

August 31, 2022



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 2021-22 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 2021-22 along with the Notice convening the 41<sup>st</sup> (Forty-First) Annual General Meeting ('AGM') of the Members of the Company scheduled to be held on Friday, September 23, 2022 at 11:30 a.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

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

This is for your information and record.

Thanking you,

Yours faithfully,

For **Khadim India Limited**

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

Encl: As above



frontoffice@khadims.com



033-4009 0501



033-4009 0500

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

**KHADIM INDIA LIMITED**

CIN : L19129WB1981PLC034337

REGISTERED OFFICE : 7TH FLOOR, TOWER C, DLF IT PARK, 08 MAJOR ARTERIAL ROAD, BLOCK AF, NEW TOWN (RAJARHAT), KOLKATA - 700 156  
CITY OFFICE : 7A, LINDSAY STREET, KOLKATA - 700 087

KHADIM INDIA LIMITED



# KHADIM

## ANNUAL REPORT

2021-22



It's WOW  
It's KHADIM



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Brands for a Billion+ Indians



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Connecting with Aspirational 'Bharat'



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'WOW'ing the Customer



To know more about the Company, scan the QR Code



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

# IT'S **WOW** IT'S KHADIM

Where **WOW** epitomizes much more than a successful business strategy.

## **WOW**

Products define our Fashionable Range of Products

## **WOW**

Stores resonate with our Refreshing Retail Experience

## **WOW**

Price Range reinforces our Affordable Price Points

Collectively, our **WOW** proposition underscores our brand ethos, which bespeaks a unique excellence. It signals our commitment to deliver a 'WOW' experience to our customers and a 'WOW' value to our other stakeholders.



# KHADIM – AT A GLANCE

Khadim is one of India’s largest branded footwear companies, crafting and delivering affordable and high quality footwear to the entire family. Since its inception in 1981, the Company is catering to the needs of the aspiring, fashion-conscious and price-sensitive Indians for affordable, quality footwear to suit every occasion. With its large portfolio of vibrantly-designed footwear aligned to the evolving domestic and global trends, Khadim continues to create the best of footwear experiences for its growing customer base, across ‘Bharat’.

**2nd Largest**

Footwear retailer in India

**Largest**

Footwear retail franchise network in India

**Largest**

Presence in Eastern India

**Among Top 3 Players**

In South India

**Growing Retail Presence**

In 23 States & 1 Union Territory

## Key Strengths

Our sustained growth is propelled by our bouquet of deep-rooted strengths, encompassing:



Wide portfolio across price points



Extensive geographical reach and presence



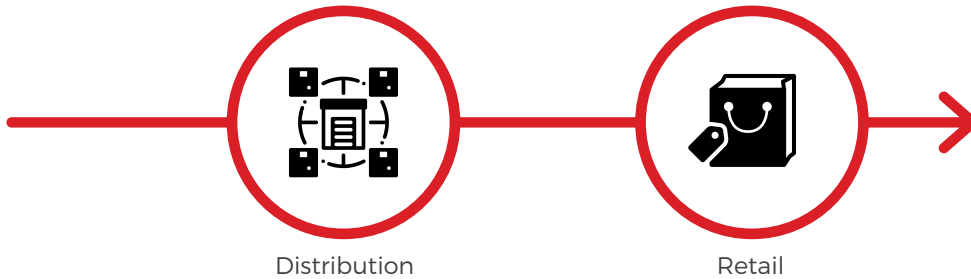
Strong design capabilities



Asset-light business model

### Business Model

Our 2-pronged revenue-diversified business strategy is modeled around the verticals of:



Growth in each of these segments is powered by its own customer base, exceptional product ranges and multi sales channels.

In the Distribution business, our model is a mix of in-house and contract manufacturing.

### Our Vision

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

### Our Mission

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



Our deep understanding of the evolving fashion trends, in India and around the world, is complemented by our strong design capabilities. This has enabled us to create and grow several leading sub-brands, drive premiumization and connect with India's growing aspirational customer base.

**74%**  
Of Retail presence through franchise route

(As on March 31, 2022)

**84%**  
Retail product requirement is outsourced

(As on March 31, 2022)



Diversified business model



Well-coordinated & streamlined supply chain



Visionary management & leadership



Experienced & committed team

# BRANDS FOR A BILLION+ INDIANS

We have, over the years, developed a well-diversified brand portfolio that is capable to address ~85% of the total Indian footwear market potential. Our bouquet of brands and products are designed to cater to the new-age needs of Bharat's aspirational new consumer class, which desires for and seeks quality, value and choicest selection in footwear.

## Retail Footweares and Accessories

### Footweares

---



Fashionable & casual footwear for the entire family



Handcrafted premium leather footwear for the working Man



Hi-fashion footwear for the young Man



Men's outdoor footwear



Athleisure footwear for All



Soft & Comfort footwear for Men & Women



Footwear for the working Woman



Hi-fashion footwear for young Girls and Women



Fashionable footwear for Kids



Fashionable footwear for young Girls

## Accessories



Cross body bag for Men



Portfolio bag for Men



Laptop bag for Men



Wallet for Men



Belt for Men



Sling bag for Women



Clutch bag for Women



Satchel bag for Women



Tote bag for Women



Backpack for Women

## Distribution Footweares



Basic Hawaai



Premium Hawaai and Fabrication Chappals



PVC Footwear



DIP & PU Footwear



Athleisure sandal and shoes



Formal sandal and shoes



Footwear for Kids



## TAKING EXCITING NEW STEPS

Khadim's journey of growth and expansion is marked by many exciting milestones. During FY 2021-22, we took several significant new steps to scale the momentum of our growth to touch new highpoints in our trajectory.



### Embarking on a New Brand Journey

We have onboarded Indian cricketer Shardul Thakur, who plays for Delhi Capital in the IPL, as our Brand Ambassador, to steer our new brand campaign "It's WOW It's Khadim". Our evolved brand identity and tag line highlight the Company's new fashionable range of products and its refreshed in-store experience, while reinforcing the affordable price point.



### Strong growth recovery

Despite headwinds triggered by the COVID-induced challenges and the geopolitical tensions that have led to a global inflationary environment, we have made strong recovery to deliver growth as per our strategic initiatives, across our business segments.

## Expanding reach and presence

We continued to expand our pan-India reach and presence with the addition of stores and distributors.



**76**

**Stores added in Retail during FY 2021-22**

**70**

**Distributors added during FY 2021-22**

**782**

**Total store count**

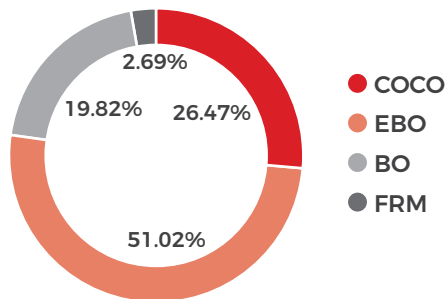
(As on March 31, 2022)

**627**

**Total number of distributors**

(As on March 31, 2022)

### Retail network as on March 31, 2022



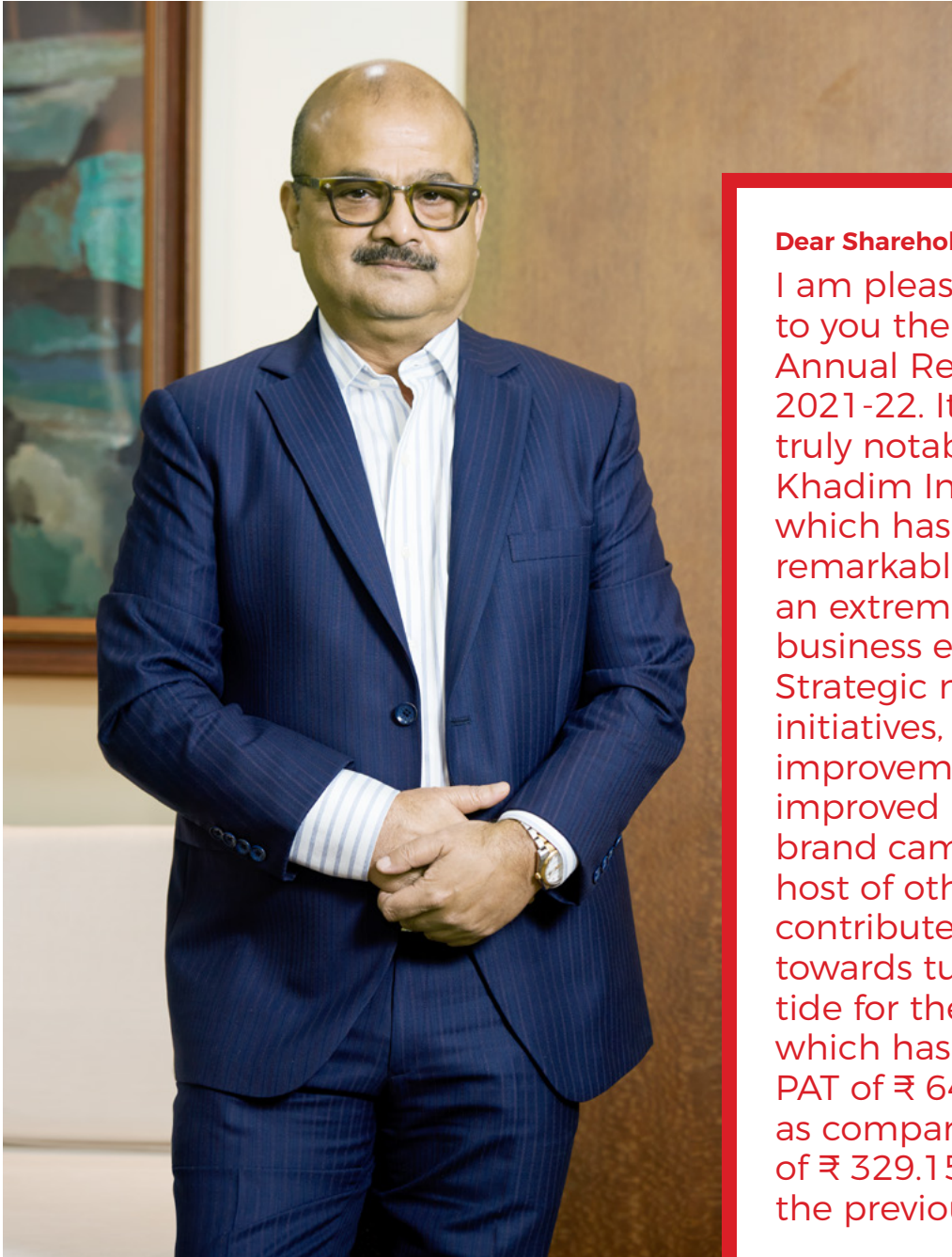
## Strengthening the Supply Chain

We have in place a well-articulated Theory of Constraints (TOC) model, running efficiently at both the Retail and Distribution Center (DC) levels. The model is structured around regular replenishment of the stock based on the movement of a particular item. Norms have accordingly been set for each item in the stores, based on its performance, and replenishment happens in tandem. The model applies to our COCOs and franchisees.

We have established a state-of-the-art warehouse, spread over 1.5 lakh sq.ft. area, at Sreerampore, to function as the central DC for the distribution segment. We have also consolidated all our Regional Distribution Centers (RDC), with Bantala becoming the central DC for our Retail business. A dedicated Supply Chain Management team monitors and controls material sourcing by vendors to

ensure timely delivery of the raw material to the vendor, backed by quality and cost optimization. We have also installed barcode machines at vendor premises to expedite supply and reduce down pressure at the warehouses. Reduction in lead time, enabling faster inventory turnover and streamlining of the logistics/ transportation movement, have also led to faster product supply.

## CMD'S MESSAGE



**Dear Shareholders,**

I am pleased to present to you the Company's Annual Report for fiscal 2021-22. It has been a truly notable year for Khadim India Limited, which has reported a remarkable recovery in an extremely difficult business environment. Strategic marketing initiatives, product improvements, improved margins, brand campaigns and a host of other measures contributed collectively towards turning the tide for the Company, which has clocked a PAT of ₹ 64.59 million as compared to a loss of ₹ 329.15 million in the previous fiscal.

Our new, refreshed brand identity resonates with the optimism with which we steered our journey during FY 2021-22, and the confidence with which we are surging ahead on our future growth trajectory.

### Macro industry environment

FY 2021-22 proved to be a difficult year for economies and businesses around the world. The continuing COVID crisis, coupled with the inflationary pressures triggered across the spectrum by the global geopolitical tensions, disrupted the growth plans of many companies, including those in India. In the domestic market, the GST rate hike – from 5% to 12% – on footwear priced below ₹ 1,000 further dampened the industry spirits in January 2022.

However, favorable government policies and initiatives augur well for the industry, going forward. The government has allowed 100 percent Foreign Direct Investment (FDI) through the automatic route in the footwear sector, which is also de-licensed and de-reserved. A government incentive package of ₹ 26,000 million for the footwear and leather industry also signals positivity for the sector.

### Key performance highlights

I am happy to share that notwithstanding the headwinds that prevailed during the fiscal under review, your Company had successfully compensated for its losses by the end of the year. Revenue for the year stood at ₹ 5,910.80 million, marking year-on-year growth of 14.5% (excluding institutional sales of ₹ 1,101.19 million in FY 2020-21). The topline recovery was encouraging, with the 3rd and 4th quarter reaching pre-COVID levels. The Company's Gross Margin also showed significant improvement, to rise to 37.2%, increasing by ~840 basis point from 28.8% in FY 2020-21. EBITDA for the year stands at ₹ 478.04 million, which was significantly higher from ₹ 34.12 million in FY 2020-21.

What is notable about this performance is that both, the Retail and Distribution verticals registered healthy yearly growth of 15% and 13% respectively during FY 2021-22. Retail and distribution gross margins for the year stood at 53.3% and 35.4% respectively.

### Strategic drivers of our performance

The positivity of the Company's performance, spread across its business segments, underlines the deep-rooted strengths which we have evolved over the years through our strategic focus on delivering affordable fashion to the aspirational population of 'Bharat'. Our results show that our strategic approach is aligned to the evolving consumer trends, which we continue to capture by leveraging technology and making focused efforts.



**Revenue for the year stood at ₹ 5,910.80 million, marking year-on-year growth of 14.5% (excluding institutional sales of ₹ 1,101.19 million in FY 2020-21)**

Our analysis of the market and consumer trends show a growing shift towards premiumization, and we are accordingly restructuring our product portfolio to cater to this demand transformation. With an aim to be one of the largest and most successful affordable fashion footwear brand in India, we have worked towards offering stylish yet affordable products targeting the younger consumer base. During the year, we strategically enhanced our in-house design capabilities, and strengthened the quality checks on raw material procurement. This was supported by revamp of our retail touchpoints to provide a sophisticated and spacious look for consumers to browse our products.

### On track with expansion plans

At the same time, as part of our growth and expansion plans, we grew our geographical reach and presence through the addition of new retail stores [Company Owned Company Operated store (COCO), Franchise Stores (BO / EBO) and Franchisee Run and Managed store (FRM)]. In the Distribution segment too, we scaled our presence by expanding our distributor network. Given the growing consumer preference for online shopping, we have also focused concertedly on enhancing our omni-channel facility. This service is now available in all our retail stores as well as on our e-commerce platforms. We have further taken several tactical steps while designing our marketing plans. Our focus is on aggressively driving an ROI-led campaign to stay connected with our valued consumers.

Even as we continued to invest in these progressive initiatives, we also took several cost optimization measures during the year by regulating the working capital and thus monitoring the cash flows. We have also rationalized the purchase of inventory to help us reduce costs. We have shifted our corporate office to a state-of-the-art premises with all the advanced facilities. This has helped the Company to operate in a more organized manner, and has resulted in savings of a substantial amount of rental expenditure.



### Celebrating our journey

The success of our multiple initiatives is manifested not just in our financial performance and operational achievements but in the awards won by the Company. I am proud to share that Khadim was chosen as the winner of the 'e4m Pride of India - The Best of Bharat' Awards 2022 by the Editorial Board of exchange4media and IMPACT Weekly Magazine. The Company was also felicitated with India's Retail Champions Award 2022 in the footwear category during the Retail Leadership Summit (RLS) 2022, on April 27 & 28, 2022, organized by Retailers Association of India (RAI).

### Delighting customers

These awards are also a clear endorsement of our endeavor to delight our customers, at every step of their Khadim journey. During the year, we further boosted these efforts to create more engaging and experiential touchpoints for our growing customer base across the country. While expanding our distribution reach and growing our store count,



**Khadim was chosen as the winner of the 'e4m Pride of India - The Best of Bharat' Awards 2022 by the Editorial Board of exchange4media and IMPACT Weekly Magazine**



we scaled up our Omni-channel strength through better in-store merchandizing and enhanced online experience. Our Customer Relationship Management (CRM) program, backed by our customer care initiatives, have further raised the bar of consumer experience. Customers remain central to our strategic growth proposition, and we shall continue to connect more deeply with them through innovative products and more engaging delivery points.

### Ensuring employee welfare

Our people continue to be strong partners in this journey of driving customer delight and business growth. They are integral to our business strategy and growth plans. Even amid the testing times of the pandemic, our hard working and committed employees stood by us and continued to work unceasingly to help the Company deliver on its vision and promises. On its part, the Company continued to invest in their welfare and well-being, with an organization-wide vaccination drive ensuring their protection against the deadly virus. We also continued to take various steps to keep them engaged and motivated, and to steer their career progression through our learning and development programs. I would like to assure them that Khadim India Limited remains committed to their health, safety and prosperity, and we shall continue to extend all support to them in the future too.

### Outlook

Going forward, the opportunity for greater growth and expansion is humungous, with footwear a key segment of the fast-growing Indian retail industry. Our expanding market presence and business growth give us the confidence that we shall continue to sustain the momentum to further grow our retail footprint as well as our distributors network.

As we surge ahead on the future growth trajectory, our focus will be on accelerating the pace of our expansion on the e-commerce platform while building on our offline customer touchpoints. This will help us penetrate more deeply into the consumer space, and equip them with trendy merchandise at an affordable price. To provide seamless shopping experience to our valued patrons, we will enhance our Omni-channel service. On the retail front, we are looking at rapid expansion across India through franchise partners and COCO stores, especially in the Western and Northern markets, into which we are gradually expanding. In the Eastern & Southern markets, we aim to expand

through Exclusive Brand Outlets (EBOs) and Brand Outlets (BOs), in addition to COCO stores in strategic locations. On the Distribution front, we are planning to introduce the ECO range of Hawai. We also have in place a robust plan to penetrate our distributor reach in the new areas of Western UP, MP and Chhattisgarh. We are also fully geared to capture the growing demand in athleisure, school shoes and office wear categories.

### In conclusion

The outlook for the future is indeed positive and we are well prepared to capitalize on the growth potential that we see ahead, for the industry in general and for Khadim in particular. We are confident of the sustained and continued support of each of our customers, business partners, shareholders, investors and employees, as we move aggressively towards scaling new levels of growth. I would like to take this opportunity to thank all of you for partnering us in this journey, and promise to ensure an even more 'WOW' experience for each of you as we move forward. I also extend my gratitude to our Board of Directors for their guidance through this challenging yet satisfying journey marked by many milestones of success.

Regards,

**Siddhartha Roy Burman**

Chairman & Managing Director



**As we surge ahead on the future growth trajectory, our focus will be on accelerating the pace of our expansion on the e-commerce platform while building on our offline customer touchpoints**

## CEO'S DESK



The last two years have been challenging for individuals, communities and companies in their own way. While the world is learning to live with the pandemic, there have been changes both in consumers and businesses which are here to stay. Through the combined efforts of all our stakeholders, we have managed to navigate the challenging and changing business environment to deliver a performance that will live up to the expectations of our Khadim Parivaar.

## Strategic Approach

The Company's performance is a reflection of prudent financial and operational planning that focused on key thrust areas of our business. With an aim to achieve our internal goal to be the largest and most successful affordable fashion footwear brand in India, we worked towards re-inventing our offerings and aligning our approach to cater to the evolving needs of the consumers.

Our business has delivered an impressive performance driven by the 7Ps model adopted during the previous year for our both business verticals - Retail & Distribution.

### 1. Rejuvenated Product Offerings

We believe that fashion should be available to all at an affordable price and can be trendy and stylish at the same time. Our consumers will pay a premium if, we offer them differentiated and fashionable products. We aim to be the first choice footwear brand of the entire family and thus have introduced new offerings across the mother brand as well as in our sub brands based on market trends and consumer feedback. These changes have been introduced across both our retail and distribution business.

In the retail front, we have made a conscious effort to design a stylish range under the primary brand Khadim and to reposition each of the sub-brands – British Walkers, Turk, Lazard, Cleo, Sharon, Softouch, PRO, Adrianna, and Bonito. The portfolio restructuring and expansion have helped to capitalize on the consumer demand.

Our distribution unit has the potential to reach greater heights and cater to the footwear need of Bharat. The Company also diversified its product portfolio in the distribution business by re-inventing the product range of sports sandals, sports shoes, formal shoes and PU sandals, thereby introducing a competitive and fashionable range which have been well received in the market. Product redesigning in this segment underwent across the mother brand Khadim and also for its sub-brands Kalypso, Wash n Wear, Fliers, FitNxt, Dunford and Pugo.

### Emergence of Athleisure Category

In the past couple of years, consumer preference across demographics has shifted towards comfortable, casual and trendy sports shoes. In line with our consumer focused approach, we introduced Athleisure footwear across both retail and distribution. The brands PRO in retail and FitNxt in distribution have garnered the love of consumers.

### Refreshing the Retail Experience

Given that we are India's second largest footwear brand with 782 stores, the retail experience is central



## Khadim has the largest footwear franchisee network in the country

in the consumer shopping behaviour. Thus, in order to maximize our appeal to new customers and to drive repeat purchases, we strive to offer a holistic retail experience. As part of the exercise we have also refreshed our store look, feel and design to offer a classy and delightful shopping experience.

### 2. Partner

Khadim has the largest footwear franchisee network in the country. Strong and lasting partner relationships are our strength and we pride ourselves as a brand that can create sustainable businesses for our partners across the length and breadth of the country. With an aim to grow our presence in Bharat, we have continued our focus on expansion through retail franchise networks and distribution partners in Tier II & III cities. We strive to support them in performance improvement and ensure it's a successful partnership.

During the past year, we have consciously made an effort to interact, engage and learn from our retail and distribution partners and have incorporated their feedback to bolster our product offerings. We are also taking the initiative to meet each of them personally and to make them feel that they are part of Khadim Parivaar. To encourage them, we have been designing attractive schemes for them to scale up their business.

In line with our vision to be an Omni-channel brand, we have also made efforts to consolidate our e-commerce business. We have partnered with major e-commerce platforms Amazon, Flipkart, Myntra to widen our product offerings along with enhancing the service of our own platform [www.khadims.com](http://www.khadims.com).

