 08537366)
Date of Birth	04/06/1992	04/06/1992
Age	28 Years	28 Years
Nationality	Indian	Indian
Qualifications	Bachelor's in Mass Communication from St. Xaviers College, Kolkata.	Bachelor's degree in Commerce from the University of Calcutta and Management Graduate from University of California.
Experience and expertise in Specific Functional Areas	Mr. Ritoban Roy Burman joined the Company in 2013 as Manager – Marketing and worked till November 30, 2017. He has a good exposure in various aspects of footwear marketing.	Mr. Rittick Roy Burman joined the Company in 2013 as Manager - Operations. He was working as Head - Merchandising & New Initiative, prior to his appointment as Whole-time Director. He has a varied exposure in business operations.
Date of first appointment on the Board	14/12/2017	08/11/2019
Shareholding in the Company	NIL	0.0029% (530 equity shares)
Relationship with other Directors or with KMP	Son of Mr. Siddhartha Roy Burman, Chairman & Managing Director and brother of Mr. Rittick Roy Burman, Whole-time Director.	Son of Mr. Siddhartha Roy Burman, Chairman & Managing Director and brother of Mr. Ritoban Roy Burman, Non – Executive, Non -Independent Director.
Number of meetings attended during the financial year 2019-20	Number of Meetings held: 5 Number of Meetings attended: 3	No. of Meetings held: 5 No. of Meetings attended: 2*
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 is a Director #	None	None
Terms and conditions of Appointment or Re-appointment	Mr. Ritoban Roy Burman who was appointed as Non - Executive, Non - Independent Director with effect from December 14, 2017 and whose appointment had been confirmed at the Annual General Meeting held on September 06, 2018, is liable to retire by rotation.	As per the resolutions at item No. 3 and 4 of the Notice convening this Meeting read with Explanatory Statements thereto, Mr. Rittick Roy Burman is proposed to be appointed as Director, liable to retire by rotation and also as Whole-time Director of the Company.
Remuneration proposed to be paid	He is entitled to Commission, if any and sitting fees for attending meetings of the Board and Committees in which he is a Member / Chairperson as may be decided by the Board.	He is entitled to Remuneration as per terms as set out in the explanatory statement annexed hereto and the Agreement dated November 08, 2019.
Remuneration last drawn by such person, if applicable (As per last audited balance sheet dated 31st March, 2020)	₹ 0.11 million	₹ 2.15 million ⁺

*Appointed w.e.f November 08, 2019.

#Includes only Audit Committee and Stakeholders' Relationship Committee.

⁺Remuneration includes ₹ 1.08 million drawn by Mr. Rittick Roy Burman as Head-Merchandising & New Initiative during the period April 01, 2019 till November 07, 2019.

Notice

Annexure-III

INSTRUCTIONS TO ATTEND THE AGM THROUGH VC / OAVM:

1. Members will be able to attend the 39th AGM through VC / OAVM through the NSDL e-voting system. Members may access the same at <https://www.evoting.nsdl.com> under Shareholder / Member login by using the remote e-voting login credentials. The link for VC or OAVM will be available in Shareholder / Member login where the EVEN of Company will be displayed
2. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in Annexure-IV. Further, Members can also use the OTP based login for logging into the e-voting system of NSDL.
3. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/ 1800-222-990 or contact Mr. Amit Vishal, Senior Manager – NSDL at amitv@nsdl.co.in / 022-2499 4360 or Ms. Pallavi Mhatre, Manager - NSDL at pallavid@nsdl.co.in / 022-2499 4545.
4. Members under the category of Institutional Investors are encouraged to attend the AGM and also vote through remote e-voting or e-voting during the AGM.
5. Members are encouraged to join the Meeting through Laptops for better experience.
6. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
7. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hots pot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

Notice

Annexure-IV

A. INSTRUCTIONS FOR REMOTE E-VOTING:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: 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?

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 indemat account with NSDL : 8 Character DPID 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 e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail 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 e-mail ID is not registered, please follow steps mentioned below under "**Instructions for Members whose e-mail ids are not registered / updated**".
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.
 - b. Click on "Physical User Reset Password?" (If you are holding shares in physical mode) option available on 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 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.

Notice

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.

B. INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM:

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting before the AGM and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
3. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the EGM /AGM.
4. The details of the person who may be contacted for any grievances connected with the facility fore-voting on the day of the AGM shall be the same person mentioned for remote e-voting.

C. 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 with a copy marked to 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 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 or call on toll free no.: 1800-222-990 or contact Mr. Amit Vishal, Senior Manager / Ms. Pallavi Mhatre, Manager, NSDL, at telephone nos. 022 -2499 4360 / 022 - 2499 4545 or at e-mail id: amitv@nsdl.co.in / pallavid@nsdl.co.in or alternatively at 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., Wednesday, September 16, 2020.
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., Wednesday, September 16, 2020 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., Wednesday, September 16, 2020 may obtain the login User Id and password / PIN by sending a request at 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. then you can use your existing User ID and password / PIN for casting your vote.

Notice

Instructions for Members whose e-mail ids are not registered / updated:

Physical Holding	Send a request to the Company at compliance@khadims.com or to the Company's RTA at rnt.helpdesk@linkintime.co.in providing Folio No., Name of the shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy), AADHAAR (self-attested scanned copy) for registering / updating the e-mail address.
Demat Holding	Please contact your Depository Participant (DP) and register / update your e-mail address as per the process advised by your DP.

Alternatively, Member may send an e-mail request to evoting@nsdl.co.in for obtaining User Id and Password by providing the details mentioned in the above point w.r.t Physical Holding along with their Folio No. and DP ID / Client ID as the case may be.



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