### 3. Promotion

Khadim has always strived to be the first choice brand for the entire family. With changing times, younger audiences which form the core of the brands strategy are now spending large volumes of time on video and social apps online. Keeping in mind the changing preferences of our young customers, we made a conscious decision to promote the brand on online video and social platforms. Throughout the year, we have hosted several marketing campaigns keeping in line with our data driven and digital approach. Our marketing investments are ROI focused with data analytics giving insights on consumer buying behavior.





**Our biggest strength is our human capital. To achieve our internal vision, we have been investing on the right and experienced resources from the industry across the functions**

During the year, we engaged Indian Cricketer Shardul Thakur as the brand ambassador, to resonate with our new vibrant brand look and connect with our consumers. We introduced him with the launch of our campaign It's WOW It's Khadim. The campaign seeks to highlight the trinity of new fashionable range of products, the refreshed in-store experience and reinforce the affordable price point. This will be the central focus of our communication going forward during brand campaigns. Additionally, we have done multiple Social Media campaigns for select occasions - #DilAzaadTohTumAzaad for Independence Day; #AbarPujoyJustKhadim for Durga Puja (sequel to last year's campaign #EbarPujoyJustKhadims); #DilmeinDiwaliPaironMeinKhadim for Diwali to compliment brand campaigns with moment marketing campaigns.

In order to ensure continuous engagement with our consumers which translates into footfall, we have adopted a professional CRM platform and we have been seeing good results in terms of conversions.

With regards to the distribution business, to ensure visibility in the physical marketplaces, we have been supporting the distributors and retailers with point of sale communication.

#### 4. Our Team Our Asset (People)

Our biggest strength is our human capital. To achieve our internal vision, we have been investing on the right and experienced resources from the industry across the functions. We are also working towards increasing diversity, equity and inclusivity by increasing female participation in workforce across functions. Additionally, we have been engaging our existing team in training to upscale their skill sets.

We intend to continue performance-based incentive structures across the organization as we believe it enhances both productivity and customer experience. We continue to groom internal employees who demonstrate commitment and excellence for leadership roles and have been hiring external candidates wherever the required skill set is not already available. Our intent is to not just have a diverse, inclusive, motivated and skilled leadership team but also encourage our partners to adopt these values as we believe these values serve all our stakeholders in the long term.

#### 5. Process

We strive to make Khadim both a result as well as process driven organization. Strong processes allow us to maximize efficiency while addressing the needs of our partners which deliver results for all stakeholders.

The Company has entered into banking arrangements with State Bank of India and Unity Small Finance Bank Ltd to extend credit facilities to our dealers and distributors. This will allow our partners to grow their business infrastructure. Additionally, this enables better liquidity for dealers and distributors and this reduces payment delays. This also allows them to avail benefits of cash discounts offered to them. The interest rates on these credit facilities are competitive to the existing market rates and do not put an additional burden on their bottom line.

#### 6. Production

With high quality, affordable premium products being a key proposition of our consumer offering, the Company has taken various measures to enhance the production capacity of the products across the business units. We have strengthened our systems for quality checks and procurements to ensure consistent production quality. We also nominate the suppliers to our vendors for procuring raw materials to keep the supply uninterrupted while maintaining consistency in product quality.

We engage with a considerable number of organized transporters to reduce the transit lead time of stocks. We are confident that adherence to top tier quality

standards and working in an integrated manner with our production and logistic partners will yield greater efficiency for the organization.

#### 7. Profit

I am delighted to share that our profitability focused business strategy has helped in yielding growth after incurring losses in previous years. Our effort in restructuring the product architecture, aligning the supply chain, various cost optimization measures, regulating the working capital has left the company well positioned to tap the industry growth potential across both retail and distribution segments. All of these changes ensured that we were able to adapt to the changing macro-economic scenario, overcome the prior business inefficiencies and achieve a turnaround. We have been profitable for 5 quarters out of the last 8 quarters (despite COVID) and have reported a profitable year in FY22. This year we are expecting it to be a fully recovered profitable year and are looking to delight both our customers as well as stakeholders.

Thank You for Your Support!

#### Namrata Ashok Chotrani

Chief Executive Officer

# CONNECTING WITH ASPIRATIONAL ‘BHARAT’

At the heart of Khadim’s growth strategy is its strong connect with the aspirational consumer of India’s evolving middle class. The Company continues to strengthen this connect through various concerted and visionary engagement initiatives and methods that resonate with the customer’s deepest aspirations.

During FY 2021-22, we scaled up our ‘Bharat’ connect through:

Brand Refresh

In-store Experience Enhancement

Focused Marketing Initiatives

Design Quality Focus

Augmenting Distribution Network



## Refreshed Brand Identity

The Company’s new-look refreshed brand identity is manifested in its new logo, which has been developed in a vibrant red and white colours followed by an energetic brand tagline - ‘It’s WOW It’s Khadim.’ With the appointment of Indian Cricketer Shardul Thakur as the brand ambassador, in alignment with the Company’s new look, we have deepened our connect with our customers.



## Enhanced In-store Experience

In line with our brand message and new look, we have also reworked our product portfolios and improved the overall customer experience by revamping the store decor, creating contemporary and spacious look to provide a more refreshing shopping experience. Our unique ‘trinity approach’, driven by a redesigned and refreshed in-store experience, new fashionable merchandise and reinforcement of the affordable price points, will deliver a delightful ‘It’s WOW It’s Khadim’ experience to consumers. We have also introduced a Cloud-based platform - FabPlay, for enhancing the Public Address System inside the retail stores. Retail ambience has gained vibrancy following the introduction of FabPlay with soothing music.

## Focused Marketing Initiatives

We have launched well-crafted social media campaigns that connect with the desires and aspirations of the younger target audience. We have entered into an alliance with 350 Nano and Micro fashion influencers across India, as a part of an Influencer Campaign, to promote our new range of products. The alliance will also help drive organic traffic towards e-commerce platforms, including our website at [www.khadims.com](http://www.khadims.com).

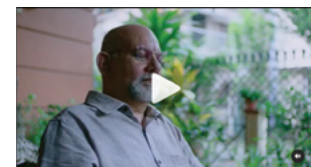
The Social Media Burst-Out Campaigns launched by the Company during the year include:



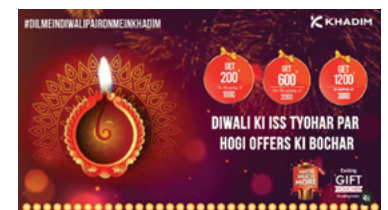
#AbarPujoyJustKhadim for Durga Puja (sequel to last year’s campaign #EbarPujoyJustKhadims)



*Dil Mein Diwali  
Pairon Mein Khadim*



#DilAzaadTohTumAzaad for Independence Day



#DilmeinDiwaliPaironMeinKhadim for Diwali

## Design Quality Focus



Khadim's internal vision is to become the largest affordable footwear brand in India. In its endeavor to achieve this vision, the Company makes continual investments in understanding the market trend and consumer demand through a dedicated internal team. This is complemented by design evolution and product development, across the mother brand 'Khadim' and the sub-brands, across both our business channels. We are also working on restructuring the design of our accessories, including ladies bags and back-packs.

Corporate Overview

Statutory Reports

## Augmenting Distribution Network

We are currently reaching out to more than 30,000 Multi Brand Outlets (MBOs) through 600+ distributors. We have introduced various sub-brands - Kalypso, Wash n Wear, Fliers, FitNxt, Dunford and Pugo - in the Distribution segment under the Khadim brand. Given the strength of the mother brand, we have incorporated it in the product names under the sub brands, such as 'Kalypso by Khadim'. This helps the customers identify the brand and buy the product from a trusted company.



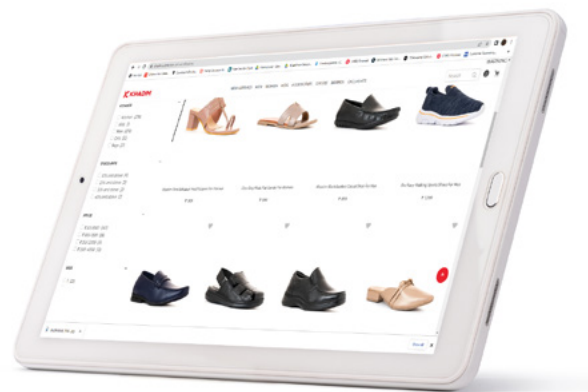
Financial Statements

## ‘WOW’ING THE CUSTOMER

**Khadim’s strongest USP is its ability to deliver an exhilarating experience to its customers through multiple and diverse platforms, wide pan-India distribution network, and deepening customer outreach.**

### Strengthening E-commerce

E-commerce has emerged as a key focus area at Khadim, especially in the pandemic scenario, which has increased the demand for online purchase. We have tied up with all the major online market places, such as Amazon, Flipkart, AJIO, Myntra, Snapdeal, Limeroad and Fynd. We have upgraded our website, leading to substantial increase in sales from this platform. We have also adopted a focused approach towards enhancing the Omni-channel facility, spanning the stores, online market places and own website. Our dedicated team for digital and platform marketing is helping us strengthen our e-commerce delivery model. We are also adding new market places and pursuing alternate business models on a regular basis. Optimization of online customer care support is further driving virtual customer experience for the Company.



**2.59%**

**Contribution of online sales over total sales in FY 2021-22**

### Deploying CRM Tools

We have deployed a powerful new Customer Relationship Management (CRM) program to improve our customer service relationships, assist in customer retention, and drive sales growth. It is helping us better manage and analyze customer interactions and data throughout the customer lifecycle. Our CRM program is enabling us to do better consumer segmentation in terms of price band, frequency of visit, demography and preferred choice of sub-brands. It has equipped us to deep dive on every section of consumer behavior, segments, trends etc. The CRM program has empowered us to scale up our consumer loyalty initiative, improve the customer retention rate, encourage repeat sales and return of consumers, and track consumer behavior. CRM also works as an Offline Performance Marketing tool to drive high ROI campaigns.



## Raising the Customer Care Bar

Khadim has a dedicated customer care team to quickly resolve the customer complaints and update customer feedback. We have a centralized system to ensure effective management of customer queries, complaints and grievances. The Company continuously endeavors to improvise the complaints redressal processes, in order to enhance customer experience for both online and offline stores so that they can get a positive shopping experience. We have an exclusive email-id **consumercare@khadims.com** for end-to-end solutions and complete customer satisfaction of products / services. All the complaints received via this email id are further segregated in accordance with their source, i.e., offline and online (owned website and other digital platforms) market places, and then processed by separate dedicated teams for each kind of complaint (in-house for products sold through stores and external agency for those sold via own website / other digital platforms). The Company also strives to resolve queries through digital communication, via Instagram, Facebook and Twitter.



## Driving Premiumization

We have conducted a detailed post-COVID scenario study on various international and national brands to understand the changing pattern of customer requirements. This has revealed enhanced demand for stylish product range balanced with the "Comfort" factor. We are accordingly investing in premiumization of our offerings to cater to the customers' demand for such products. Special focus has been given to revamping the sports range in both retail and distribution businesses, to cater to the growing demand in the athleisure category.



## Forging Tie-ups

It is our constant endeavor to strengthen our offerings in the Accessories segment. We are working on creating a new look of our accessories section, especially for the ladies bags and back-packs. We have tied up with prominent brands in this segment like VIP and Wildcraft, and are offering their range of back-pack and school bags manufactured exclusively for our Company. We have also tied up with "Helios" for the Shoe-accessory products like Shoe-polishes, Shoe-shiners, Shoe-shampoo, Wax-polish, Sports Shoe Cleaner, Brushes etc. Our tie-up with "Jockey" has equipped us to sell their socks from our stores. All these have given a boost to accessories sale.

## CONNECTING WITH OUR OWN PEOPLE

We believe that our workforce is one of our biggest assets. Our people are our partners in our journey to fulfill our vision and drive our mission. We invest in them and provide them opportunities to realize their full potential. Our focus is on recruiting the right talent who can fit into our work environment and culture. Employees are also rewarded and appreciated for their achievements, which helps in keeping them motivated and inspired to do their best even in the most difficult situations.

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**718**

**Permanent employees  
on the rolls**

(As on March 31, 2022)

We took various concerted measures during FY 2021-22 for the welfare, well-being, training and engagement of our employees.

### Ensuring Wellness

While employee welfare has always been central to our Human Resource (HR) management philosophy, we took several initiatives during the year to support our people during the COVID pandemic times. We extended all possible financial and medical assistance to our employees and their families in these difficult conditions. The Company conducted a vaccination drive for its employees and ensured that all of them were vaccinated during the year. We also organized medical health camps, dental health camp, gynecology talk for female employees, mental wellness session and yoga session, as well as nutritionist consultation.



## Enabling Learning & Development

We scaled up our employee engagement initiatives, conducted in partnership with various external partners, during the year. Special leadership development programs and internal training sessions for skill upgradation of the teams were conducted. Training programs on negotiation skills and advanced excel were also organized for enhancing the skills of employees. The training initiatives at Khadim are crafted to enable the development of personal skills necessary for the performance of the present job and to prepare the employees for future growth.



## Promoting Employee Engagement



We believe that employee connection creates a culture within an organization that provides a true sense of belonging, and also promotes progressive ideas and innovation to drive business growth. Many festivals like Christmas, New Year, Bengali New Year, Durga Puja, etc. are celebrated at our office to keep the employees engaged and connected. A Cricket Tournament was also organized during the year to rejuvenate the employees and strengthen the bonding amongst themselves. This also served as a motivational tool.





## BUILDING STRONG SOCIAL CONNECTS

**At Khadim, we do not just engage and connect with our customers and employees but also with the society at large. We follow a responsible approach towards business and are focused on creating a strong social connect with the communities around our operations.**

Our FY 2021-22 Corporate Social Responsibility (CSR) agenda spanned the following key initiatives and programs.



### **Maintenance & Beautification of Parks & Gardens**

The Company voluntarily extended its ongoing CSR activity of Maintenance and Beautification of Parks & Gardens in collaboration with South Dumdum Municipality, Kolkata, under Protection of Flora and Fauna, during the first quarter of FY 2021-22.

## Partnering NGOs

We carried out various CSR activities during the year in association with HelpAge India, Green for Life Foundation and Udayan Care, as part of our arrangements with them with respect to the contributions made during earlier fiscals.



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



- Tree plantation and Nurturance project in collaboration with "Green for Life Foundation" at Green Zone, Rajarhat, Action Area - I, Kolkata



- Academic Excellence and Personality Development Program in collaboration with "Udayan Care" for deserving and talented girls from weaker socio-economic backgrounds, with the aim to transform them into empowered and dignified women or "Shalinis"

## BOARD OF DIRECTORS



### **Mr. Siddhartha Roy Burman**

Chairman & Managing Director

He has been associated with the Company since its incorporation and has 39 years of experience in the footwear industry and is responsible for the overall strategic decision-making of the Company and provides leadership to all operations.

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



### **Mr. Rittick Roy Burman**

Whole-time Director

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

Post his Graduation, he worked with the Company for 3 years in various departments to gain an overall understanding of the business. Prior to his appointment as a Whole-time Director, he acted as Head – Merchandising & New Initiative, taking care of the long-term strategy of the organization and drive new initiatives, ventures and merchandising of the Company. He is the son of Mr. Siddhartha Roy Burman, Chairman & Managing Director of the Company.

He is also a Management Graduate from University of California, Berkeley.



### **Dr. Indra Nath Chatterjee**

Independent Director

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

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

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



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

Independent Director

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

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

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



### **Mr. Alok Chauthmal Churiwala**

Independent Director

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

He is a third generation stockbroker and an Angel Investor. He has a rich experience of over 24 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).

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.



### **Mr. Ritoban Roy Burman**

Non-Executive, Non-Independent Director

He has been appointed as a Non-Executive, Non-Independent Director of the Company in November 2017.

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. He is the son of Mr. Siddhartha Roy Burman, Chairman & Managing Director of the Company.

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

## LEADERSHIP TEAM



### **Ms. Namrata Ashok Chotrani**

Chief Executive Officer

She joined Khadim India Limited as a CEO in November 2019.

She has previously been associated with the Company for 8 years in various roles including non-voting observer and Nominee Director, representing Fairwinds Private Equity and as Non-Executive, Non-Independent Director of the Company.

She was associated with Fairwinds Private Equity, a sector agnostic India dedicated fund, since 2012. At Fairwinds, she was a part of the investment team where she was focused on mid-market companies in consumer, healthcare and industrial sector among others. Prior to joining Fairwinds Asset Managers Limited, she was associated with KPMG. Namrata has more than a decade of experience in the field of private equity and M&A advisory.

She holds a Master's Degree in Business Administration from INSEAD and a Bachelor's Degree in Commerce from the H. R. College of Commerce & Economics, Mumbai University.



### **Mr. Indrajit Chaudhuri**

Chief Financial Officer

He was elevated to the position of CFO from General Manager - Commercial and Strategic Planning with effect from April 1, 2018. He joined the Company in May 2007.

He has an experience of over 20 years in Finance & Accounts, Taxation and Strategic Planning. He is responsible for the finance, accounts, taxation and treasury management and overall Financial Control. Additionally, he is also responsible for the Legal and Secretarial, Information Technology and General Administration verticals.

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

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



### **Mr. Abhijit Dan**

Company Secretary & Head - Legal

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

He has more than 21 years of experience in secretarial and legal affairs and is responsible for the overall secretarial and legal functions of the Company.

Prior to joining the Company, he was associated with MCPI Private Limited, Emami Infrastructure Limited and Burnpur Cement Limited.

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



### Mr. Tapas Ghosh

General Manager - Sales & Business Development

He joined the Company in April 1997 and has more than 26 years of experience in strategic planning, accounts, IT, business development and sales.

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

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



### Mr. Aranya Ray

General Manager - Supply Chain Management

He joined the Company in August 2005 and has an overall 22 years of experience in supply chain, buying and merchandising.

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

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

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



### Mr. Kaushik Dutta

Assistant General Manager - Sales

He 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 rich and varied experience in the field of Retail Sales & Marketing in footwear domain with an experience of 17 years in trend analysis, retail sales and team management.

He leads the EBO / BO vertical of the Company.

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

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

# CORPORATE INFORMATION

## 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, Non-Independent 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. Ray & Ray

Chartered Accountants, Kolkata

## Secretarial Auditors

M/s. BKG & Company

Company Secretaries, Kolkata

## Bankers

State Bank of India

Axis Bank Limited

ICICI Bank Limited

HDFC Bank Limited

Bank of India

Central Bank of India

## Registrar and Share Transfer Agent

M/s. Link Intime India Private Limited

C -101, 247 Park,

Lal Bahadur Shastri Marg,

Vikhroli (West), Mumbai - 400 083

Email: mumbai@linkintime.co.in

Website: www.linkintime.co.in

Tel: +91 22 49186000

Fax: +91 22 49186060

## Registered Office

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

08 Major Arterial Road

Block - AF

New Town (Rajarhat), Kolkata - 700 156

West Bengal, India

CIN: L19129WB1981PLC034337

Email: compliance@khadims.com

Website: www.khadims.com

Phone: +91 33 40090501

Fax: + 91 33 40090500

## Board Committees

### Audit Committee

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

### Nomination & Remuneration Committee

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

### Corporate Social Responsibility (CSR) Committee

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

### Stakeholders' Relationship Committee

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

# MANAGEMENT DISCUSSION AND ANALYSIS

## Industry structure and developments

With footwear gradually evolving into a lifestyle purchase, the global footwear market, industry trends and forecasts predict that the market will grow by 12.83% year-on-year by 2028<sup>1</sup>. The market size, valued at \$ 365.5 billion in 2020, is estimated to reach \$ 530.3 billion by 2027 with a Compound Annual Growth Rate (CAGR) of 5.5%<sup>2</sup>. Changing lifestyles, growing economies and heightened focus on health globally, especially in the wake of the pandemic, have boosted demand for footwear globally.

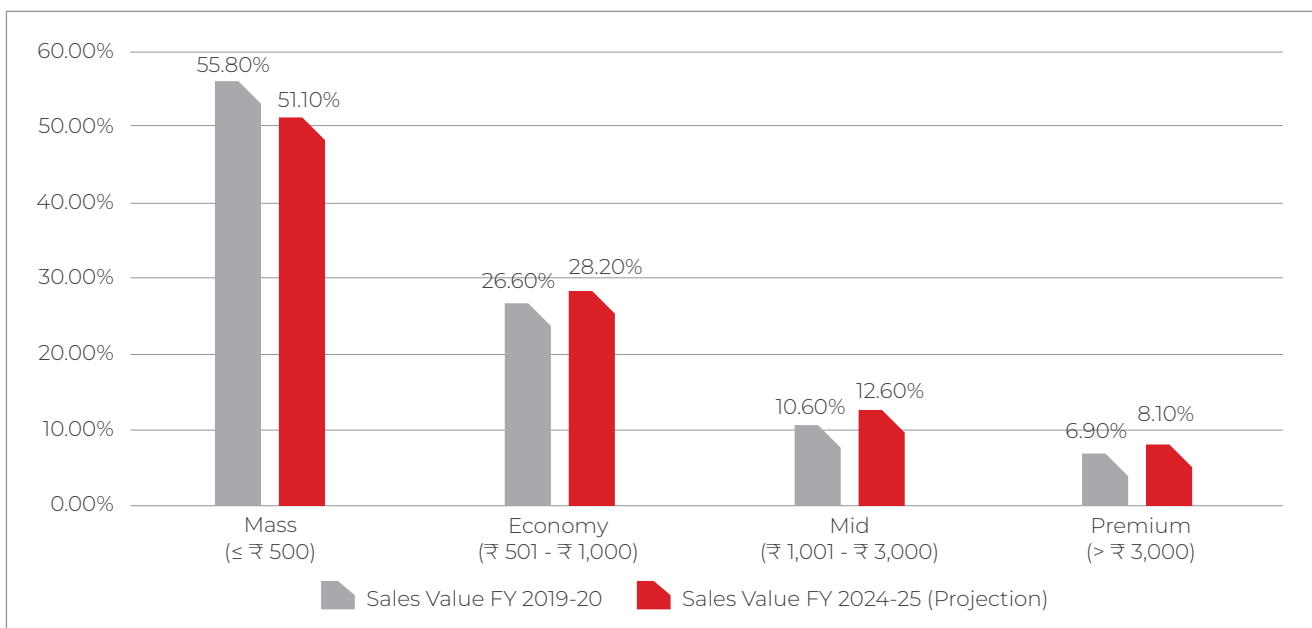
India's organized retail sector has performed successfully in recent years, owing to strong economic growth, changing demographics, increased disposable income, urbanization and changed customer tastes. The footwear business, a major retail sub-sector, has become one of the most dynamic sectors in recent years due to changing customer views. Shoes are becoming lifestyle purchases. The increased preference for branded footwear due to growing prominence of online shopping, boosted by the COVID-19 pandemic, is further expected to drive up the demand for premium footwear.

Annual per capita footwear consumption in India has increased from ~1.6 pairs in fiscal 2015 to ~1.9 pairs in

fiscal 2020 and is expected to rise to ~2.0 - 2.1 pairs by fiscal 2025 on account of rising income levels, increase in workforce participation, rapid rise in urbanization and change in attitude towards footwear as a fashion wear, meant to suit different occasions.

Organized footwear retail penetration will climb to 38% in FY 2024-25 from 23% in FY 2014-15. The combined factors of footwear demonstrating high propensity towards, (a) organized retail and (b) branded player, which presents an opportunity for branded player to grow further. Growth will also be driven by the increasing reach of mid and economy brands to Tier II/III Indian cities. Growth in the branded segment will also be driven by shift of consumers from unbranded product with increase in disposable income, better availability of product and increasing health consciousness.

Below graph shows that the Mass and Economy segments (below ₹ 1,000) contribute to 82.40% of the footwear industry in FY 2019-20 which will continue to be the dominant categories at 79.30% by FY 2024-25.



The Mass footwear segment driven by chappals and sandals is witnessing consumers adopting branded products owing to their strong distribution network.

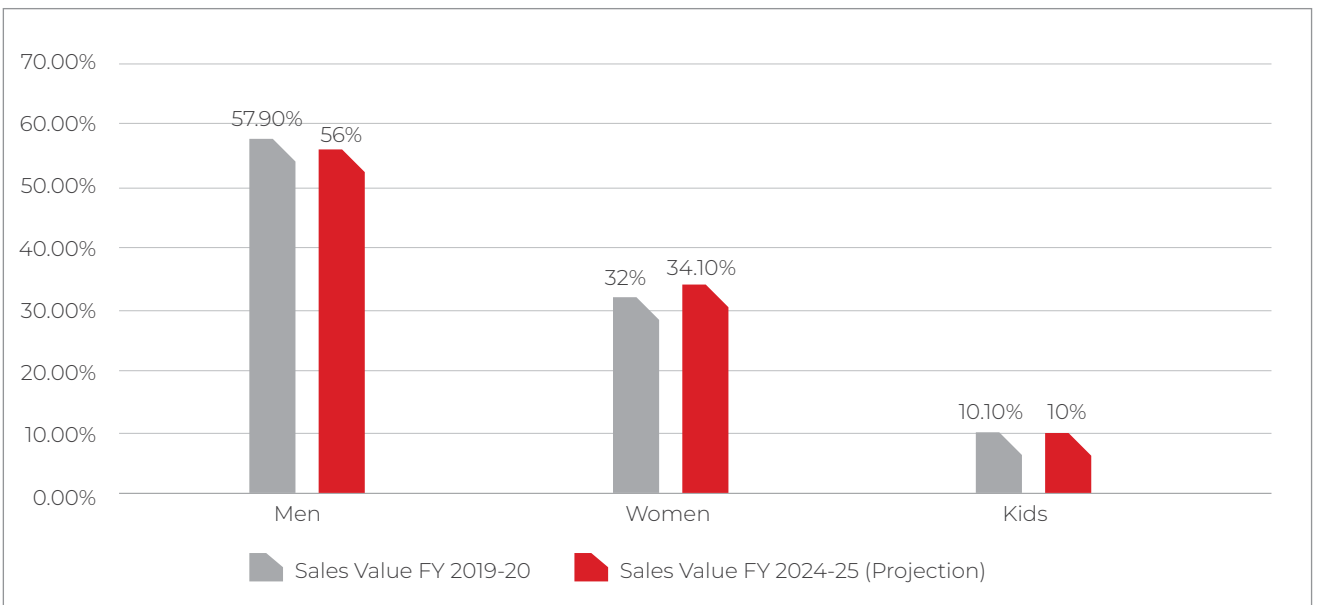
<sup>1</sup> <https://www.indianretailer.com/article/retail-people/trends/how-bright-is-the-future-of-india-s-footwear-industry.a7994/>

<sup>2</sup> <https://www.statista.com/statistics/976367/footwear-market-size-worldwide/>





**Projected gender-wise breakup of Indian footwear industry**



The share of the men footwear segment is dominant. However, women and kids segments are expected to grow at a faster pace as compared to men’s segment. Growth in women’s segment will be driven by increasing number of working women and increasing disposable income. Kid’s segment is growing rapidly with increasing number of working parents resulting in higher spending on kids.<sup>3</sup>

<sup>3</sup> Crisil Research Assessment of organized retail and footwear industries in India August 2021



Our core business objective is 'Fashion for Everyone', and we believe that our Company has established an identity as an 'affordable fashion' brand, catering to the entire family for all occasions.



### Company Overview

The Company is one of the leading footwear brands in India, with a two-pronged focus on retail and distribution. Khadim is the second largest footwear retailer in India in terms of number of exclusive retail stores operating under the 'Khadim's' brand, with the largest presence in East India and one of the top three players in South India. Khadim prides itself to have the largest footwear retail franchise network in India.

Our core business objective is 'Fashion for Everyone', and we believe that our Company has established an identity as an 'affordable fashion' brand, catering to the entire family for all occasions. As on March 31, 2022, we are present in 23 States and 1 Union Territory through 627 distributors and 782 retail stores.

The Company operates through two distinct business verticals, retail and distribution, each with its predominantly own customer base, sale channels and product range. Our retail business operates through our exclusive retail stores (company owned outlets and franchisees) catering to middle and upper middle income consumers in metros and Tier I - Tier III cities, who primarily shop in high street stores and

malls. Our distribution business operates through a wide network of distributors catering to lower and middle income consumers in metros and Tier I - Tier III cities, who primarily shop in multi-brand-outlets ("MBO"). The distribution allows the Company to achieve deeper market penetration by leveraging the retail brand recall.

Both our business verticals complement each other, as each of them predominantly have separate product ranges, target audience and channels of sale. Also, given the different business profiles, it helps de-risk our Company with regard to dependence on any one business.

According to the above mentioned industry statistics, ~55.80% of the footwear industry lies in the Mass category ( $\leq$  ₹ 500) and 26.6% lies in the economy range (₹ 501 - 1,000). Given our affordable fashion positioning, we are able to cater to them both through our retail and distribution business. 58% - 60% of our retail sales comes from Tier II - Tier III markets wherein 75% - 80% of our SKUs are below ₹ 1,000. ~80% of our distribution sales comes from Tier II - Tier III markets wherein 85% of the SKUs would be below ₹ 500.

Khadim's two-pronged business model is further accentuated by an asset-light model. The expansion of store presence across geographies via a franchisee partner network is an integral part of growth strategy.

Khadim has always believed in designing its product in line with regional and global fashion trends. One of our major focus points has been enhancement of design skills and keeping itself updated of regional and global fashion trends. This has allowed us to create and expand our sub-brands, encourage premiumization, and attract and retain aspirational customers.

**Operational & Financial Highlights**

Revenue for the year stood at ₹ 5,910.80 million which was higher by 14.5% year-on-year (excluding institutional sales of ₹ 1101.19 million in FY 2021). The topline recovery was encouraging with Q3 & Q4 reaching pre-COVID levels. Retail and Distribution verticals registered healthy yearly growth of 15% and 13% respectively.

Gross Margin improved significantly to 37.2%, with an increase of ~840 basis point from 28.8% FY 2020-21. The gross margins for retail and distribution were 53.3% and 35.4% respectively.

EBITDA increased to ₹ 478.04 million as against ₹ 34.12 million in the previous year, up by 1,301.18%.

The Profit Before Tax was ₹ 77.73 million as against a Net Loss Before Tax of ₹ 431.24 million in the previous year, up by 118.02%.

Strategic marketing initiatives, product improvements, improved margins and brand campaigns, have all contributed towards Company managing to recoup

losses incurred in the previous quarters of the current fiscal and turned profitable by clocking a Profit After Tax of ₹ 64.59 million as compared to a Net Loss After Tax of ₹ 329.15 million, up by 119.62%.

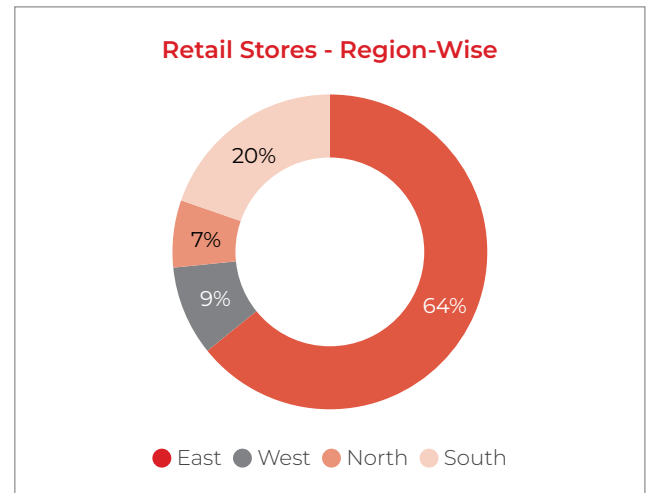
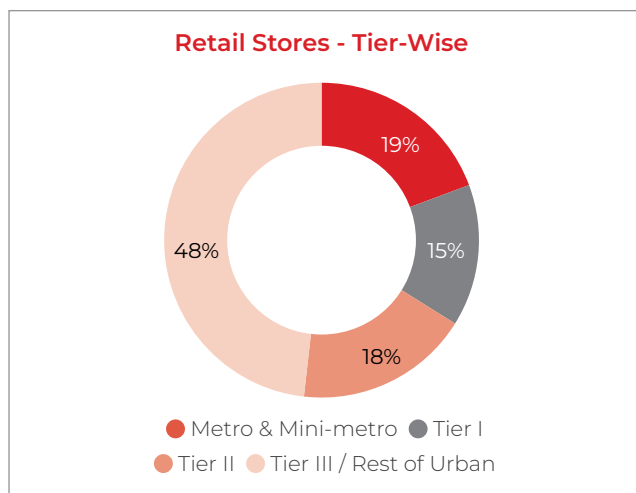
The asset-light model expansion strategy of the brand continued to strengthen its retail presence in Tier II & III cities by addition of 76 retail stores during the fiscal taking the total retail presence to 782 stores.

**Retail Business**

The retail business of the Company has a widespread presence across 23 states & 1 Union Territory under the brand name “Khadim”. The number tally of the retail stores stands at 782 [Company Owned Company Operated store (COCO), Franchise Stores (BO / EBO) and Franchisee Run and Managed store (FRM)]. As part of the asset-light model, 74% of the retail presence is through franchise route and 84% of the product manufacturing is through our vendor network.

Through these number of stores, the Company offers varied options of footwear to select for each member of a family expending an affordable amount ranging between ₹ 105 and ₹ 4,999 across the mother brand “Khadim” and sub-brands which are, ‘Pro’, ‘Lazard’, ‘Softouch’, ‘Cleo’, ‘British Walker’, ‘Turk’, ‘Sharon’, ‘Bonito’ and ‘Adrianna’, with varied product offerings and merchandise category.

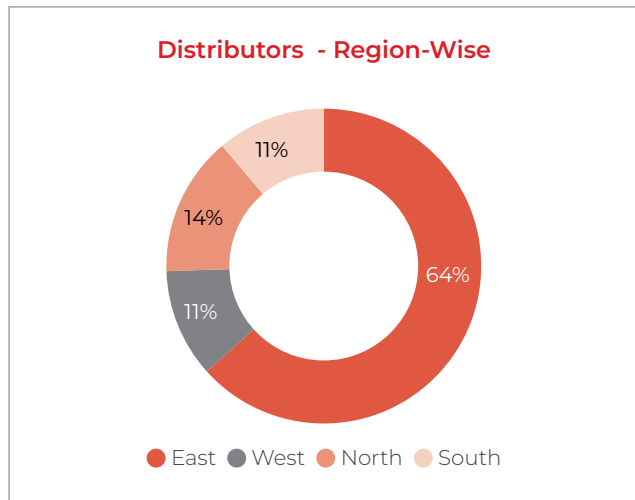
The premiumization of product within the spectrum of affordable fashion through various sub-brands has led to increase in ASP and higher gross margin. We have adopted the trinity approach of revamped product range which is much more fashionable, younger and vibrant, refreshed in store experience to provide a better retail experience to our customers while keeping the price point affordable.



The target segment caters to middle & upper-middle income group consumers in metros (including mini metros) and Tier I – III cities. The product range consists of leather / non-leather sandals, slippers, boots, ballerinas, stilettos, moccasins, sports shoes and accessories (socks, shoe polishes, brushes, leather belts, wallets, laptop bags, etc.).

**Distribution Business**

The Company’s distribution segment provides branded and affordable footwear in the Mass footwear category. Our distribution business operates through a wide network of distributors catering to lower and middle income consumers in Metros and Tier I – Tier III cities, who primarily shop in MBOs. The distribution allows the Company to achieve deeper market penetration by leveraging the retail brand recall. The division has a strong network base of 627 distributors.



With competitive and fashionable range, this segment caters to lower & middle income consumers in Tier-II and Tier-III cities, who shop in MBOs. The Company sells trendy products ranging in price from ₹ 75 to ₹ 1,299. The product range consists of EVA, basic and premium Hawai, PVC, PVC DIP, PU, Stuck On products, sports shoes etc. under the mother brand “Khadim” and sub-brands Kalypso, Wash n’ Wear, Fliers, FitNxt, Dunford, Pugo each having a targeted end user. The various sub-brands helps to achieve premiumisation in this business as well. The Company aspires to be a family brand in this business segment also by expanding its product line.

In this segment, we manufacture 97% of the products to have better control on quality, supply and cost.

**Marketing and Branding**

Khadim has always prided itself to be a heritage and home grown brand providing affordable fashion to the entire family for occasions. We believe that fashion should not be expensive and should be available to all. Given our product range across our retail and distribution business channels, we cater to both India and Bharat. We have always been a brand that has moved with the times while staying true to our roots. In our effort to reinvent ourselves and sustain the legacy of Khadim, we have adopted the trinity model of enhanced product range which is much more fashionable and vibrant, refreshed in-store experience while keeping the price point affordable. We believe this trinity creates a WOW experience.

In order to communicate the same, the Company roped in cricketer Shardul Thakur as the Brand Ambassador. Shardul's popularity as a cricketer



The Company sells trendy products ranging in price from ₹ 75 to ₹ 1,299. The product range consists of EVA, basic and premium Hawai, PVC, PVC DIP, PU, Stuck On products, sports shoes etc.



**The Company is one of the largest footwear retailers in India and is among the top three footwear brands in South India.**

especially with Gen Z and millennials is what the brand is looking at capitalizing on to expand its footprint across the country. The brand has launched the association with the campaign “It’sWowItsKhadim”. In line with offering a refreshed experience, the Company introduced a new and refreshed look of the brand by incorporating a new logo in combination of vibrant red and white colours.

During the year the Company had initiated multiple Social Media campaigns for select occasions- #DilAzaadTohTumAzaad for Independence Day; #AbarPujoyJustKhadim for Durga Puja (sequel to last year’s campaign #EbarPujoyJustKhadims); #DilmeinDiwaliPaironMeinKhadim for Diwali to compliment brand campaigns with moment marketing campaigns. Also, we have made an alliance with 350 Nano & Micro fashion influencers across India, as a part of Influencer campaign, to promote our new range of products.

Additionally, we have deployed a professional CRM platform to ensure continuous engagement with our consumers. It also helps us to analyse consumer buying behaviour and customise our campaigns and thereby increasing repeat footfall.

With regards to the distribution business, to ensure visibility in the physical marketplaces, we have been supporting the distributors and retailers with point of sale communication.

### **Outlook**

With a vision to be one of the largest and successful affordable fashion footwear brand in India, the Company offers stylish yet affordable products, appealing to a growing consumer base. The Company is one of the largest footwear retailers in India and is among the top three footwear brands in South India.

It has the largest presence in East India and strives to become an emerging brand in West and North India.

The Company plans to enter into new markets through company owned company operated outlets (COCO) and then further penetrates through franchisees once the brand is well established. Our focus is to increase penetration in our existing markets and increase presence in the new markets such as Western and Northern India. In this business, we have adopted the trinity approach of revamped product range which is much more fashionable, younger and vibrant, refreshed in store experience to provide a better retail experience to our customers while keeping the price point affordable.

In the distribution business, we are focusing on penetrating the existing markets in Eastern and Southern India by capitalising on retail brand recall and targeting new markets in Western Uttar Pradesh, Madhya Pradesh, Chhattisgarh and other states in Northern part of the Country. The Company also diversified its product portfolio in the distribution business by re-inventing the product range of fashionable Hawaiis, sports sandals, sports shoes, formal shoes and PU sandals, thereby introducing a competitive and fashionable range which have been well received in the market.

We are also focused towards enhancing Omni-channel facility to ensure seamless experience for our customers. We are also working on omnifying the serviceability of the e-commerce orders from all the market places, to improve the serviceability, reduce cost of logistics and improve working capital efficiency. We are also working very aggressively to scale up our e-commerce sale from the various marketplaces and our own website [www.khadims.com](http://www.khadims.com).

In order to expand our consumer base and strengthen our outreach amongst Gen Z and millennials, we will continue to promote the brand on social media platforms. Going ahead our focus would be to create high-quality content that is relevant to our target

audience and would promote this content through ROI driven marketing campaigns backed by data analytics. We value our esteemed loyal customers and would continuously engaging with them to ensure repeat footfalls.

## Key Ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2018, the Company complies with the requirement to provide details of key financial ratios along with detailed explanations thereon in case of change of 25% or more as compared with the previous financial year. The key financial ratios are mentioned below:

Sl. No.	Ratios	FY 2022	FY 2021	Change	Reason
1	Debtors Turnover Ratio	0.23	0.19	21.05%	NA
2	Inventory Turnover Ratio	0.28	0.22	29.14%	On account of higher cost of raw materials and general improvement in business post-Covid
3	Interest Coverage Ratio	1.34	-0.70	291.86%	The increase was mainly on account of a higher operating margin
4	Current Ratio	1.22	1.19	2.52%	NA
5	Debt Equity Ratio	0.61	0.53	15.21%	NA
6	Operating Profit Margin	8.09%	0.54%	1397.70%	The increase was mainly on account of a higher gross margins and cost control measures
7	Net Profit Margin	1.09%	-5.26%	120.77%	Higher operating profit margin resulted in higher net profit margin as well
8	Return on Net Worth	3.50%	-18.52%	118.91%	Higher net profits resulted in improved return on net worth

## Opportunities

The Indian economy has been largely consumption driven. Consumption will be pushed further higher by rising ambitions and affordability. Furthermore, the Indian government's emphasis on skill development, job creation, infrastructure, manufacturing and investment would function as pull forces in support of India's inclusive economic agenda. Several factors will continue to promote spending and contribute to the economy including:

- Favorable demographics
- Consistent urbanization growth
- A gain in purchasing power
- An ageing and working-age population
- Growing adoption of mobile technologies and internet infrastructure, which is shifting customer behavior

Indian retail industry is one of the fastest growing segment. It has performed successfully in recent years, owing to strong economic growth, a changing demographic composition, rising disposable income, urbanization and shifting customer tastes.

## Risk, Threats, Concerns and Mitigation

**Inflation Risk:** Also known as the risk to purchasing power, it may materialize in the event when there is a significant increase in the prices of goods and services than anticipated. Because of this, the Company's Return on Investment (RoI) may be impacted.

**Increase in GST Rates:** A change in GST rates would lead to higher costs of products for the end consumers and could have an impact on customers' ability to buy, leading to the cancellation or postponement of purchase decisions or the selection of a product with a lower value.



**Unemployment:** An increase in the unemployment rate is a cause of concern in the economy. It adversely affects the disposable income of families and erodes purchasing power, thereby leading to a negative impact on demand, which in turn, leads to a decrease in turnover and profitability of the organization.

**Competitive intensity:** An extremely competitive market and stiff competition from unorganized and organized players who have similar product lines and services pose a threat to our business.

**Lower consumption:** A fall in consumer spending has an obvious effect on growth, revenue and profitability, which in turn disrupts a Company's long-term planning.

#### Mitigation Measures

**Portfolio evaluation:** The Company prioritizes the evaluation and enhancement of its product portfolio on a consistent basis, always keeping in mind the issue of cost-effectiveness. We focus to provide customers with a wider variety of product options at a wider range of price points.

**Tie-ups:** Through the establishment of tie-ups with other notable brands in the fields of footwear, accessories and bags, the Company is able to provide

customers with an enjoyable shopping experience while they are in the store.

**Innovative designs:** The Company has been able to innovate its footwear product design and range as a result of extensive research into trends and customer aspirations. As a result, customers now have a wider selection of options from which to choose when making their purchases.

**Market presence expansion:** The Company has been working to expand its market presence by bolstering its retail presence and distribution network, in addition to expanding its franchise network, in order to further strengthen its market penetration.

**Improving the supply chain:** In order to improve its supply chain, the Company constantly monitors its supply chain and maintains adequate inventory levels. Additionally, it takes other measures, such as substituting imported goods with those sourced locally as well as other measures.

**Leveraging technology:** Enhancements in the realm of information technology include use of superior technology and improving platforms in order to increase the effectiveness of production and sales. In addition, many different internal functions have been digitized to ensure a smooth flow of operations.

**Premiumization:** The Company is actively pursuing a strategy of premiumization, which includes the introduction of a premium-priced shoe range, the reframing of the value proposition, catering to rising aspirations, innovating existing products and offering them at higher price points, etc.

### Human Resources

The Company believes that good Human Resource Management ensures success through high performance and Customer-Centric Culture with happy and value oriented employees. HR strategy and plans of the Company are deeply rooted with the organizational goals. The Company emphasizes on overall development of its human resource. Hence, trainings of the employees are aimed at systematic development of knowledge, skills, aptitude and teamwork. Trainings are designed for the development of personal skills necessary for the performance of the present job and to prepare them for future growth. Internal process in the Company in terms of recruitment has been maintained as per laid down process and business requirement. The Company has taken various initiatives in enhancing the engagement and commitment of employees.

The pandemic and the subsequent lockdowns and other preventive initiatives have caused severe disruptions to the Company. In those difficult days, the Company was supported by its hardworking, persistent and loyal employees. The Company organized vaccination for its employees and ensured all of the employees were vaccinated.

As of March 31, 2022, there were 718 permanent employees on the rolls of the Company.

### Internal Control Systems and Their Adequacy

The Company places utmost importance in setting up and regularly enhancing Internal Control Framework in view of challenging business environment and regulatory oversight for sustainable growth. On the administrative controls side, the Company has a proper reporting structure, oversight committees and regular audit to ensure necessary checks and balances are implemented.

The Company has an Internal Financial Control (IFC) System, which commensurate with the nature of its business and the size and complexity of its operations. The Company's system of internal control has been designed to provide reasonable assurance with regard to controls over critical business activities

and operations, policies and procedures for ensuring the orderly and efficient conduct of business, critical procurements, prevention and detection of frauds and errors, compliance with regulations and for ensuring timeliness and reliability of financial reporting. The Company's IFC has been reviewed and actions have been taken wherever needed, to strengthen control and overall risk management procedure.

The Company has a dedicated and independent Internal Audit Department reporting directly to the Audit Committee of the Board. The Internal Audit Department influences and facilitates improvements in the control environment by constantly evaluating the risk management, internal control systems and processes.

The Audit Committee of the Company evaluates and reviews the adequacy and effectiveness of the internal control systems and suggests improvements. Significant deviations are brought to the notice of the Audit Committee and corrective measures are recommended for implementation. Based on the internal audit report, process owners undertake corrective action in their respective areas. All these measures help in maintaining a healthy internal control environment. Nonetheless, the Company recognises that any internal control framework, no matter how well designed, has inherent limitations and accordingly, regular audit and review processes ensure that such systems are reinforced on an ongoing basis.

### Cautionary Statement

Forward-looking statements are made in this document regarding anticipated future developments, financial performance, and operational outcomes of Khadim India Limited. Forward-looking statements by their very nature involve assumptions from the Company and are rife with risks and uncertainties. There is a sizable chance that the presumptions, forecasts, and other forward-looking statements may turn out to be incorrect. The reader is urged not to put undue reliance on forward-looking statements as an interplay of multiple variables might lead to assumptions, actual future outcomes, and events differing materially from those projected in the forward-looking statements. The assumptions, limitations, and risk factors included in the management's discussion and analysis of the Khadim Annual Report for FY 2022 are therefore subject to the disclaimer and fully qualified in this document.



# BOARD'S REPORT

The Directors are pleased to present the 41<sup>st</sup> Annual Report on the business and operations of Khadim India Limited ("the Company") together with the Audited Financial Statements for the financial year ended March 31, 2022.

## Financial Highlights

The Financial Highlights are set out below:

In ₹ million

Particulars	Consolidated		Standalone	
	2021-22	2020-21	2021-22	2020-21
Revenue from Operations	5,910.80	6,261.78	5,910.80	6,261.78
Other Income	162.75	180.79	162.75	180.79
<b>Total Income</b>	<b>6,073.55</b>	<b>6,442.57</b>	<b>6,073.55</b>	<b>6,442.57</b>
Less: Expenditure	5,432.97	6,227.95	5,432.76	6,227.66
<b>Profit before Depreciation, Interest and Tax</b>	<b>640.58</b>	<b>214.62</b>	<b>640.79</b>	<b>214.91</b>
Depreciation	335.81	392.40	335.81	392.40
Interest	227.25	253.75	227.25	253.75
<b>Profit / (Loss) before Tax</b>	<b>77.52</b>	<b>(431.53)</b>	<b>77.73</b>	<b>(431.24)</b>
Provision for Taxation				
- Current and deferred Tax	13.14	(102.09)	13.14	(102.09)
<b>Profit / (Loss) for the year after Tax</b>	<b>64.38</b>	<b>(329.44)</b>	<b>64.59</b>	<b>(329.15)</b>

## Dividend

Considering the inadequacy of profits during the financial year ended March 31, 2022, the Board of Directors of the Company has not proposed any dividend on equity shares.

## General Reserve

No amount has been transferred to the General Reserve for the financial year ended March 31, 2022.

## Operations and State of Company's Affairs

On a standalone basis, the revenue generated from operations for the financial year 2021-22 stood at ₹ 5,910.80 million, a slight decrease from ₹ 6,261.78 million in FY 2021, which included ₹ 1,101.19 million from the institutional business. The profit after tax for the year is ₹ 64.59 million in comparison to loss after tax of ₹ 329.15 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 Controls and its adequacy are included in the Management Discussion & Analysis Report, which is a part of this Report.

## Employee Stock Option Plan

There has been no material change in the Employee Stock Option Plan 2017 ("ESOP 2017") during the year under report. Disclosures with respect to ESOP 2017 as required under relevant SEBI ESOP Regulations are available in the Notes to the Financial Statements.

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

The certificate from M/s. BKG & Company, Company Secretaries, Secretarial Auditor of the Company with respect to the implementation of the Company's

# BOARD'S REPORT

ESOP 2017 and ESOP 2021 would be available for inspection by the shareholders during the Annual General Meeting. A copy of the same will also be available for inspection at the registered office of the Company.

## Share Capital

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

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

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

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

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

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

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

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

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

During the year under review, no Corporate Insolvency Resolution application was made or proceeding was initiated, by / against the Company under the provisions of the Insolvency and Bankruptcy Code, 2016 (as amended). Further, no application or proceeding by / against the Company under the provisions of the Insolvency and Bankruptcy Code, 2016 (as amended) is pending as on March 31, 2022.

## Subsidiaries, Joint Ventures and Associate Companies

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

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

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

## 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, 2022.

## Corporate Social Responsibility

The Company seeks to operate its business in a sustainable manner which would benefit the Society at large in alignment with the interest of its stakeholders and by giving preference to local areas around its business operations. In accordance with the provisions of Section 135 of the Companies Act, 2013, your Company has duly constituted a CSR Committee and the Company's policy on CSR is available on the Company's website [www.khadims.com](http://www.khadims.com).

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII thereof and the Companies (Corporate Social Responsibility Policy) Rules, 2014, there was no mandatory requirement for undertaking CSR activities by the Company during the financial year 2021-22, as the average net profit of the three immediately preceding financial years was negative. However, the Company

## BOARD'S REPORT

has voluntarily continued its existing CSR activity in collaboration with South Dumdum Municipality, Kolkata, during the first quarter of the year.

The Annual Report on CSR activities for the financial year ended March 31, 2022 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 with the criteria of independence as required under sub section 7 of Section 149 of the Companies Act, 2013 and Regulation 25(8) of the Listing Regulations.

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

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

All the Independent Directors have registered themselves / renewed their registration pursuant

to the Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019.

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

Mr. Rittick Roy Burman (DIN: 08537366), Whole-time Director of the Company, retires by rotation at the ensuing Annual General Meeting, and being eligible, offered himself for re-appointment. Mr. Rittick Roy Burman was appointed by the Members at the 39<sup>th</sup> Annual General Meeting held on September 23, 2020 for a term of 3 (Three) consecutive years from November 08, 2019 till November 07, 2022. The said tenure will expire due to efflux of time. On the recommendation of Nomination and Remuneration Committee, the Board at its Meeting held on May 25, 2022 had approved the re-appointment of Mr. Rittick Roy Burman for a further period of 3 (Three) consecutive years, commencing from November 08, 2022 till November 07, 2025, subject to the approval of the Members at the ensuing Annual General Meeting. The brief profile of Mr. Rittick Roy Burman and other relevant information under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings with respect to Director seeking re-appointment have been provided in the Notice convening Annual General Meeting.

Mr. Alok Chauthmal Churiwala (DIN: 02043221), Independent Director was appointed by the Members at the 37<sup>th</sup> Annual General Meeting held on September 06, 2018 for a term of 5 (Five) consecutive years from May 11, 2018 till May 10, 2023. The said tenure will expire due to efflux of time. On the recommendation of Nomination and Remuneration Committee, the Board at its Meeting held on May 25, 2022 had approved the re-appointment of Mr. Alok Chauthmal Churiwala for a second term of 5 (Five) consecutive years, commencing from May 11, 2023 to May 10, 2028, subject to the approval of the Members at the ensuing Annual General Meeting. The brief profile of Mr. Alok Chauthmal Churiwala and other relevant information under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings with respect to Director seeking re-appointment have been provided in the Notice convening Annual General Meeting.

# BOARD'S REPORT

## Pursuant to the provisions of Section 203 of the Companies Act, 2013 the Key Managerial Personnel of the Company as on March 31, 2022 are:

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2022 are:

- a) Mr. Siddhartha Roy Burman, Chairman & Managing Director;
- b) Mr. Rittick Roy Burman, Whole-time Director;
- c) Ms. Namrata Ashok Chotrani, Chief Executive Officer;
- d) Mr. Indrajit Chaudhuri, Chief Financial Officer; and
- e) 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/>.

## Separate Meeting of Independent Directors

In terms of requirements of Schedule IV of the Companies Act, 2013 and the Listing Regulations, the meetings of Independent Directors were separately held on November 10, 2021 and March 30, 2022 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 the recommendation of the NRC, the

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

## Nomination and Remuneration Policy

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

1. Formulate the criteria for determining qualifications, competencies, positive attributes and independence of the Directors, Key Managerial Personnel (KMP) and Senior Management Personnel and recommend to the Board, a policy relating to the remuneration of Directors, Key Managerial Personnel and other employees.
  - 1A. For every appointment of an Independent Director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
    - a. Use the services of an external agencies, if required;
    - b. Consider candidates from a wide range of backgrounds, having due regard to diversity; and
    - c. Consider the time commitments of the candidates.
2. Devising a policy on Board diversity;
3. Identifying persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management

## BOARD'S REPORT

positions in accordance with the criteria laid down in this policy;

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

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

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

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

### **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 2021-22 have been provided in the Corporate Governance Report which forms part of the Report.

### **Audit Committee**

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

### **Extract of Annual Return**

In accordance with Section 92(3) and 134(3)(a) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Annual Return as on March 31, 2022 is available on the Company's website [www.khadims.com](http://www.khadims.com).

### **Particulars of contracts and arrangement with Related Parties**

All transactions entered by the Company with Related Parties during the financial year 2021-22 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 2021-22, which were in conflict with the interest of the Company. Suitable disclosures as required under Ind AS-24 have been made in the Notes to the financial statements.

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

### **Secretarial Standards**

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

### **Directors' Responsibility Statement**

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

- a) in the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

# BOARD'S REPORT

- 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, 2022 and of the Profit of the Company for the year ended on that date;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) proper internal financial controls are followed by the Company and that such financial controls are adequate and are operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the financial year ended March 31, 2022.

## Reporting of Fraud by Auditors

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

## Auditors

The Members of the Company, vide their 40<sup>th</sup> Annual General Meeting held on September 28, 2021, had approved the appointment of M/s. Ray & Ray, Chartered Accountants (Firm Registration No.: 301072E) as the Statutory Auditors of the Company for the periods as specified below:

- i. From August 12, 2021 till the conclusion of the 40<sup>th</sup> Annual General Meeting held on September 28, 2021 to fill the casual vacancy caused by the resignation of M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration

No.: 302009E) as the Statutory Auditors of the Company.

- ii. From the conclusion of 40<sup>th</sup> Annual General Meeting held on September 28, 2021 till the conclusion of 45<sup>th</sup> Annual General Meeting to be held in the financial year 2026-27 i.e., for a consecutive period of 5 (Five) years.

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

## Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with 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 2022-23.

The Secretarial Audit Report for the financial year ended March 31, 2022 is annexed herewith and marked as Annexure - II to this report.

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

## Cost Auditors

The Company does not come under the purview of compulsory cost audit as per the Companies Act, 2013.

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

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

## Particulars of Loans, Investments and Guarantees

During the financial year 2021-22, 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.

## BOARD'S REPORT

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

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

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

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

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

Your Company firmly believes in providing a safe, supportive and harassment free workplace for each and every individual working for the Company through various interventions and practices and has zero tolerance for sexual harassment at workplace. It is the continuous 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 and trainees) are covered under this Policy.

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

During the year under review, the Company has conducted an awareness programme on Prevention of Sexual Harassment for safety and healthy work culture. No complaints relating to the sexual harassment had been received during the year under report.

### **Annual Performance Evaluation of the Directors**

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

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

### **Corporate Governance**

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

### **Management Discussion and Analysis Report**

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

### **Cautionary Statement**

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

### **Acknowledgement**

Your Directors would like to express their sincere appreciation and gratitude for the assistance and

# BOARD'S REPORT

cooperation received from the financial institution, banks, merchant bankers, legal consultants, registrar, government authorities, customers and vendors during the year under review and look forward for the long-term future with confidence, optimisms and full of opportunities.

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

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

For and on behalf of the Board of Directors

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

Place: Kolkata  
Date: May 25, 2022



# ANNEXURE - I

## Annual Report on Corporate Social Responsibility (CSR) Activities for the financial year ended March 31, 2022

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

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, inter alia, in the area of environment conservation 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.

### 1. 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.

### 2. Composition of CSR Committee:

The composition of CSR Committee and details of attendance of the members during the year 2021-22 are as under:

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

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

### 3. Provide the web-link where composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.

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

### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable

### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹ million)	Amount required to be set-off for the financial year, if any (in ₹ million)
1	2020-21	0.12	-

## ANNEXURE - I

6. Average net profit of the company as per Section 135(5): ₹ -153.86 million

7. a. Two percent of average net profit of the Company as per Section 135(5) : Nil\*
- b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil
- c. Amount required to be set off for the financial year, if any : -
- d. Total CSR obligation for the financial year (7a+7b-7c) : Nil

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

8. (a) CSR amount spent or unspent for the financial year:

Total amount spent for the financial year (₹ in million)	Amount Unspent (In ₹ million)				
	Total amount transferred to unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
0.41 <sup>#</sup>	Not applicable		Not applicable		

<sup>#</sup> There was no mandatory requirement for undertaking CSR activities by the Company during financial year 2021-22, as the average net profit of the three immediately preceding financial years was negative. However, the Company has voluntarily continued its existing CSR activity in collaboration with South Dumdum Municipality, Kolkata, during the first quarter of the year.

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes / No)	Mode of Implementation - Through Implementing Agency	
			State	District						Name	CSR Registration Number
Not applicable											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project		Amount spent for the project (in ₹ million)	Mode of Implementation - Direct (Yes / No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
1.	Maintenance and Beautification of Parks & Gardens in collaboration with South Dumdum Municipality, Kolkata	Protection of Flora and Fauna	Yes	Kolkata	West Bengal	0.41	Yes	Not Applicable	

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the financial year (8b+8c+8d+8e): 0.41 million

## ANNEXURE - I

**(g) Excess amount for set off, if any:**

Sl. No.	Particular	Amount (in ₹ million)
(i)	Two percent of average net profit of the company as per Section 135(5)	Nil*
(ii)	Total amount spent for the financial year	0.41
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.41
(iv)	Surplus arising out of the CSR projects or programmes or Activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.41**

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

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

**9. (a) Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding financial year	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the Reporting financial year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Not Applicable							

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding three financial year(s):**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting financial year (in ₹)	Cumulative amount spent at the end of reporting financial year (in ₹)	Status of the project- Completed / Ongoing
Not Applicable								

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):**

- Date of creation or acquisition of the capital asset(s) : Nil
- Amount of CSR spent for creation or acquisition of capital asset : Nil
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : Nil
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : Not Applicable

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5):** Not Applicable

For and on behalf of the Board of Directors

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

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

Place: Kolkata  
Date: May 25, 2022

# ANNEXURE - II

## FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022 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 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
- 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 is applicable to the Footwear Industries in India.

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

## ANNEXURE - II

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

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

### **We further report that:**

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

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

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

1. The Company has shifted its Registered Office from "Kankaria Estate, 5<sup>th</sup> Floor, 6, Little Russell Street, Kolkata-700071" to "7<sup>th</sup> Floor, Tower C, DLF IT Park, 08 Major Arterial Road, Block-AF, New Town (Rajarhat), Kolkata, 24 Parganas North-700156" w.e.f. September 01, 2021.
2. The Company has obtained Shareholder's approval on May 07, 2021 for formulation and implementation of the 'Khadim Employee Stock Option Plan 2021' ("ESOP 2021"/ "Plan") (vide Postal Ballot Notice dated March 25, 2021).
3. Prof. (Dr.) Surabhi Banerjee (DIN: 07829304) had been re-appointed as Non-Executive, Independent Director, not liable to retire by rotation, for second term of 5 (Five) consecutive years commencing from May 25, 2022 to hold office for a term up to May 24, 2027 by the Members at the 40<sup>th</sup> Annual General Meeting held on September 28, 2021.
4. The Members of the Company at the AGM held on September 28, 2021 approved the payment of remuneration to Mr. Siddhartha Roy Burman (DIN: 00043715), Chairman & Managing Director for a further period of 2 (Two) years of his remaining tenure w.e.f. April 01, 2022 to March 31, 2024.

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

**(BINOD KUMAR GUPTA)**  
Partner  
(ACS-12965, C. P. No.- 3242)  
UDIN-A012965D000390848

Place: Kolkata  
Date: 25/05/2022

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

## ANNEXURE - II

### 'ANNEXURE A'

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

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

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

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

**(BINOD KUMAR GUPTA)**  
Partner  
(ACS-12965, C. P. No.- 3242)  
UDIN-A012965D000390848

Place: Kolkata  
Date: 25/05/2022

# ANNEXURE - III

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, 2022

## 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) Installed 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 utilize 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.
- h) Installed wide range energy efficient Air compressors for reliable low, medium and high pressure application.
- i) Usage of high efficiency Infrared Heater (NR Lamp) for saving electrical power as well as operation time.
- 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 outlets & warehouses.

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

Introduction of 850 kWp "Solar Power Plant" for generation of "Solar Energy" is under progress.

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

Amount spent on energy efficiency LED Lights was ₹ 0.6 million during the financial year 2021-22.

### B. TECHNOLOGY ABSORPTION:

1.	Efforts made towards technology absorption	2.	Benefits derived like product improvement, cost reduction, product development or import substitution
a.	Modification in Capacitor Panel.	a.	Savings in electricity cost upto ₹ 0.14 million per month.
b.	Development of Compounds.	b.	Reduction of cost and improvement in quality.

## ANNEXURE - III

### 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 2021-22 was ₹ 1.92 million.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year 2021-22, the foreign exchange earnings of the Company was ₹ 1.42 million as against Nil in the previous year. The expenditure in foreign exchange during the financial year 2021-22 was ₹ 710.53 million as compared to ₹ 474.56 million in the previous year.

For and on behalf of the Board of Directors

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

Place: Kolkata  
Date: May 25, 2022



## ANNEXURE - IV

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

1. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22:

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	26.52	94.71
Mr. Rittick Roy Burman	Whole - time Director	2.27	8.11

#### Notes:

- Median remuneration for the financial year 2021-22 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 as per the provisions of the Companies Act, 2013. The Board of Directors have proposed to pay commission to all the Independent Directors of the Company on the basis of the recommendation of the Nomination and Remuneration Committee, subject to approval of the Members of the Company. Hence, the ratio of remuneration and percentage change is not considered. The details of remuneration of the Non-Executive Directors have been provided in the Corporate Governance Report.
  - The Board of Directors at its meetings held on June 17, 2021 and November 10, 2021 had noted the reduction in remuneration for the period April 2021 - May 2021 and June 2021 - September 2021 respectively, of Mr. Siddhartha Roy Burman (Chairman & Managing Director) and Mr. Rittick Roy Burman (Whole-time Director). The said reduction had been made by the management of the Company (with the mutual consent of the concerned Directors) as a cost effective measure due to Covid-19 Pandemic.
2. The percentage increase / decrease in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager during the financial year 2021-22:

Name of Director(s) / Key Managerial Personnel(s)	Designation	Remuneration (in ₹ million)		Increase / Decrease in Percentage*
		2021-22	2020-21	
Mr. Siddhartha Roy Burman	Chairman & Managing Director	26.52	23.49	12.90%
Mr. Rittick Roy Burman	Whole - time Director	2.27	1.98	14.65%
Ms. Namrata Ashok Chotrani	Chief Executive Officer	6.31	5.67	11.29%
Mr. Indrajit Chaudhuri	Chief Financial Officer	3.45	3.03	13.86%
Mr. Abhijit Dan	Company Secretary & Head - Legal	2.29	1.69	35.50%

\* The increase in percentage was mainly due to restoration in remuneration payable post recovery of Covid-19 pandemic situation.

## ANNEXURE - IV

3. The Percentage increase in the median remuneration of the employees in the financial year 2021-22:

Median remuneration of employees per annum	Remuneration (in ₹ million)		Increase / Decrease in Percentage*
	2021-22	2020-21	
	0.28	0.30	-6.67%

4. There were 718 permanent employees on the rolls of the Company as on March 31, 2022.
5. The Average percentile decrease already made in the salaries of employees of the Company other than the managerial personnel in the last financial year was 15% whereas the decrease in managerial remuneration was 8%.
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, 2022, were as per the Nomination and Remuneration Policy of the Company.

For and on behalf of the Board of Directors

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

Place: Kolkata  
Date: May 25, 2022

# ANNEXURE - V

## Statement of Particulars of Employees pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2022

Top 10 Employees including employees employed throughout the financial year 2021-22 and was in receipt of remuneration, aggregating not less than ₹ 1,02,00,000/- per annum

Sl. No.	Name	Designation	Qualification	Experience- No. of years including previous employment	Remuneration (in ₹ million)	Nature of employment, whether contractual or otherwise	Date of commencement of employment	Age (in years)	The last employment held by such employee before joining the Company	The percentage of equity shares held	Whether any such employee is a relative of any Director or Manager of the Company
1	Siddhartha Roy Burman	Chairman & Managing Director	B.Com	39	26.52	Contractual	25-09-1990	60	N.A.	81479	Father of Mr. Ritoban Roy Burman, Director (Non -Executive, Non-Independent Director) and Mr. Rittick Roy Burman, Whole-time Director
2	Namrata Ashok Chotrani	Chief Executive Officer	B.Com, MBA	13	6.31	Permanent	01-11-2019	36	Fairwinds Pvt. Ltd.	0.7994	-
3	Aranya Ray	GM - Supply Chain Management	M.sc. MBA	22	3.90	Permanent	13-08-2005	48	ITC Ltd.	0.0568	-
4	Indrajit Chaudhuri	Chief Financial Officer	M.Com, CA	20	3.45	Permanent	26-05-2007	48	P. G. Shah and Co.	0.2602	-
5	Tapas Ghosh	GM - Sales and Business Development	B.Com	26	3.19	Permanent	01-04-1997	51	N.A.	0.0576	-
6	Abhijit Dan	Company Secretary & Head - Legal	B.Sc (H), LLB, ACS	21	2.29	Permanent	04-05-2015	49	MCPI Pvt. Ltd.	-	-
7	Rittick Roy Burman	Whole-time Director	B.Com, Management Graduate	11	2.27	Contractual	23-09-2010	30	-	0.0214	Son of Mr. Siddhartha Roy Burman (Chairman & Managing Director) and brother of Mr. Ritoban Roy Burman, Director (Non -Executive, Non-Independent Director)
8	Rajib Banerjee	DGM – Retail Operations & Business Development	B.Com, PGDM	25	2.26	Permanent	09-12-1999	47	IFB Finance Ltd.	0.0014	-
9	Kaliprasad Majumder	DGM - Systems	B.Sc. (Hons), MCA, MBA	29	2.16	Permanent	01-06-2002	52	Matrix Infosystems Ltd.	-	-
10	Ranajit Roy	DGM - Industrial Relations	B.Com (H), GDCA	13	2.15	Permanent	01-06-2007	50	Infovision Software Pvt. Ltd.	0.0452	-

For and on behalf of the Board of Directors

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

Place: Kolkata  
Date: May 25, 2022

# ANNEXURE - VI

## Report on Corporate Governance

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

Our philosophy of Corporate Governance is founded on the pillars of fairness, accountability, disclosures and transparency, equal treatment to all the stakeholders and social responsibility. Your Company believes that Corporate Governance extends beyond corporate laws. Its fundamental objective is not merely to 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 has adequate mix of skills, expertise and competencies for running the business of the Company. The following chart specifies the same:

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

## ANNEXURE - VI

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

### Notes:

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

® Only covers Membership / 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 any other listed company.

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

Sl. No.	Date of Board Meeting	No. of Directors Present
i.	June 17, 2021	6
ii.	August 11, 2021	5
iii.	November 10, 2021	6
iv.	February 14, 2022	6
v.	March 30, 2022	6

In accordance with the relaxations granted by MCA and SEBI due to Covid - 19 Pandemic, all Board Meetings in the financial year 2021-22 were held through VC / OAVM.

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

Name of Director	No. of Board Meetings Attended	Attendance at last AGM held on September 28, 2021
Mr. Siddhartha Roy Burman	5	Yes
Mr. Rittick Roy Burman	5	Yes
Dr. Indra Nath Chatterjee	5	Yes
Prof. (Dr.) Surabhi Banerjee	5	Yes
Mr. Ritoban Roy Burman	4	Yes
Mr. Alok Chauthmal Churiwala	5	Yes

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

As on March 31, 2022, none of the Non-Executive Directors hold any Share / Convertible instruments in the Company.

### Independent Directors:

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

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

During the year under review, meetings of Independent Directors of the Company, as per the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the Listing Regulations, were held on November 10, 2021 and March 30, 2022.

### 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 2021- 22, 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.

In accordance with the relaxations granted by MCA and SEBI due to Covid - 19 Pandemic, all Committee Meetings in the financial year 2021-22 were held through VC / OAVM.

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

- a) Whistle Blower Policy (Vigil mechanism);
- b) Policy on Evaluation of performances of Board of Directors;
- c) Nomination and Remuneration Policy;
- d) Risk Management Policy;

## ANNEXURE - VI

- e) Corporate Social Responsibility Policy;
- f) Policy on Diversity of Board of Directors;
- g) Policy on Succession Planning for the Board and Senior Management;
- h) Policy on Disclosure of Material Events / Information;
- i) Policy for Preservation of Documents and Archival;
- j) Policy on Familiarisation Programme of Independent Directors;
- k) Policy on Related Party Transactions;
- l) Policy on Determination of Material Subsidiary; and
- m) Dividend Distribution Policy.

### I. Audit Committee

The Composition of the Audit Committee as on March 31, 2022, consists of following members viz.

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

The Company Secretary acts as the Secretary to the Committee.

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

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

- e. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

- 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

## ANNEXURE - VI

- monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- l. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
  - m. Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;
  - n. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - o. Discussion with internal auditors on any significant findings and follow up thereon;
  - p. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - q. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - r. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - s. Approval of appointment of the Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
  - t. Reviewing the functioning of the whistle blower mechanism, in case the same is existing;
  - u. Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and other applicable laws;
  - v. To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;
  - w. Overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of the employees and directors, who used the vigil mechanism to report genuine concerns in appropriate and exceptional cases;
  - x. Recommending to the Board of Directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
  - y. reviewing the utilization of loans and/ or advances from investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments; and
  - z. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The Company's Audit Committee met 5 (Five) times during the financial year ended March 31, 2022 viz. June 17, 2021, August 11, 2021, November 10, 2021, February 14, 2022 and March 30, 2022.

The following table presents the details of attendance at the Audit Committee meetings held during the year ended March 31, 2022:

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



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### Notes:

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 September 28, 2021 and responded to the queries raised by the shareholders.

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

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

### II. Nomination and Remuneration Committee

The Composition of the Nomination and Remuneration Committee as on March 31, 2022, 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;
- 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.
- n. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board

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and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

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

### Nomination and Remuneration Policy

The Company has 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 (Three) times during the financial year ended March 31, 2022 viz. June 17, 2021, November 10, 2021 and March 30, 2022.

The following table presents the details of attendance at the Nomination & Remuneration Committee meetings held during the year ended March 31, 2022:

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

Members	Designation & Category	No. of Meetings Attended
Mr. Alok Chauthmal Churiwala	Member, Non-Executive - Independent Director	3

### 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 2021-22:

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

The Board of Directors vide its meeting held on March 25, 2021 had reinstated the sitting fees w.e.f. April 01, 2021 from ₹22,500 to ₹30,000 for attending meetings of the Board, Audit Committee, Nomination & Remuneration Committee, Meeting of Independent Directors, due to overall improvement in the business scenario.

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

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

Details of remuneration paid / payable to the Non-Executive Directors for the financial year 2021-22 are as follows:

in ₹ million

Members	Designation & Category	Salary	Commission	Sitting Fees	Total
Dr. Indra Nath Chatterjee	Non-Executive - Independent Director	-	0.20	0.45	0.65
Prof. (Dr.) Surabhi Banerjee	Non-Executive - Independent Director	-	0.20	0.47	0.67
Mr. Alok Chauthmal Churiwala	Non-Executive - Independent Director	-	0.20	0.45	0.65
Mr. Ritoban Roy Burman	Non-Executive, Non-Independent Director	-	-	0.14	0.14

### Notes:

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.

The commission of ₹ 0.20 million is payable to each of the Independent Directors subject to approval of the Members of the Company.

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

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

### Remuneration paid to Executive Director

The remuneration of Executive Director(s) is decided by the Board of Directors/

Recommendation of Nomination & Remuneration Committee as per the Company's remuneration policy and within the overall ceiling approved by the shareholders.

The remuneration paid to Mr. Siddhartha Roy Burman (Chairman & Managing Director) for the financial year 2021- 22 is ₹ 26.52 million inclusive of perquisites amounting to ₹ 1.02 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 2021-22 is ₹ 2.27 million. There is no separate provision for payment of severance fees.

The Board of Directors at its meetings held on June 17, 2021 and November 10, 2021 had noted the reduction in remuneration for the period April 2021 - May 2021 and June 2021 - September 2021 respectively, of Mr. Siddhartha Roy Burman (Chairman & Managing Director) and Mr. Rittick Roy Burman (Whole-time Director). The said reduction had been made by the management of the Company (with the mutual consent of the concerned Directors) as a cost effective measure due to Covid-19 Pandemic.

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Further, the Board vide its aforesaid meeting held on November 10, 2021 had also approved the restoration of Pre-Covid remuneration of Mr. Siddhartha Roy Burman and Mr. Rittick Roy Burman w.e.f. October 01, 2021, due to gradual improvement in the overall business situation of the Company.

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

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

### III. Stakeholders' Relationship Committee

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

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

The Composition of the Stakeholders' Relationship Committee as on March 31, 2022, 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 March 31, 2022. All the members of the Committee attended the said meeting.

Prof. (Dr.) Surabhi Banerjee, Chairperson of the Stakeholders' Relationship Committee attended the previous Annual General Meeting held on September 28, 2021.

#### 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

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

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

- a) Formulating and recommending to the Board the corporate social responsibility

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policy of the Company, including any amendments thereto in accordance with Schedule VII of the Companies Act, 2013 and the rules made thereunder;

- b) Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;
- c) Recommending the amount of corporate social responsibility policy expenditure for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- d) Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required;
- e) Delegating responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- f) Reviewing and monitoring the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and
- g) Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company.

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

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

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

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

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
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

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### 5. General Body meetings

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

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

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

Approval of the members by way of a Special Resolution had been obtained on May 07, 2021 (vide Postal Ballot Notice dated March 25, 2021) for the following business:

- a. **Resolution No. 1** - Approval of 'Khadim Employee Stock Option Plan 2021' ("ESOP 2021"/ "Plan"); and
- b. **Resolution No. 2** - Approval of proposed grant of Options equal to or exceeding 1% of the issued capital to specified employee.

Mr. A. K. Labh (FCS. F4848, CP No. 3238), Practicing Company Secretary was appointed as Scrutinizer for conducting Postal Ballot only by voting through electronic means (remote e-voting) 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 and read with the General Circulars, issued by the Ministry of Corporate Affairs bearing No. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 22/2020 dated June 15, 2020, No. 33/2020 dated September 28, 2020 and No. 39/2020 dated December 31, 2020. 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 votes 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
<b>Resolution No. 1</b>	185	1,09,94,423	82.1188	65	23,94,011	17.8812	0	0
<b>Resolution No. 2</b>	175	1,09,93,711	82.1143	73	23,94,584	17.8857	0	0

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 its website: [www.khadims.com](http://www.khadims.com) and can be accessed at web link: <https://www.khadims.com/policy-on-related-party-transaction>.

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

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### iii) Subsidiary

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

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

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

### iv) Vigil Mechanism / Whistle Blower Policy

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

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

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

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

### Non-Mandatory Requirements

Particulars	Status
<b>A. The Board</b> Non-Executive Chairperson may be entitled to maintain a chairperson's office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his / her duties	Not Applicable
<b>B. Shareholders' Right</b> A half- yearly declaration of financial performance including summary of significant events in last six-months, may be sent to each household of shareholders	Complied, as the Company's half-yearly results are published in leading English and Bengali newspaper and also uploaded on the website of the Company
<b>C. Modified opinion in audit report</b> The listed entity may move towards a regime of financial statements with unmodified opinion	Complied, there are no qualification in the Audit Report
<b>D. Separate posts of Chairperson and the Managing Director or the Chief Executive Officer</b> The listed entity may appoint separate persons to the post of the Chairperson and the Managing Director or the Chief Executive Officer, such that the Chairperson shall: <ol style="list-style-type: none"> <li>be a non-executive director; and</li> <li>not be related to the Managing Director or the Chief Executive Officer as per the definition of the term "relative" defined under the Companies Act, 2013</li> </ol>	The Chairman of the Company holds the position of Managing Director and there is a separate post for Chief Executive Officer of the Company.
<b>E. Reporting of internal auditor</b> The internal auditor may report directly to the Audit Committee	Complied



## ANNEXURE - VI

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

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

10. 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 / herself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

### 11. Disclosure of Accounting Treatment

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

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

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

All the Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct of the Company for the year ended March 31, 2022.

### 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 31<sup>st</sup> March, 2022.

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 May 25, 2022.

### 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 2021-22 been reviewed by the Audit Committee at its meeting held on May 25, 2022.

### 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.

## ANNEXURE - VI

### 16. Risk Management Policy

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

### 17. Code for Prevention of Insider Trading

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

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

During the year under review, the Company paid total fee (including out of pocket expenditure) of ₹ 2.32 million on a consolidated basis to M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 302009E) and M/s. Ray & Ray, Chartered Accountants (Firm Registration No. 301072E), Statutory Auditors of the Company for the period April 2021 to June 2021 and July 2021 to March 2022 respectively, and Nurul Faruk Hasan & Co. (Deloitte Bangladesh), Chartered Accountants, Statutory Auditors of Khadim Shoe Bangladesh Limited, a wholly owned subsidiary company.

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

- Number of Complaints filed during the financial year - NIL
- Number of Complaints disposed of during the financial year - Not Applicable

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

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

### 22. Means of Communication

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

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

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

## ANNEXURE - VI

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

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

### 23. General Shareholder's information:

<b>a. Annual General Meeting</b>	
Date, time and venue	The 41 <sup>st</sup> Annual General Meeting (AGM) of the Company will be held on Friday, September 23, 2022 at 11:30 a.m. IST.
<b>b. Financial Year</b>	
	Financial Year is April 01 to March 31 of the following year
Quarterly results will be declared as per the following tentative schedule:	
Financial reporting for the quarter ending June 30, 2022	First fortnight of August, 2022
Financial reporting for the half year ending September 30, 2022	First fortnight of November, 2022
Financial reporting for the quarter ending December 31, 2022	First fortnight of February, 2023
Financial reporting for the year ending March 31, 2023	By the end of May, 2023
<b>c. Dates of Book Closure</b>	
	Saturday, September 17, 2022 till Friday, September 23, 2022
<b>d. Record date for Dividend</b>	
	NA
<b>e. Dividend Payment Date</b>	
	NA
<b>f. Listing on Stock Exchanges &amp; Payment of Listing Fees</b>	
	Your Company's shares are listed on:  <b>BSE Ltd.</b> (BSE) Floor 27, P. J. Towers, Dalal Street, Mumbai - 400 001  <b>National Stock Exchange of India Limited</b> Exchange Plaza, Bandra- Kurla Complex, Bandra (E), Mumbai - 400 051  Your Company has paid the annual listing fee to both the exchanges.
<b>g. Stock Code</b>	
	BSE Security Code: 540775; NSE: KHADIM; ISIN:INE834I01025
<b>h. Registrars and Transfer Agents</b>	
	Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli (W) Mumbai - 400083 Tel: +91 22 49186000   F: +91 22 49186060

## ANNEXURE - VI

<p><b>i. Share Transfer System</b></p>	<p>In terms of Regulation 40(l) of the Listing Regulations, as amended, transfer of securities will be effected only in dematerialized form with effect from January 24, 2022.</p> <p>Further, SEBI vide its circular dated January 25, 2022, mandated that all service requests for issue of duplicate certificate, claim from unclaimed suspense account, renewal / exchange of securities certificate, endorsement, subdivision / splitting / consolidation of certificate, transmission and transposition which were allowed in physical form should be processed in dematerialised form only. The necessary forms for the above request are available on the website of the Company at <a href="https://www.khadims.com/information-for-holders-of-physical-securities">https://www.khadims.com/information-for-holders-of-physical-securities</a>.</p> <p>However, there is no member holding shares in physical form as on the date of this report.</p> <p>Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.</p>
<p><b>j. Address for Correspondence</b></p>	<p>Mr. Abhijit Dan Company Secretary and Compliance Officer Khadim India Limited 7<sup>th</sup> Floor, Tower C, DLF IT Park 08 Major Arterial Road, Block AF New Town (Rajarhat) Kolkata - 700156 Tel: +91- 33-40090501 Fax: +91-33-40090500 E-mail: <a href="mailto:compliance@khadims.com">compliance@khadims.com</a></p>
<p><b>k. Dematerialization of Shares and Liquidity</b></p>	<p>99.99% shares of your Company are held in the electronic mode as on March 31, 2022.</p>
<p><b>l. Electronic Clearing Service (ECS)</b></p>	<p>Members are requested to update their bank account details with their respective depository participants (for shares held in the electronic form) or write to the Company's Registrars and Transfer Agents M/s. Link Intime India Private Limited (for shares held in the physical form).</p>
<p><b>m. Investor Complaints to be addressed to</b></p>	<p>Registrars and Transfer Agents or Mr. Abhijit Dan, Company Secretary, at the addresses mentioned earlier.</p>
<p><b>n. Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, Conversion Date and likely impact on equity</b></p>	<p>The Company has not issued any GDRs / ADRs / Warrants or any Convertible Instruments.</p>

## ANNEXURE - VI

<p><b>o. Plant Locations</b></p>	<p><b>Kasba Factory</b> Khadim India Limited P - 31 &amp; S 26, Kasba Industrial Estate, Phase -III, Kolkata - 700107</p> <p><b>Panpur Factory</b> Khadim India Limited 25/1, 25/2 &amp; 25/3, Panpur Road, Mouza-Madral, P.O.- Narayanpur, P.S. Jagatdal, Dist- 24 Parganas (N)-743126</p> <p><b>Howrah Factory</b> Khadim India Limited NH-6, Village Baniara Jalan Complex, Gate No. 1, Howrah - 711411</p>
<p><b>p. Details of Suspension of Securities from trading, if any</b></p>	<p>Not applicable</p>
<p><b>q. Commodity price risk or foreign exchange risk and hedging activities</b></p>	<p>The Company does not have commodity price risk. The details of foreign exchange exposures and hedging activities are provided in the Notes to the Financial Statements.</p>
<p><b>r. List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad</b></p>	<p>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.</p>

**s. Market Price Data: High and Low from April 01, 2021 to March 31, 2022 are mentioned below:**

[All prices in ₹]

Month	BSE		NSE	
	High	Low	High	Low
April, 2021	159.00	125.50	157.75	124.00
May, 2021	175.55	133.00	175.80	132.25
June, 2021	345.70	155.20	346.15	156.35
July, 2021	358.90	276.00	358.00	275.00
August, 2021	307.45	207.55	305.00	207.55
September, 2021	266.70	221.50	266.40	221.00
October, 2021	307.85	220.00	307.70	219.70
November, 2021	346.85	246.75	348.00	246.15
December, 2021	284.05	241.90	283.60	243.05
January, 2022	303.35	255.00	303.40	256.55
February, 2022	297.25	223.50	298.00	224.60
March, 2022	260.00	220.00	259.90	219.90

## ANNEXURE - VI

### t. Summary of Shareholding Pattern as on March 31, 2022

Category of Shareholder	Number of Shareholders	Number of Shares held	Percentage of Shareholding
Promoter & Promoter Group	4	1,08,28,888	60.2622
Public	41,479	71,40,726	39.7378
<b>Total</b>	<b>41,483</b>	<b>1,79,69,614</b>	<b>100.00</b>

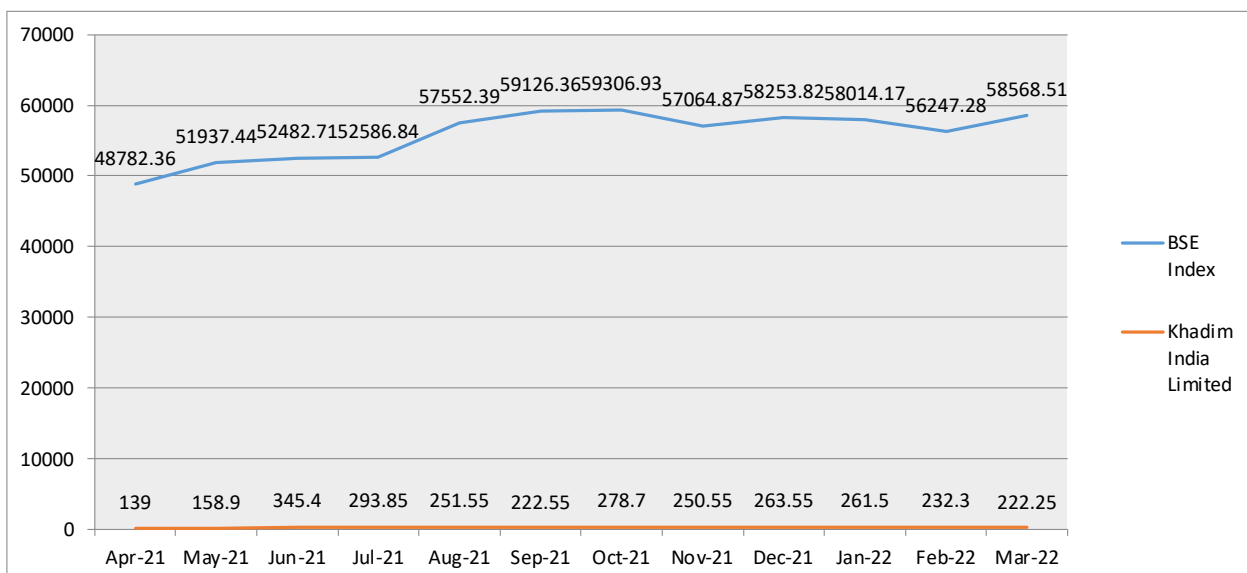
### u. Distribution of Shareholding as on March 31, 2022

Category of Shareholder	Number of Shareholders	Number of Shares held	Percentage of Shareholding
1 – 500	40,551	15,50,969	8.63
501 – 1000	472	3,61,712	2.01
1001 – 2000	234	3,50,865	1.95
2001 – 3000	69	1,76,900	0.99
3001 – 4000	32	1,15,470	0.64
4001 – 5000	21	96,567	0.54
5001 – 10000	32	2,30,747	1.28
10001 and Above	72	1,50,86,384	83.96
<b>Total</b>	<b>41,483</b>	<b>1,79,69,614</b>	<b>100.00</b>

### v. Bifurcation of shares held in physical and demat form as on March 31, 2022

Particulars	No. of Shares	Percentage (%)
Physical Shares (I)	20	0.00
Sub-Total	20	0.00
Demat Shares (II)		
NSDL (A)	1,42,89,128	79.52
CDSL (B)	36,80,466	20.48
Sub-Total (A+B)	1,79,69,594	100.00
<b>Total (I+II)</b>	<b>1,79,69,614</b>	<b>100.00</b>

### w. PERFORMANCE IN COMPARISON TO BSE SENSEX



## ANNEXURE - VI

### **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 Circulars

Nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, has allowed companies to send official documents to their shareholders electronically as a part of its green initiatives in corporate governance.

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

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

For and on behalf of the Board of Directors

**Siddhartha Roy Burman**

Chairman & Managing Director

DIN: 00043715

Place: Kolkata

Date: May 25, 2022

## ANNEXURE - VI

## CORPORATE GOVERNANCE CERTIFICATE

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

1. This certificate is issued in accordance with the terms of our engagement letter dated 22 March 2022.
2. We, Ray & Ray, Chartered Accountants, the Statutory Auditors of Khadim India Limited (the Company), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

## Managements' Responsibility

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

## Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Report or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audit and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

## Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31 March, 2022.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

**Amitava Chowdhary**  
Partner

Date - 25 May 2022  
Place - Kolkata

(Membership No. 056060)  
UDIN: 22056060AJRKNW9650



**ANNEXURE - VI****CERTIFICATE OF NON-DISQUALIFICATION  
OF DIRECTORS**

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its Officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

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

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

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

Place: Kolkata  
Date: 25/05/2022

**(BINOD KUMAR GUPTA)**  
Partner  
(ACS-12965, C. P. No.- 3242)  
UDIN: A012965D000390815

# 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, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year ended on that date, a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards, prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2022, its profit, total comprehensive income, changes in equity and its cash flows for the year then ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional 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.	<p><b>Revenue Recognition</b></p> <p>Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the Company performs its obligation to its customers, the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition is when the control over the same is transferred to the customer, which is upon delivery.</p> <p>The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.</p>	<p><b>Principal Audit Procedures</b></p> <p>In order to address the risk of misstatement related to timing of revenue recognition on sale to Wholesale customers, we have performed the following procedures:-</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures including:</p> <ul style="list-style-type: none"> <li>Assessing the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof.</li> <li>Evaluating the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls.</li> </ul>

# INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

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

## Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the IND AS specified under Section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

# INDEPENDENT AUDITOR'S REPORT

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

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

## Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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 under Section 143(3) of the Act, based on our audit, we report to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the accompanying standalone financial statements;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act as amended,

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

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in Note No. 36 of the standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts that are required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March, 2022.

iv. a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested

# INDEPENDENT AUDITOR'S REPORT

- (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like, on behalf of the Ultimate Beneficiaries;
- b. The management has represented, that, to the best of its knowledge and belief that no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties') with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ended 31 March 2022.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

**(Amitava Chowdhury)**  
Partner  
Membership No. 056060  
UDIN: 22056060AJUCIJ6777

Place : Kolkata  
Date : 25.05.2022

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment and right of use assets of the Company were physically verified by the Management in accordance with a regular programme of verification which in our opinion provides for physical verification of all the items at reasonable intervals. According to the information and records provided to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our verification of the registered sale deeds/ transfer deeds/conveyance deeds of the immovable properties of freehold acquired buildings that were provided to us, we report that the title deeds of immovable properties are held in the name of the Company as at the balance sheet date.
- (d) According to the records of the Company examined by us, the Company has not revalued its Property, Plant and Equipment and Right of Use Assets or intangible assets during the year under audit.
- (e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Hence this clause is not applicable to the Company.
- (ii) (a) As explained to us, the management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and procedure of such verification by the management is appropriate and discrepancies observed between physical and book stocks have been properly dealt with in the books of account;
- (b) The Company has a working capital limit in excess of five crore rupees sanctioned by banks during the year on the basis of security of current assets. The quarterly statements, in respect of the working capital limits, have been filed by the Company for the respective periods which were not subject to audit. The quarterly statement for the quarter ended 31 March 2022 has been filed on 22 April 2022 and is generally in agreement with the books of account of the Company.
- (iii) On the basis of examination of books of account of the Company and according to the information and explanations given to us, the Company has not made any investments in or provided any guarantee or security or granted any secured or unsecured loans to companies, firms, limited liability partnerships or other parties during the year. Accordingly, reporting under sub clauses (a), (b) (c) (d) (e) and (f) of Clause 3 (iii) of the Order is not applicable to the Company.
- (iv) On the basis of examination of books of account and records of the Company and in accordance with the information and explanations given to us, the Company has not made any investments or provided any guarantee or security or granted any secured or unsecured loans or advances in the nature of loans to any entity during the year which required compliance with the provisions of Sections 185 and 186 of the Companies Act, 2013. Accordingly, reporting under Clause 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under Clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

the Company’s products/business activities. Accordingly, Clause 3(vi) of the Order is not applicable to the Company.

- (vii) (a) According to the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees’ State Insurance, Income Tax, Customs Duty, Cess and other statutory dues with appropriate authorities. There were no outstanding statutory dues in arrear as at the last date of the financial year concerned for a period of more than six months from the date they became payable. Sales Tax, Service Tax, Excise Duty and Value Added Tax were not applicable to the Company during the year.
- (b) According to the information and explanations given to us and the records examined by us, details of Income Tax and Value Added Tax which have not been deposited as on 31 March 2022 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 Million)
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	2017-’19	0.41
West Bengal Value Added Tax, 2003	Sales Tax	West Bengal Taxation Tribunal	2011-’12 & 2015-’16	1.08
Bihar Value Added Tax, 2003	Sales Tax	Deputy Commissioner , Special Circle, Patna	2015-’17	0.19
Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner , Nagpur	2016-’17	0.36

- (viii) According to the records of the Company examined by us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of account. Accordingly, reporting under Clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in the repayment of its loans or borrowings to any lender or in the payment of interest thereon.
- (b) According to the information and explanations given to us including confirmations received from banks and other lenders and representation received from the management of the Company and on the basis of our audit procedures, we report that the Company has not been declared a wilful defaulter by any bank or other lender.
- (c) In our opinion and according to the information and explanation given to us, the term loans taken by the Company were applied for the purpose for which the loans were obtained and were not diverted for other purposes.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, we report that funds raised by the Company on short term basis have not been utilised for long term purposes.
- (e) On the basis of examination of records of the Company and according to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary, Khadim Shoe Bangladesh Limited.



## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

- (f) According to the records examined by us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary company. Accordingly, reporting under this sub-clause is not applicable to the Company.
- (x) (a) According to the records examined by us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under this sub-clause is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully, partially or optionally convertible debentures during the year. Accordingly, reporting under this-sub clause is not applicable to the Company.
- (xi) (a) During the course of our examination of the books of account and records of the Company carried out in accordance with the Generally Accepted Auditing Practices, we have neither come across any instance of fraud on or by the Company nor have we been informed of any such case by the management during the year.
- (b) No report under Section 143(12) of the Act has been filed by us with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us, no whistle-blower complaints have been received during the year by the Company. Hence, reporting under this sub-clause is not applicable to the Company.
- (xii) The Company is not a Nidhi Company. According, clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 177 and 188 of the Act, where applicable, for all transactions with related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) In our opinion and according to the records examined by us, the Company has an internal audit system commensurate with the size and nature of its business;
- (b) The reports of the Internal Auditor of the Company for the period under audit have been considered by us in course of our audit.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with the directors during the year. Hence, reporting under Clause 3 (xv) of the Order is not applicable to the Company.
- (xvi) (a) According to the information and explanations given to us, and on the basis of examination of the books of account of the Company we report that the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act,1934 (2 of 1934). Hence, reporting under this sub-clause is not applicable to the Company.
- (b) According to the records examined by us, the Company has not conducted any non-banking financial or housing finance activities during the year. Hence this sub-clause is not applicable to the Company.
- (c) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence this sub-clause is not applicable to the Company.
- (d) According to the information and explanations given to us, the Group does not have any CIC as part of the Group. Hence this sub-clause is not applicable to the Company.
- (xvii) According to the records examined by us and the information given to us, the Company has not incurred cash loss in the current financial year and in the immediately preceding financial year. Hence reporting under Clause 3 (xvii) of the Order is not applicable to the Company.
- (xviii) The Statutory auditor of the Company for the financial year 2020-21 has resigned during the year 2021-22. According to the information and explanations given to us by the management,

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

there were no issues, objections or concerns raised by the outgoing auditors.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) According to the records of the Company examined by us and as per the explanations given to us, there was no unspent CSR amount which were required to be transferred to either a Fund Account specified in Schedule VII to the

Act or to a Special Account in compliance with the provisions of Sections 135(5) and 135 (6) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

(xxi) The Consolidated financial Statements of the Company for the year ended 31.03.2022 includes audited accounts of Khadim India Limited (the Parent) and a foreign subsidiary company, namely, Khadim Shoe Bangladesh Limited (the Subsidiary). The reporting requirements under CARO, 2020 is not applicable to the Subsidiary. There have been no qualifications or adverse remarks in the Companies (Auditor’s Report) Order (CARO) reports of the Khadim India Limited (the Parent company) included in the consolidated financial statements. Accordingly reporting requirements under clause 3(xxii) of the Order is not applicable to the Company.

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

**(Amitava Chowdhury)**  
Partner  
Membership No. 056060  
UDIN: 22056060AJUCIJ6777

Place : Kolkata  
Date : 25.05.2022

## **ANNEXURE B TO AUDITOR'S REPORT**

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

We have audited the internal financial controls over financial reporting of **Khadim India Limited** ("the Company") as at and for the year ended 31 March, 2022, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Responsibilities of the Management and those charged with Governance 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

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

## ANNEXURE B TO AUDITOR'S REPORT

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

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls were operating effectively as at 31 March 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

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

**(Amitava Chowdhury)**  
Partner  
Membership No. 056060  
UDIN: 22056060AJUCIJ6777

Place : Kolkata  
Date : 25.05.2022

# BALANCE SHEET

**as at 31<sup>st</sup> March 2022**

(All amounts in Rupees million, unless otherwise stated)

Particulars	Note No.	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>ASSETS</b>			
<b>1 Non - current assets</b>			
(a) Property, Plant and Equipment	4A	1,047.00	1,140.68
(b) Capital work - in - progress	4B	8.47	9.50
(c) Right of Use Asset	4C	963.33	1,153.45
(d) Intangible assets	4D	3.36	3.18
(e) Intangible assets under development	4E	0.65	1.49
(f) Financial Assets			
(i) Investments	5	0.85	0.85
(ii) Others	6	176.11	179.32
(g) Deferred tax assets (net)	7	184.22	197.99
(h) Income tax assets (net)	8	36.51	46.96
(i) Other non-current assets	9	90.69	97.89
<b>2 Current assets</b>			
(a) Inventories	10	1,679.32	1,406.79
(b) Financial Assets			
(i) Trade receivables	11	1,331.13	1,206.97
(ii) Cash and cash equivalents	12	31.02	12.14
(iii) Other Bank balances	13	76.00	26.83
(iv) Others	14	108.91	101.26
(c) Other current assets	15	774.12	719.59
<b>Total Assets</b>		<b>6,511.69</b>	<b>6,304.89</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	16	179.70	179.70
(b) Other Equity		1,896.66	1,829.61
<b>LIABILITIES</b>			
<b>1 Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	148.37	192.86
(ii) Lease liabilities	18	991.33	1,172.56
(b) Provisions	19	3.27	5.23
(c) Other non-current liabilities	20	10.44	1.92
<b>2 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	21	1,070.15	821.08
(ii) Lease liabilities	18	163.97	209.66
(iii) Trade payables	22		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,800.66	1,670.27
(iv) Other financial liabilities	23	176.19	166.03
(b) Other current liabilities	24	69.75	54.51
(c) Provisions	25	1.20	1.46
<b>Total Equity and Liabilities</b>		<b>6,511.69</b>	<b>6,304.89</b>

See accompanying notes to the financial statements.

In terms of our Report attached

For and on behalf of Board of Directors

 For **Ray & Ray**

Chartered Accountants

FRN - 301072E

**Amitava Chowdhury**

Partner

Membership no.- 056060

**Siddhartha Roy Burman**

Chairman &amp; Managing Director

**Rittick Roy Burman**

Wholetime Director

**Namrata Ashok Chotrani**

Chief Executive Officer

**Indrajit Chaudhuri**

Chief Financial Officer

Place : Kolkata

 Date : 25<sup>th</sup> May 2022

**Abhijit Dan**

Company Secretary &amp; Head - Legal

# STATEMENT OF PROFIT AND LOSS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>I. Revenue From Operations</b>	26	5,910.80	6,261.78
<b>II. Other Income</b>	27	162.75	180.79
<b>III. Total Income ( I + II )</b>		<b>6,073.55</b>	<b>6,442.57</b>
<b>IV. Expenses :</b>			
Cost of materials consumed		1,970.29	1,416.00
Purchases of Stock-in-Trade		1,913.51	2,751.65
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	(170.97)	290.89
Employee benefits expense	29	573.60	608.06
Finance costs	30	227.25	253.75
Depreciation and amortization expense	4F	335.81	392.40
Other expenses	31	1,146.33	1,161.06
<b>Total expenses</b>		<b>5,995.82</b>	<b>6,873.81</b>
<b>V Profit/(Loss) before tax (III - IV)</b>		<b>77.73</b>	<b>(431.24)</b>
<b>VI Tax expense:</b>	32		
(1) Current tax		0.01	(4.73)
(2) Deferred tax		13.13	(97.36)
		<b>13.14</b>	<b>(102.09)</b>
<b>VII. Profit/(Loss) for the year ( V - VI )</b>		<b>64.59</b>	<b>(329.15)</b>
<b>VIII. Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss			
- Re-measurement gains on defined benefit plans	39.2	2.56	2.37
(ii) Income tax relating to items that will not be reclassified to profit or loss	32	(0.64)	(0.60)
<b>Other Comprehensive Income for the year</b>		<b>1.92</b>	<b>1.77</b>
<b>IX Total Comprehensive Income/(Loss) for the year</b>		<b>66.51</b>	<b>(327.38)</b>
<b>X. Earnings per equity share : [Nominal Value per Share ₹10/- (Previous year ₹10/-)]</b>	33		
(1) Basic (In ₹)		3.59	(18.32)
(2) Diluted (In ₹)		3.59	(18.32)

See accompanying notes to the financial statements.

In terms of our Report attached For and on behalf of Board of Directors

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

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

**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 : 25<sup>th</sup> May 2022

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

## STATEMENT OF CHANGES IN EQUITY

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

### (a) Equity Share Capital

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

Balance as at 1 <sup>st</sup> April 2020	Changes in equity share capital due to prior period errors	Restated balance as at 1 <sup>st</sup> April 2020	Changes in equity share capital during the year	Balance as at 31 <sup>st</sup> March 2021
179.70	-	179.70	-	179.70

### (b) Other Equity

Particulars	Reserves and surplus				Total other equity
	Capital reserve -Amalgamation Reserve	Securities premium	Share options outstanding account	Retained earnings	
<b>Balance as at 1st April 2021</b>	<b>231.92</b>	<b>1,221.83</b>	<b>10.16</b>	<b>365.70</b>	<b>1,829.61</b>
Profit for the year	-	-	-	64.59	64.59
Other comprehensive income (net of tax)	-	-	-	1.92	1.92
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>66.51</b>	<b>66.51</b>
Recognition of share based payment	-	-	0.54	-	0.54
<b>Balance as at 31st March 2022</b>	<b>231.92</b>	<b>1,221.83</b>	<b>10.70</b>	<b>432.21</b>	<b>1,896.66</b>
<b>Balance as at 1st April 2020</b>	<b>231.92</b>	<b>1,221.83</b>	<b>8.45</b>	<b>693.08</b>	<b>2,155.28</b>
Loss for the year	-	-	-	(329.15)	(329.15)
Other comprehensive income (net of tax)	-	-	-	1.77	1.77
<b>Total comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(327.38)</b>	<b>(327.38)</b>
Recognition of share based payment	-	-	1.71	-	1.71
<b>Balance as at 31st March 2021</b>	<b>231.92</b>	<b>1,221.83</b>	<b>10.16</b>	<b>365.70</b>	<b>1,829.61</b>

Gain of ₹1.92 million and ₹1.77 million on remeasurement of defined employee benefit plans (net of tax) is recognised as a part of retained earnings for the years ended 31<sup>st</sup> March 2022 and 2021 respectively.

# STATEMENT OF CHANGES IN EQUITY

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

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

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

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

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

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

See accompanying notes to the financial statements.

In terms of our Report attached For and on behalf of Board of Directors

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

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

**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 : 25<sup>th</sup> May 2022

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



# CASH FLOW STATEMENT

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before Tax for the year	77.73	(431.24)
Adjustments for:		
Depreciation and amortization expense	335.81	392.40
Share based payments to employees	0.54	1.71
Loss on disposal of property, plant and equipment (net)	20.78	22.13
Interest Received	(21.77)	(25.14)
Gain arising on sale of financial assets mandatorily measured at Fair Value through Profit and Loss	(0.05)	(0.27)
Liabilities/Provisions no longer required written back	(94.17)	(113.81)
Government grant received	(6.76)	(1.05)
Provision for doubtful debts, advances and other assets	2.28	6.13
Debts/Advances written off	4.60	6.06
Foreign currency translations and transactions - Net	(0.18)	(0.59)
Finance costs	227.25	253.75
<b>Operating Profit before Working Capital Changes</b>	<b>546.06</b>	<b>110.08</b>
Adjustments for:		
Trade Receivables, Loans and Advances and Other Assets	(136.14)	(17.05)
Inventories	(272.53)	289.71
Trade Payables, Other Liabilities and Provisions	158.50	90.53
<b>Cash Generated from Operations</b>	<b>295.89</b>	<b>473.27</b>
Net income tax refunds	10.44	5.62
<b>Net Cash generated from Operating Activities</b>	<b>306.33</b>	<b>478.89</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, intangible assets	(82.76)	(34.16)
Sale of property, plant and equipment, intangible assets	0.63	1.63
Investments in bank deposits	(113.47)	(35.38)
Maturity of bank deposits	53.03	43.01
Purchase of Current Investments	(2.00)	(10.50)
Sale of Current Investments	2.05	10.77
Interest Received	4.23	3.96
<b>Net Cash used in Investing Activities</b>	<b>(138.29)</b>	<b>(20.67)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(119.00)	(125.91)
Repayment of lease liability	(236.95)	(261.50)
Payment of initial direct cost recognised as Right of Use Asset	(1.49)	(0.78)
Long term loans taken	5.50	260.00
Long term loans repaid	(46.29)	(21.50)
Short term loans repaid	(19.60)	(295.68)
<b>Net Cash used in Financing Activities</b>	<b>(417.83)</b>	<b>(445.37)</b>
Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C)	(249.79)	12.85
Cash and Cash Equivalents at beginning of year	(607.94)	(620.79)
<b>Cash and Cash Equivalents at end of year</b>	<b>(857.73)</b>	<b>(607.94)</b>

# CASH FLOW STATEMENT

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## Notes:

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

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
Cash Credit facilities	(888.75)	(620.08)
Cash and cash equivalents (Note 12)	31.02	12.14
<b>Cash and cash equivalents as above</b>	<b>(857.73)</b>	<b>(607.94)</b>

See accompanying notes to the financial statements.

In terms of our Report attached For and on behalf of Board of Directors

For **Ray & Ray**

Chartered Accountants  
FRN - 301072E

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

**Siddhartha Roy Burman**  
Chairman & Managing Director

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Wholetime Director

**Namrata Ashok Chotrani**  
Chief Executive Officer

**Indrajit Chaudhuri**  
Chief Financial Officer

Place : Kolkata  
Date : 25<sup>th</sup> May 2022

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

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## 1 Corporate information

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

## 2 Recent accounting pronouncements:

The Ministry of Corporate Affairs ("MCA") notifies new standards / amendments under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

### I Ind AS 16 - Property, plant and equipment:

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2022.

### II Ind AS 37 - Provisions, contingent liabilities and contingent assets:

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1st April 2022, although early adoption is permitted.

The Company is in the process of evaluating the amendments and the impact thereof.

## 3 Significant accounting policies

### 3.1 Statement of Compliance

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

### 3.2 Basis of preparation

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

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

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.

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

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

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

### 3.3 Operating cycle

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

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

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

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All upgradation /

enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

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

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

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

Buildings - 30 – 60 Years

Leasehold Improvements - Shorter of lease period or over 6 years

Plant and Equipment - 5 – 15 Years

Furniture and Fixtures – 10 Years

Vehicles - 10 Years

Office Equipment - 5 Years

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

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## 3.5 Intangible Assets

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

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

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

## 3.6 Impairment of Tangible and Intangible Assets

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

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable

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

## 3.7 Assets held for disposal

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

## 3.8 Inventories

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

## 3.9 Revenue Recognition

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

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

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

the consideration received or receivable for goods supplied, net of returns and discounts to customers.

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

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

### 3.10 Government Grant

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

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

### 3.11 Foreign Currency Transactions

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

### 3.12 Borrowing Cost

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

### 3.13 Retirement and Other Employee Benefits

#### I Short-term employee benefits

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

#### II Defined contribution plan

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

#### III Defined benefit plan

The Company maintains Gratuity Plan for all its eligible employees and the

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

same is a defined benefit plan. The cost of providing benefits under the defined benefit gratuity obligation is determined by independent actuary at each balance sheet date using the projected unit credit method.

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

#### IV Other long term employee benefits

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

#### V Employee Share Based Compensation

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

The cost of ESOP is recognized based on the fair value of Stock Options as on the grant date. The fair value of

Stock Options granted and vested are recognized in the Statement of Profit and Loss.

#### 3.14 Leases

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

##### 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

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

## Lease Liabilities

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

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

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

## Company as a Lessor

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

## 3.15 Taxes on Income

Taxes on income comprises of current taxes and deferred taxes.

### Current income tax

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

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

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

### Deferred tax

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax



# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

### 3.16 Provisions

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

### 3.17 Dividend Distribution

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

### 3.18 Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized

because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

### 3.19 Cash and cash equivalents

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

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

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

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

#### Financial assets

##### Recognition

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

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## Classification

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

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

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## Income Recognition

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

## Financial Liabilities

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

## Offsetting Financial Instruments

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

## Equity Instruments

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

## 4 Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon

management's best knowledge of current events and actions, actual results could differ from these estimates.

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

### Key sources of estimation uncertainty

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

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

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

#### II Actuarial Valuation

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

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## 4A PROPERTY, PLANT AND EQUIPMENT

Particulars	GROSS BLOCK						
	As at 1 <sup>st</sup> April 2020	Additions during the year	Disposal/ adjustment during the year	As at 31 <sup>st</sup> March 2021	Additions during the year	Disposal/ adjustment during the year	As at 31 <sup>st</sup> March 2022
Buildings	697.07	1.29	-	<b>698.36</b>	14.30	-	<b>712.66</b>
Leasehold Improvements	351.87	9.15	34.57	<b>326.45</b>	26.69	58.17	<b>294.97</b>
Plant and equipment	641.17	14.61	2.02	<b>653.76</b>	30.27	0.10	<b>683.93</b>
Furniture and Fixtures	179.03	2.41	6.86	<b>174.58</b>	4.92	6.27	<b>173.23</b>
Vehicles	10.45	-	-	<b>10.45</b>	-	-	<b>10.45</b>
Office Equipment	39.51	1.18	0.47	<b>40.22</b>	2.60	0.39	<b>42.43</b>
<b>Total</b>	<b>1,919.10</b>	<b>28.64</b>	<b>43.92</b>	<b>1,903.82</b>	<b>78.78</b>	<b>64.93</b>	<b>1,917.67</b>

<b>4B Capital work - in - progress</b>	<b>5.52</b>	<b>11.77</b>	<b>7.79</b>	<b>9.50</b>	<b>13.49</b>	<b>14.52</b>	<b>8.47</b>
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## 4A PROPERTY, PLANT AND EQUIPMENT

Particulars	ACCUMULATED DEPRECIATION/AMORTIZATION						NET BLOCK		
	As at 1 <sup>st</sup> April 2020	Additions during the year	Disposal/ adjustment during the year	As at 31 <sup>st</sup> March 2021	Additions during the year	Disposal/ adjustment during the year	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Buildings	68.34	18.66	-	<b>87.00</b>	18.57	-	<b>105.57</b>	<b>607.09</b>	<b>611.36</b>
Leasehold Improvements	187.93	43.59	16.19	<b>215.33</b>	34.04	39.90	<b>209.47</b>	<b>85.50</b>	<b>111.12</b>
Plant and equipment	251.37	76.24	0.42	<b>327.19</b>	74.50	0.06	<b>401.63</b>	<b>282.30</b>	<b>326.57</b>
Furniture and Fixtures	83.50	19.10	3.41	<b>99.19</b>	17.76	3.26	<b>113.69</b>	<b>59.54</b>	<b>75.39</b>
Vehicles	4.32	1.37	-	<b>5.69</b>	1.37	-	<b>7.06</b>	<b>3.39</b>	<b>4.76</b>
Office Equipment	23.95	4.99	0.20	<b>28.74</b>	4.81	0.30	<b>33.25</b>	<b>9.18</b>	<b>11.48</b>
<b>Total</b>	<b>619.41</b>	<b>163.95</b>	<b>20.22</b>	<b>763.14</b>	<b>151.05</b>	<b>43.52</b>	<b>870.67</b>	<b>1,047.00</b>	<b>1,140.68</b>

<b>4B Capital work - in - progress</b>							<b>8.47</b>	<b>9.50</b>
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### Note:

The amount of expenditures recognized in the carrying amount of property, plant and equipment in the course of construction is ₹5.53 million (Previous Year - ₹ 47.71 million)

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## 4C RIGHT-TO-USE ASSETS

Particulars	GROSS BLOCK		
	Buildings	Land*	Total
<b>Gross Carrying Value as at 31st March 2020</b>	<b>1,573.45</b>	<b>119.81</b>	<b>1,693.26</b>
Additions during the year	74.32	-	74.32
Deletions during the year	(219.14)	-	(219.14)
<b>Gross Carrying Value as at 31st March 2021</b>	<b>1,428.63</b>	<b>119.81</b>	<b>1,548.44</b>
Additions during the year	150.94	-	150.94
Deletions during the year	(311.62)	-	(311.62)
<b>Gross Carrying Value as at 31st March 2022</b>	<b>1,267.95</b>	<b>119.81</b>	<b>1,387.76</b>

Particulars	ACCUMULATED DEPRECIATION		
	Buildings	Land	Total
<b>Accumulated Depreciation as at 31st March 2020</b>	<b>223.51</b>	<b>2.19</b>	<b>225.70</b>
Depreciation Expenses	223.80	2.19	225.99
Deductions / Adjustments	(56.70)	-	(56.70)
<b>Accumulated Depreciation as at 31st March 2021</b>	<b>390.61</b>	<b>4.38</b>	<b>394.99</b>
Depreciation Expenses	181.26	2.19	183.45
Deductions / Adjustments	(154.01)	-	(154.01)
<b>Accumulated Depreciation as at 31st March 2022</b>	<b>417.86</b>	<b>6.57</b>	<b>424.43</b>

Particulars	NET CARRYING VALUE		
	Buildings	Land	Total
<b>Net Carrying Value as at 31st March 2021</b>	<b>1,038.02</b>	<b>115.43</b>	<b>1,153.45</b>
<b>Net Carrying Value as at 31st March 2022</b>	<b>850.09</b>	<b>113.24</b>	<b>963.33</b>

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

## 4D INTANGIBLE ASSETS

Particulars	GROSS BLOCK						
	As at 1 <sup>st</sup> April 2020	Additions during the year	Disposal/ adjustment during the year	As at 31 <sup>st</sup> March 2021	Additions during the year	Disposal/ adjustment during the year	As at 31 <sup>st</sup> March 2022
Computer software (acquired)	18.78	1.99	10.88	<b>9.89</b>	1.49	4.69	<b>6.69</b>

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## INTANGIBLE ASSETS

Particulars	ACCUMULATED DEPRECIATION/AMORTIZATION						NET BLOCK		
	As at 1 <sup>st</sup> April 2020	Additions during the year	Disposal/adjustment during the year	As at 31 <sup>st</sup> March 2021	Additions during the year	Disposal/adjustment during the year	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Computer software (acquired)	15.13	2.46	10.88	<b>6.71</b>	1.31	4.69	<b>3.33</b>	<b>3.36</b>	<b>3.18</b>

## 4E INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	GROSS BLOCK						
	As at 1 <sup>st</sup> April 2020	Additions during the year	Disposal/adjustment during the year	As at 31 <sup>st</sup> March 2021	Additions during the year	Disposal/adjustment during the year	As at 31 <sup>st</sup> March 2022
Computer software (acquired)	0.88	1.11	0.50	<b>1.49</b>	0.65	1.49	<b>0.65</b>

## 4F DEPRICIATION AND AMORTIZATION EXPENSE

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
Tangible Assets	151.05	163.95
Right-to-Use Assets	183.45	225.99
Intangible Assets	1.31	2.46
<b>Total</b>	<b>335.81</b>	<b>392.40</b>

## 4G Capital work - in - progress ageing

Ageing for Capital work - in - progress as at 31<sup>st</sup> March 2022

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

Ageing for Capital work - in - progress as at 31<sup>st</sup> March 2021

Capital work - in - progress	Amount in Capital work - in - progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	6.40	1.25	1.09	0.76	<b>9.50</b>

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## 4H Intangible Assets under development ageing

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

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

### Ageing for Intangible Assets under development as at 31st March 2021

Intangible Assets under development	Amount in Capital work - in - progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.95	0.54	-	-	1.49

## 5 INVESTMENTS - NON-CURRENT

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Investment in Equity Instruments (Unquoted)</b>		
<b>In Subsidiary (at cost)</b>		
Khadim Shoe Bangladesh Limited		
99 (Previous Year - 99) ordinary shares of BDT 10,000 each fully paid up	0.85	0.85
	<b>0.85</b>	<b>0.85</b>
Aggregate book value of unquoted investments	0.85	0.85

## 6 OTHER FINANCIAL ASSETS - NON-CURRENT

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Unsecured, Considered Good</b>		
Security and other deposits	154.27	169.30
Bank deposits with more than 12 months maturity		
- Against guarantees and letter of credit	13.66	9.37
- As security with Sales Tax Authorities	0.25	0.02
- Pledged against credit facilities	6.75	-
Employee Advances	1.18	0.63
<b>Total</b>	<b>176.11</b>	<b>179.32</b>

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

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Deferred tax assets	236.37	259.90
Less: Deferred tax liabilities	52.15	61.91
<b>Total</b>	<b>184.22</b>	<b>197.99</b>

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## 7.1 Movement in deferred tax liabilities/assets balances

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

2020-21	Opening balance	Recognized in profit or loss	Recognized in OCI	Closing balance
<b>Deferred tax liabilities/assets in relation to:</b>				
On fiscal allowances on property, plant and equipment, etc.	74.30	(13.06)	-	61.24
On other assets	0.86	(0.19)	-	0.67
<b>Total deferred tax liabilities</b>	<b>75.16</b>	<b>(13.25)</b>	<b>-</b>	<b>61.91</b>
On employees' separation and retirement etc.	1.98	0.30	(0.60)	1.68
On right of use asset and lease liabilities	95.85	(2.28)	-	93.57
On accumulated business loss	53.68	84.19	-	137.87
On financial assets measured at fair value	4.32	0.43	-	4.75
On provision for doubtful debts and advances	13.03	1.54	-	14.57
On provision for slow moving inventories	7.53	(0.07)	-	7.46
<b>Total deferred tax assets</b>	<b>176.39</b>	<b>84.11</b>	<b>(0.60)</b>	<b>259.90</b>
	<b>(101.23)</b>	<b>(97.36)</b>	<b>0.60</b>	<b>(197.99)</b>

## 8 INCOME TAX ASSETS

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Advance Income Tax (Net of Provision ₹254.89 million; 31 <sup>st</sup> March 2021: ₹254.89 million)	36.51	46.96
<b>Total</b>	<b>36.51</b>	<b>46.96</b>



# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## 9 OTHER NON-CURRENT ASSETS

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Unsecured, Considered Good</b>		
Capital Advances	6.46	5.73
Advances other than capital advances:		
Security deposits	9.11	11.33
Prepaid expenses	63.55	63.26
Other advances	0.08	6.08
Government grant receivable	11.49	11.49
<b>Total</b>	<b>90.69</b>	<b>97.89</b>

## 10 INVENTORIES

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Raw Material (including packing material)	267.59	166.03
Work-in-progress	89.95	48.87
Finished goods (manufactured)	270.46	176.17
Stock-in-trade (goods purchased for resale)	1,051.32	1,015.72
<b>Total</b>	<b>1,679.32</b>	<b>1,406.79</b>

### Notes:

- (i) Cost of inventory recognized as an expense during the year ₹3,842.47 million (Previous Year - ₹ 4,608.07 million).
- (ii) The cost of inventories recognized as an expense in respect of write-downs of inventory to net realisable value included in (i) above - ₹ 2.55 million (Previous Year - ₹ 5.19 million).
- (iii) Refer Note 3.8 for mode of valuation.

## 11 TRADE RECEIVABLES

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Considered good - Secured	42.38	37.89
Considered good - Unsecured*	1,288.75	1,169.08
Considered doubtful	60.16	57.88
	<b>1,391.29</b>	<b>1,264.85</b>
Less : Allowance for doubtful debts	60.16	57.88
<b>Total</b>	<b>1,331.13</b>	<b>1,206.97</b>

\*Includes ₹0.003 million (31st March 2021: Nil) due from KM Khadim and Co. which is a firm in which a director is a partner.

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## Trade receivables ageing schedule - as at 31<sup>st</sup> March 2022

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

## Trade receivables ageing schedule - as at 31<sup>st</sup> March 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	792.08	24.46	240.21	138.46	11.76	1,206.97
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	0.92	3.69	15.59	3.64	28.20	52.04
Disputed Trade receivables – considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	0.01	0.01	5.35	0.33	0.14	5.84
<b>Total</b>	<b>793.01</b>	<b>28.16</b>	<b>261.15</b>	<b>142.43</b>	<b>40.10</b>	<b>1,264.85</b>
Less : Allowance for doubtful debts						57.88
						<b>1,206.97</b>

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## 12 CASH AND CASH EQUIVALENTS

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Balances with banks		
On Current Accounts	-	0.87
On Cash Credit Accounts	21.03	-
Cheques, drafts on hand	2.30	4.19
Cash on hand	7.69	7.08
<b>Total</b>	<b>31.02</b>	<b>12.14</b>

## 13 OTHER BANK BALANCES

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Dividend Accounts	0.02	0.02
Fixed Deposits with banks*		
- Against guarantees and letter of credit	24.76	26.40
- As security with Sales Tax Authorities	0.20	0.41
- Pledged against credit facilities	51.02	-
<b>Total</b>	<b>76.00</b>	<b>26.83</b>

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

## 14 OTHER FINANCIAL ASSETS - CURRENT

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Unsecured, Considered Good</b>		
Assets held for disposal *	58.49	52.49
Interest Receivable	1.09	1.36
Employee Advances	4.41	3.46
Other receivables (Tender deposits, scrap sales etc.)	44.92	43.95
<b>Total</b>	<b>108.91</b>	<b>101.26</b>

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

## 15 OTHER CURRENT ASSETS

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Unsecured, Considered Good</b>		
Advances other than capital advances:		
Advances to related parties	0.31	0.38
Other advances	89.14	31.65
Prepaid expenses	49.25	43.58
Gratuity (Refer Note 39.2)	6.16	6.18
Advance to Government Authorities	629.26	637.80
<b>Total</b>	<b>774.12</b>	<b>719.59</b>

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## 16 EQUITY SHARE CAPITAL

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Authorised</b>		
6,00,00,000 (31 <sup>st</sup> March 2021: 6,00,00,000) Equity Shares of ₹10/- each	600.00	600.00
<b>Issued , Subscribed and Paid up</b>		
1,79,69,614 (31 <sup>st</sup> March 2021: 1,79,69,614) Equity Shares of ₹10/- each	179.70	179.70
<b>Total</b>	<b>179.70</b>	<b>179.70</b>

### 16.1 Reconciliation of the number of Equity shares

Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	Number	Amount	Number	Amount
Balance as at the beginning of the year	1,79,69,614	179.70	1,79,69,614	179.70
<b>Balance as at the end of the year</b>	<b>1,79,69,614</b>	<b>179.70</b>	<b>1,79,69,614</b>	<b>179.70</b>

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

Name of Shareholder	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Khadim Development Company Private Limited (Holding Company)*	92,73,229	51.61	3,02,950	1.69
Siddhartha Roy Burman	14,64,149	8.15	16,81,649	9.36

**16.3** During the year ended 31<sup>st</sup> March 2019, the Company had issued 4,417 equity shares of ₹10 each on exercise of employee stock options. For details refer Note 41.

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

The Company has one class of Equity Shares having a face value of ₹10/- per share. Each shareholder is eligible for one vote per share held. The Dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the Annual General Meeting, except in case of Interim Dividend. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### 16.5 Disclosure of Shareholding of Promoters

Disclosure of Shareholding of Promoters as at 31<sup>st</sup> March 2022:

Promoter name	Shares held by promoters				% change during the year
	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021		
	No. of shares	% of total shares	No. of shares	% of total shares	
Knightsville Private Limited*	-	-	87,37,829	48.63%	-48.63%
Siddhartha Roy Burman	14,64,149	8.15%	16,81,649	9.36%	-1.21%
<b>Total</b>	<b>14,64,149</b>	<b>8.15%</b>	<b>1,04,19,478</b>	<b>57.99%</b>	<b>-49.84%</b>

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

Disclosure of Shareholding of Promoters as at 31<sup>st</sup> March 2021:

Promoter name	Shares held by promoters				% change during the year
	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020		
	No. of shares	% of total shares	No. of shares	% of total shares	
Knightsville Private Limited	87,37,829	48.63%	87,37,829	48.63%	-
Siddhartha Roy Burman	16,81,649	9.36%	16,42,149	9.14%	0.22%
<b>Total</b>	<b>1,04,19,478</b>	<b>57.99%</b>	<b>1,03,79,978</b>	<b>57.77%</b>	<b>0.22%</b>

## 16.6 Shares reserved for issue under Options

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Equity shares of ₹10/- each	34,560	34,560
	<b>34,560</b>	<b>34,560</b>

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

### Terms and conditions of Options granted

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

The vesting period for conversion of Options is as follows:

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

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

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

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

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

Further details of 'Khadim Employee Stock Option Plan 2017' are provided in Note 41.

\* Refer Note 37

## 17 BORROWINGS - NON-CURRENT

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>SECURED</b>		
<b>Term Loans from Banks</b>		
State Bank of India Term Loan [Refer Note 1 of 17.2]	51.45	68.60
HDFC Bank Term Loan [Refer Note 2 of 17.2]	70.00	94.00
ICICI Bank Term Loan [Refer Note 3 of 17.2]	21.89	30.26
Axis Bank Term Loan [Refer Note 4 of 17.2]	5.03	-
<b>Total</b>	<b>148.37</b>	<b>192.86</b>

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

**17.1** The scheduled maturity of these term loans is mentioned as under:

Name of the Bank	2022-23*	2023-24	2024-25	2025-26	2026-27
State Bank of India Term Loan	17.15	17.15	17.15	17.15	-
HDFC Bank Term Loan	24.00	24.00	24.00	22.00	-
ICICI Bank Term Loan	7.73	7.73	7.73	6.43	-
Axis Bank Term Loan	0.47	1.37	1.37	1.37	0.92
<b>Total</b>	<b>49.35</b>	<b>50.25</b>	<b>50.25</b>	<b>46.95</b>	<b>0.92</b>

\*Represents 'Current maturities of long term debt' (refer Note 23 - Other Financial Liabilities - Current)

## 17.2 Nature of Security of 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 second pari-passu basis with other working capital member banks under the consortium.

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore on second pari-passu basis with other working capital members banks under the consortium, lien on fixed deposit on second pari-passu basis, and equitable mortgage of properties at Kasba

- 2 Primary security** - Same as State Bank of India Term loan (Refer Note 1 above).

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, and lien on fixed deposit on second pari-passu basis with other working capital members banks under the consortium.

- 3 Primary security** - Same as State Bank of India Term loan (Refer Note 1 above).

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, and lien on fixed deposit on second pari-passu basis with other working capital members banks under the consortium, equitable mortgage of factory building at S19, S20 and S21 at Kasba, Kolkata, retail outlet at Rashbehari Avenue, Kolkata

- 4 Primary security** - Same as State Bank of India Term loan (Refer Note 1 above).

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, and lien on fixed deposit on second pari-passu basis with other working capital members banks under the consortium.

## 18 LEASE LIABILITIES

Particulars	As at 31 <sup>st</sup> March 2022			As at 31 <sup>st</sup> March 2021		
	Non-Current	Current	Total	Non-Current	Current	Total
Lease Liabilities	991.33	163.97	1,155.30	1,172.56	209.66	1,382.22
<b>Total</b>	<b>991.33</b>	<b>163.97</b>	<b>1,155.30</b>	<b>1,172.56</b>	<b>209.66</b>	<b>1,382.22</b>

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

**18.1** The details of the contractual maturities of lease liabilities as at 31<sup>st</sup> March 2022 on an undiscounted basis are as follows:

Particulars	As at 31 <sup>st</sup> March 2022
Less than one year	163.97
One to two years	154.96
Two to three years	155.55
Three to four years	148.09
Four to five years	133.97
More than five years	398.76
<b>Total</b>	<b>1,155.30</b>

**18.2 (i)** The Company for the year ended 31<sup>st</sup> March 2022 has recognised expenses of ₹ 56.31 million (Previous year - ₹ 45.14 million) in relation to short-term leases and recorded as 'Rent expenses' under Other Expenses in Note 31.

**18.2 (ii)** The Company for the year ended 31<sup>st</sup> March 2022 has recognised expenses of ₹2.36 million (Previous Year - ₹1.91 million) as variable lease payment for commissioned outlets and ₹0.83 million (Previous Year - ₹0.52 million) for leased outlet and recorded as 'Commission and Discount' under Other Expenses in Note 31.

**18.2 (iii)** The Company has benefited from waivers granted by various lessors of varied durations of lease payments on several leased premises in India. The waiver of lease payments of ₹48.20 million (Previous Year - ₹73.23 million) has been accounted for as a negative variable lease payment in the statement of profit or loss. The Company has derecognised the part of the lease liability that has been extinguished by the forgiveness of lease payments, consistent with the requirements of Ind AS 109:3.3.1

## 19 PROVISIONS - NON-CURRENT

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Other long term benefits</b>		
Leave Encashment	3.27	5.23
<b>Total</b>	<b>3.27</b>	<b>5.23</b>

## 20 OTHER NON-CURRENT LIABILITIES

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Deferred Government Grant	10.44	1.92
<b>Total</b>	<b>10.44</b>	<b>1.92</b>

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## 21 BORROWINGS - CURRENT

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>SECURED</b>		
<b>Loans repayable on demand</b>		
<b>Cash Credit / Working Capital Demand Loans from Banks</b>		
State Bank of India Cash Credit [Refer Note 1 of 21.1]	434.29	313.36
Axis Bank Cash Credit [Refer Note 2 of 21.1]	7.76	5.41
ICICI Bank Cash Credit [Refer Note 2 of 21.1]	-	7.98
HDFC Bank Cash Credit [Refer Note 2 of 21.1]	255.58	293.33
Bank of India Cash Credit [Refer Note 3 of 21.1]	139.88	-
Central Bank of India Cash Credit [Refer Note 4 of 21.1]	51.24	-
Axis Bank Demand Loan [Refer Note 2 of 21.1]	36.40	36.00
ICICI Bank Demand Loan I [Refer Note 2 of 21.1]	20.00	40.00
ICICI Bank Demand Loan II [Refer Note 5 of 21.1]	125.00	125.00
<b>Total</b>	<b>1,070.15</b>	<b>821.08</b>

### 21.1 Nature of Security of Cash Credit and Working Capital Demand 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, and lien on fixed deposit 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, and lien on fixed deposit on pari-passu basis with other working capital members banks under the consortium, personal guarantee of Managing Director and corporate guarantee of group company.

- 3 Primary security** - Same as State Bank of India Cash Credit (Refer Note 1 above).

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, and lien on fixed deposit on pari-passu basis with other working capital members banks under the consortium, equitable mortgage of property at Howrah, lien on fixed deposit, personal guarantee of Managing Director and corporate guarantee of group company.

- 4 Primary security** - Same as State Bank of India Cash Credit (Refer Note 1 above).

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, and lien on fixed deposit on pari-passu basis with other working capital members banks under the consortium, lien on fixed deposit, personal guarantee of Managing Director and corporate guarantee of group company.

- 5 Primary security** - Secured by mortgage of factory building at S19, S20 and S21 at Kasba, Kolkata, retail outlet at Rashbehari Avenue, Kolkata and personal guarantee of Managing Director.



# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## 22 TRADE PAYABLES

Trade payables ageing schedule - as at 31<sup>st</sup> March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-
Others	1,750.26	20.11	27.34	2.95	1,800.66
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>1,750.26</b>	<b>20.11</b>	<b>27.34</b>	<b>2.95</b>	<b>1,800.66</b>

Trade payables ageing schedule - as at 31<sup>st</sup> March 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-
Others	1,628.25	37.05	2.75	2.22	1,670.27
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>1,628.25</b>	<b>37.05</b>	<b>2.75</b>	<b>2.22</b>	<b>1,670.27</b>

## 23 OTHER FINANCIAL LIABILITIES - CURRENT

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Current maturities of long term debt	49.35	45.64
Interest accrued and due on borrowings	1.35	0.98
Interest accrued but not due on borrowings	0.36	-
Unpaid Dividend [Refer Note 23.1]	0.02	0.02
Deposits from customers	106.22	96.35
Other payables:		
Payables on purchase of property, plant and equipment	18.86	22.51
Others [Reimbursement claims, etc.]	0.03	0.53
<b>Total</b>	<b>176.19</b>	<b>166.03</b>

**23.1** There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## 24 OTHER CURRENT LIABILITIES

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Advance from customers	20.34	31.39
Advance against sale of Assets held for disposal	25.00	5.00
Statutory remittances (GST, Contribution to Provident and Other Funds, Withholding Tax)	21.48	16.46
Deferred Government Grant	2.70	0.99
Others	0.23	0.67
<b>Total</b>	<b>69.75</b>	<b>54.51</b>

## 25 PROVISIONS - CURRENT

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Other short term benefits</b>		
Leave Encashment	1.20	1.46
<b>Total</b>	<b>1.20</b>	<b>1.46</b>

## 26 REVENUE FROM OPERATIONS

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the Y ear ended 31 <sup>st</sup> March 2021
Sale of products *	5,816.65	6,179.63
[Refer Note 26.1]		
Other operating revenues [Refer Note 26.2]	94.15	82.15
<b>Total</b>	<b>5,910.80</b>	<b>6,261.78</b>

\* Net of sales returns

### 26.1 Details of sale of products

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
Footwear and accessories	5,816.65	6,179.63
<b>Total</b>	<b>5,816.65</b>	<b>6,179.63</b>

### 26.2 Details of other operating revenues

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
Sale of ancillaries	59.90	52.37
Scrap sales	33.42	29.78
Export incentives	0.83	-
<b>Total</b>	<b>94.15</b>	<b>82.15</b>

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## 27 OTHER INCOME

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
Interest income comprises interest from:		
- Deposits with banks - carried at amortised cost	2.13	2.68
- Other financial assets measured at amortised cost	17.81	21.43
- On Income Tax Refunds	1.83	1.03
Gain arising on sale of financial assets mandatorily measured at Fair Value through Profit and Loss	0.05	0.27
Other non-operating income (Rental income, etc.)	140.93	155.38
<b>Total</b>	<b>162.75</b>	<b>180.79</b>

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

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>Inventories at the end of the year</b>		
Work - in - progress	89.95	48.87
Finished goods	270.46	176.17
Stock-in-trade	1,051.32	1,015.72
	<b>1,411.73</b>	<b>1,240.76</b>
<b>Inventories at the beginning of the year</b>		
Work - in - progress	48.87	54.75
Finished goods	176.17	335.91
Stock-in-trade	1,015.72	1,140.99
	<b>1,240.76</b>	<b>1,531.65</b>
<b>Total</b>	<b>(170.97)</b>	<b>290.89</b>

## 29 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
Salaries and wages	508.95	532.60
Contribution to Provident and other funds	23.17	26.17
Share based payments to employees	0.54	1.71
Staff Welfare Expenses	40.94	47.58
<b>Total</b>	<b>573.60</b>	<b>608.06</b>

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## 30 FINANCE COSTS

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
Interest expense on financial liabilities measured at amortised cost	119.72	121.28
Interest expense on lease liabilities	107.53	132.47
<b>Total</b>	<b>227.25</b>	<b>253.75</b>

## 31 OTHER EXPENSES

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
Consumption of Stores	8.10	6.07
Power and Fuel	170.67	152.52
Rent [Refer Note 18.2 (i)]	72.93	65.26
Rates and Taxes	11.01	13.38
Bank Charges	14.06	14.20
Insurance	19.41	19.62
Repairs:		
Plant and Machinery	13.58	14.39
Others	86.57	88.99
Travelling and Conveyance Expenses	37.13	24.17
Printing and Stationery	3.63	3.21
Postage, Telephone and other Communication Expenses	10.64	12.78
Advertising, Marketing and Sales Promotion Expenses	182.18	198.99
Freight Charges, Transport and Delivery	148.60	168.56
Jobwork Charges	210.65	190.52
Professional Fees	29.47	28.07
Commission and Discount [Refer Note 18.2 (ii)]	72.65	86.96
Legal Expenses	0.23	0.08
Debts/Advances written off	4.60	6.06
Loss on sale/discard of property, plant and equipments - Net	20.78	22.13
Provision for doubtful debts, advances and other assets	2.28	6.13
Security Hire Charges	9.71	15.30
Miscellaneous Expenses (Refer Note 31.1 and 34)	17.45	23.67
<b>Total</b>	<b>1,146.33</b>	<b>1,161.06</b>

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

31.1 Miscellaneous Expenses include :

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
Amount paid /payable to Auditors (excluding tax)		
- Statutory Audit	1.00	1.80
- Tax Audit	0.15	0.40
- Other matters	1.08	1.75
- Out of pocket expenses	0.09	0.02
<b>Total</b>	<b>2.32</b>	<b>3.97</b>

## 32 INCOME TAX EXPENSES

### A Amount recognised in profit or loss

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>Current tax</b>		
Income tax for the year		
Current tax	-	-
Adjustments/(credits) related to previous years - Net		
Current tax	0.01	(4.73)
<b>Total Current tax</b>	<b>0.01</b>	<b>(4.73)</b>
<b>Deferred tax</b>		
Deferred tax for the year	13.13	(97.36)
<b>Total</b>	<b>13.14</b>	<b>(102.09)</b>

### B Amount recognised in other comprehensive income

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
The tax (charge)/credit arising on income and expenses recognised in other comprehensive income is as follows:		
<b>Deferred tax</b>		
On items that will not be reclassified to profit or loss		
Re-measurement (gains)/losses on defined benefit plans	(0.64)	(0.60)
<b>Total</b>	<b>(0.64)</b>	<b>(0.60)</b>

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## C Reconciliation of effective tax rate

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
Profit/(Loss) before tax	77.73	(431.24)
Applicable tax rate	25.168%	25.168%
Income tax expense on above rate	19.56	(108.53)
Expenses not allowable under tax laws	17.30	27.57
Additional expenses allowable under tax laws	(23.73)	(16.40)
	<b>13.13</b>	<b>(97.36)</b>
Tax adjustment of prior periods	0.01	(4.73)
Tax as per statement of profit and loss	<b>13.14</b>	<b>(102.09)</b>

### Note:

The Company has long term capital losses of ₹49.99 million (31<sup>st</sup> March 2021 - ₹ 49.99 million) for which no deferred tax assets have been recognised. These losses are due to expire in the following year:

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
Assessment year 2026-2027	49.99	49.99
	<b>49.99</b>	<b>49.99</b>

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

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
i. Profit/(Loss) after Tax attributable to the Equity Shareholders	64.59	(329.15)
ii. Weighted average number of equity shares outstanding for the purpose of basic earnings per share	1,79,69,614	1,79,69,614
iii. Weighted average number of equity shares in computing diluted earnings per share	1,79,69,614	1,79,69,614
iv. Earnings per share on profit/(loss) for the year (Face value ₹10/- per share)		
- Basic [(i) / (ii)]	3.59	(18.32)
- Diluted [(i) / (iii)]	3.59	(18.32)

**34** Miscellaneous Expenses included in "Note 31 - Other Expenses" includes expenditure incurred under Section 135 of the Companies Act, 2013 on Corporate Social Responsibility (CSR) activities and the same represents contributions for promoting health care, education and other expenses. Gross amount required to be spent by the Company is ₹Nil (Previous Year - ₹3.35 million) and amount spent during the year is ₹0.35 million (Previous Year - ₹3.47 million).

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

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

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

## Geographical information

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>Revenue from external customers</b>		
- Within India	5,909.38	6,261.78
- Outside India	1.42	-
<b>Total</b>	<b>5,910.80</b>	<b>6,261.78</b>

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Non-current assets*</b>		
- Within India	2,150.01	2,453.15
- Outside India	-	-
<b>Total</b>	<b>2,150.01</b>	<b>2,453.15</b>

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

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

## 36 Contingent Liabilities in respect of -

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Claims not acknowledged as debts :</b>		
a. Sales Tax Matters under dispute	2.68	6.55
b. Income Tax Matters under dispute	1.62	1.62

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

- 37** The Hon'ble National Company Law Tribunal, Kolkata Bench vide its order dated 6th January 2021, approved a Scheme of Arrangement under Sections 230-232 and other applicable provisions of the Companies Act, 2013 (“Scheme). Pursuant to the Scheme, the entire undertaking of Tetenal Photochemie Private Limited, Photo Imaging Private Limited, Moviewallah Communications Private Limited and Knightsville Private Limited (“Transferor Companies”), together with all assets and liabilities relating thereto were amalgamated in Khadim Development Company Private Limited (“Transferee Company”) with appointed date being 1st October 2019. The said scheme became effective w.e.f. 8th September 2021, pursuant to which, all the shares of the Company held by the said transferor companies were transferred to Khadim Development Company Private Limited which hence became the holding company of Khadim India Limited.

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## 38 Commitments

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Capital Commitment (Net of capital advances - ₹5.36 million; 31 <sup>st</sup> March 2021 - ₹0.42 million)	21.77	0.78

## 39 Employee Benefits

The Company has recognized, in the Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2022 an amount of ₹19.31 million (Previous Year - ₹21.69 million) as expenses under defined contribution plans (Employer's Contribution to Provident and Other Funds) under note 29.

### 39.1 Defined Benefit Plan

#### Description of Plans

The employees' gratuity fund scheme is managed by Life Insurance Corporation Of India (LIC) as a defined benefit plan. The present value of obligation is determined by actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

#### Risk Management

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

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

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

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

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

### 39.2

Particulars	Gratuity (Funded)	
	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>I. Components of Employer Expense</b>		
- recognized in Statement of Profit and loss		
a. Current Service cost	4.07	4.59
b. Net Interest cost	(0.22)	(0.11)
<b>c. Total expense recognized in the Statement of Profit and Loss</b>	<b>3.85</b>	<b>4.48</b>



# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

Particulars	Gratuity (Funded)	
	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
- Re-measurements recognized in Other Comprehensive Income		
d. Return on plan assets (excluding amounts included in Net interest cost)	0.34	0.57
e. Effect of changes in financial assumptions	(0.75)	0.51
f. Effect of experience adjustments	(2.15)	(3.45)
<b>g. Total re-measurement loss/(gain) included in Other Comprehensive Income</b>	<b>(2.56)</b>	<b>(2.37)</b>
<b>h. Total defined benefit cost recognized in Statement of Profit and Loss and Other Comprehensive Income (c+g)</b>	<b>1.29</b>	<b>2.11</b>

The current service cost and net interest cost for the year pertaining to Gratuity expenses have been recognized in "Contribution to Provident and other funds" under Note 29. The re-measurements of the net defined benefit liability are included in Other Comprehensive Income .

Particulars	Gratuity (Funded)	
	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>II. Actual Returns</b>	<b>3.63</b>	<b>3.22</b>
<b>III. Changes in Defined Benefit Obligation (DBO)</b>		
a. Present value of DBO at the beginning of the year	54.39	52.50
b. Current Service Cost	4.07	4.59
c. Interest Cost	3.76	3.68
d. Re-measurement losses/(gains):		
- Effect of changes in financial assumptions	(0.75)	0.51
- Effect of experience adjustments	(2.15)	(3.45)
e. Benefits paid	(7.34)	(3.44)
<b>f. Present value of DBO at the end of the year</b>	<b>51.98</b>	<b>54.39</b>
<b>IV. Change in the Fair Value of Plan Assets</b>		
a. Plan Assets at the beginning of the year	60.57	50.78
b. Interest income	3.97	3.80
c. Re-measurement losses on plan assets	(0.34)	(0.57)
d. Actual Company contributions	1.28	10.00
e. Benefits paid	(7.34)	(3.44)
<b>f. Plan Assets at the end of the year</b>	<b>58.14</b>	<b>60.57</b>

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>V. Net Asset/(Liability) recognized in Balance Sheet</b>		
a. Present value of Defined Benefit Obligation	51.98	54.39
b. Fair value of Plan Assets	58.14	60.57
c. Funded Status [Surplus/(Deficit)]	6.16	6.18
<b>d. Net Asset/(Liability) recognized in Balance Sheet</b>	<b>6.16</b>	<b>6.18</b>
- Current	6.16	6.18
- Non-Current	-	-
<b>VI. Best estimate of Employers' expected contribution for the next year</b>	<b>4.09</b>	<b>4.50</b>

## VII. Actuarial Assumptions

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
a. Discount Rate (%)	7.10%	6.90%
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.

## VIII. Major Category of Plan Assets as a % of the Total Plan Assets

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Gratuity - Funds managed by Insurer (LIC in Group Gratuity Scheme)	100%	100%

In the absence of detailed information regarding plan assets which is funded with Insurance Company, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

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

Particulars	Year ended 31 <sup>st</sup> March 2022	Year ended 31 <sup>st</sup> March 2021
<b>Gratuity</b>		
Present value of DBO	51.98	54.39
Fair value of plan assets	58.14	60.57
Funded status [Surplus / (Deficit)]	6.15	6.18
Experience gain / (loss) adjustments on plan liabilities	2.15	3.45
Experience gain / (loss) adjustments on plan assets	(0.34)	(0.57)

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## X Sensitivity Analysis

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

Particulars	Gratuity - DBO as at	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
1. Discount rate + 100 basis points	47.83	49.92
2. Discount rate - 100 basis points	56.69	59.50
3. Salary increase rate + 1%	56.81	59.59
4. Salary increase rate - 1%	47.62	49.69

## XI. Maturity analysis of the benefit payments

Particulars	Gratuity	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Year 1	3.22	3.57
Year 2	2.81	0.87
Year 3	3.60	0.43
Year 4	3.13	1.49
Year 5	4.00	1.35
Next 5 years	26.69	27.07

## 40 Related Party Disclosure as per requirements of Ind AS 24 on “Related Party Disclosures”

### A) List of Related Parties

Holding Company	Knightsville Private Limited (till 8th September 2021) [Refer Note 37] Khadim Development Company Private Limited (w.e.f 8th September 2021) [Refer Note 37]
Subsidiary Company	Khadim Shoe Bangladesh Limited
Key Management Personnel (KMP)	Mr. Siddhartha Roy Burman - Chairman and Managing Director
	Mr. Ritoban Roy Burman, Non-Executive Director
	Dr. Indranath Chatterjee, Non-Executive Independent Director
	Prof. (Dr.) Surabhi Banerjee, Non-Executive Independent Director
	Mr. Alok Chauthmal Churiwala, Non-Executive Independent Director
	Mr. Rittick Roy Burman, Wholetime Director
	Ms. Namrata Ashok Chotrani, Chief Executive Officer
	Mr. Indrajit Chaudhuri, Chief Financial Officer
	Mr. Abhijit Dan, Company Secretary and Head Legal

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

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 (till 8th September 2021)
	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
	Storyscope Films Private Limited
Relatives of KMP	Mrs. Namita Roy Burman (Mother of Mr.Siddhartha Roy Burman)

## B) Particulars of transactions during the year ended 31<sup>st</sup> March 2022:

Particulars	For the year ended 31 <sup>st</sup> March 2022		For the year ended 31 <sup>st</sup> March 2021	
<b>I) Holding Company #</b>				
a) Rent paid to Khadim Development Co. Pvt Ltd		0.84		-
b) Rent received from Khadim Development Co. Pvt Ltd		0.02		-
<b>II) Subsidiary Company</b>		-		-
<b>III) Key Management Personnel ^</b>				
a) Remuneration				
- Mr.Siddhartha Roy Burman #	26.52		23.49	
- Mr.Rittick Roy Burman	2.27		1.98	
- Ms.Namrata Ashok Chotrani	6.31		5.67	
- Mr.Indrajit Chaudhuri	3.45		3.03	
- Mr.Abhijit Dan	2.29	40.83	1.69	35.86
b) Share based payments				
- Mr.Indrajit Chaudhuri		0.09		0.29
c) Rent paid to Mr.Siddhartha Roy Burman		0.08		0.08
d) Sitting fees				
- Dr.Indranath Chatterjee	0.45		0.38	
- Prof.(Dr.) Surabhi Banerjee	0.47		0.40	
- Mr.Alok Chauthmal Churiwala	0.45		0.38	
- Mr.Ritoban Roy Burman	0.14	1.51	0.07	1.23
e) Commission				
- Dr.Indranath Chatterjee	0.20		0.10	
- Prof.(Dr.) Surabhi Banerjee	0.20		0.10	

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

Particulars	For the year ended 31 <sup>st</sup> March 2022		For the year ended 31 <sup>st</sup> March 2021	
- Mr.Alok Chauthmal Churiwala	0.20	0.60	0.10	0.30
f) Unsecured loan taken from Mr.Siddhartha Roy Burman		-		50.00
g) Unsecured loan repaid to Mr.Siddhartha Roy Burman (including interest of ₹0.76 million)		-		50.76
<b>IV) Enterprises over which KMP and their relatives exercise significant influence</b>				
a) Rent paid to Khadim Development Co. Pvt Ltd #		-		0.84
b) Commission paid				
- Khadim Enterprises	0.19		0.16	
- Bee Tee Enterprises	0.49		0.38	
- Sheila Departmental Stores Pvt Ltd	0.36		0.26	
- St. Mary's Clinic & Drug Stores	0.07	1.11	0.05	0.85
c) Rent received				
- K M Khadim & Co.	0.03		0.03	
- Khadim Estate Advisors Pvt Ltd	0.03		0.05	
- Sheila Departmental Stores Pvt Ltd	0.02		-	
- Storyscope Films Private Ltd.	0.02	0.10	-	0.08
<b>V) Relatives of Key Management Personnel</b>				
Remuneration				
Mrs.Namita Roy Burman		1.38		1.44

Particulars	As at	As at
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>Outstanding Balances</b>		
<b>I) Key Management Personnel</b>		
- Mr.Siddhartha Roy Burman	(3.05)	-
- Mr.Rittick Roy Burman	(0.27)	-
- Dr.Indranath Chatterjee	(0.18)	(0.09)
- Prof.(Dr.) Surabhi Banerjee	(0.18)	(0.09)
- Mr.Alok Chauthmal Churiwala	(0.18)	(0.09)
<b>II) Enterprises over which KMP and their relatives exercise significant influence</b>		
- Khadim Enterprises	(0.15)	(0.04)
- Bee Tee Enterprises	(0.11)	(0.27)

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
- Sheila Departmental Stores Pvt Ltd	(0.40)	(0.08)
- St. Mary's Clinic & Drug Stores	0.31	0.38
- Khadim Development Co Pvt Ltd	(0.23)	(0.06)
- Khadim Estate Advisors Pvt Ltd	0.08	0.05
- Storyscope Films Private Limited	0.02	-
- K M Khadim & Co.	0.00	-

# Also refer Note 21.1 in respect of guarantees given for loans taken by the Company.

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

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

Name of the Scheme	Khadim Employee Stock Option Plan 2017
i. Date of Shareholders' approval	: 17 <sup>th</sup> June 2017
ii. Total number of Options approved under the Scheme	: Options equivalent to 1,86,465 equity shares of ₹10/- each
iii. Vesting schedule	: The vesting period for conversion of Options is as follows: On completion of 12 months from the date of grant of the Options - 15% vests On completion of 24 months from the date of grant of the Options - 15% vests On completion of 36 months from the date of grant of the Options - 30% vests On completion of 48 months from the date of grant of the Options - 40% vests
iv. Pricing formula	: Closing market price on the day prior to the date of grant on stock exchange with highest trading volume
v. Maximum term of Options granted	: 5 years from the date of vesting
vi. Source of shares	: Primary issuance
vii. Variation in terms of Options	: None
viii. Method used for accounting of share-based payments plans	: The employee compensation cost has been calculated using the fair value method of accounting for Options under the Company's Employee Stock Option Scheme. The employee compensation cost as per fair value method for the financial year 2021-22 is ₹0.54 million (Previous Year - ₹1.71 million).
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.

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

	Name of the Scheme	Khadim Employee Stock Option Plan 2017
x.	Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock	Weighted average exercise price per Option - ₹320
		Weighted average fair value per Option - ₹310
xi.	Option movements during the year:	
a.	Options outstanding at the beginning of the year	: 34,560
b.	Options granted during the year	: -
c.	Options cancelled and lapsed during the year	: -
d.	Options vested and exercisable during the year (net of Options lapsed and exercised)	: 15,136
e.	Options exercised during the year	: -
f.	Number of equity shares of ₹10 each arising as a result of exercise of Options during the year	: -
g.	Options outstanding and exercisable at the end of the year	: 34,560
h.	Money realised by exercise of the Options during the year	: -
xii.	Weighted average share price of shares arising upon exercise of Options	: No options were exercised during the year
xiii.	A description of the method used during the year to estimate the fair value of Options, the weighted average exercise price and weighted average fair value of Options granted	The fair value of each Option is estimated using the Black Scholes Option Pricing model
		Weighted average exercise price per Option - ₹320
		Weighted average fair value per Option - ₹310
	The significant assumptions used to ascertain the above	The fair value of each Option is estimated using the Black Scholes Option Pricing model after applying the following key assumptions on a weighted average basis:
		Risk-free interest rate - 8%
Expected life - 6 years		
Expected volatility - 80%		
		Dividend yield - 0%
		Fair market value of the underlying share in the market at the time of Option grant - ₹400
xiv.	Methodology for determination of expected volatility	: The volatility used in the Black Scholes Option Pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. The period considered for the working is based on the daily volatility of the stock prices on National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE) over a period prior to the date of grant corresponding with the expected life of the options.

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

	Name of the Scheme		Khadim Employee Stock Option Plan 2017
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

## 42 Financial Instruments and related disclosures

### A Capital Management

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

### B Categories of Financial Instruments

	Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
		Carrying value	Fair value	Carrying value	Fair value
<b>I</b>	<b>Financial assets</b>				
<b>a.</b>	<b>Measured at amortised cost</b>				
	Trade receivables	1,331.13	1,331.13	1,206.97	1,206.97
	Cash and cash equivalents	31.02	31.02	12.14	12.14
	Other bank balances	76.00	76.00	26.83	26.83
	Other financial assets	285.02	285.02	280.58	280.58
	<b>Total Financial assets</b>	<b>1,723.17</b>	<b>1,723.17</b>	<b>1,526.52</b>	<b>1,526.52</b>
<b>II</b>	<b>Financial liabilities</b>				
<b>a.</b>	<b>Measured at amortised cost</b>				
	Lease liabilities	1,155.30	1,155.30	1,382.22	1,382.22
	Borrowings	1,218.52	1,218.52	1,013.94	1,013.94
	Trade payables	1,800.66	1,800.66	1,670.27	1,670.27
	Other financial liabilities	176.19	176.19	166.03	166.03
	<b>Total Financial liabilities</b>	<b>4,350.67</b>	<b>4,350.67</b>	<b>4,232.46</b>	<b>4,232.46</b>

#### Note:

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



# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## 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 31 <sup>st</sup> March 2022	Carrying value	Less than 1 year	Between 1 to 5 years	Beyond 5 years	Total
Lease liabilities	1,155.30	163.97	592.57	398.76	1,155.30
Borrowings	1,218.52	1,070.15	148.37	-	1,218.52
Trade payables	1,800.66	1,800.66	-	-	1,800.66
Other financial liabilities	176.19	176.19	-	-	176.19
<b>Total</b>	<b>4,350.67</b>	<b>3,210.97</b>	<b>740.94</b>	<b>398.76</b>	<b>4,350.67</b>

As at 31 <sup>st</sup> March 2021	Carrying value	Less than 1 year	Between 1 to 5 years	Beyond 5 years	Total
Lease liabilities	1,382.22	209.66	743.50	429.06	1,382.22
Borrowings	1,013.94	821.08	192.86	-	1,013.94
Trade payables	1,670.27	1,670.27	-	-	1,670.27
Other financial liabilities	166.03	166.03	-	-	166.03
<b>Total</b>	<b>4,232.46</b>	<b>2,867.04</b>	<b>936.36</b>	<b>429.06</b>	<b>4,232.46</b>

### Credit Risk

The Company's customer base is diverse limiting the risk arising out of credit concentration. Further, credit is extended in business interest in accordance with guidelines issued centrally and business-specific credit policies. All overdue customer balances are evaluated taking into account the age of

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

the dues, specific credit circumstances, the track record of the counterparty etc. Loss allowances and impairment are recognized, where considered appropriate by responsible management. The Company has adopted a simplified approach by computing the expected credit loss allowance for trade receivables based on a provision matrix taking into account historical credit loss experience. The movement of the expected loss provision (allowance for bad and doubtful receivables) made by the Company are as under:

Particulars	Expected Loss Provision	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Opening Balance	57.88	51.75
Add: Provisions made (net)	2.28	6.13
Closing Balance	<b>60.16</b>	<b>57.88</b>

Of the trade receivables balance at the end of the year, ₹326 million (31<sup>st</sup> March 2021: ₹326 million) is due from a customer, which exceeded 20 per cent of gross financial assets at the end of the year. Management has assessed the recoverability and believes that the amount is fully recoverable. Apart from this, the Company does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

## Foreign currency Risk

The Company undertakes transactions denominated in foreign currency (mainly US Dollar, Euro and Pound Sterling) which are subject to the risk of exchange rate fluctuations. Financial assets and liabilities denominated in foreign currency are also subject to reinstatement risks.

The carrying amount of foreign currency denominated financial assets and liabilities, are as follows:

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
	USD	USD
Financial assets	2.33	2.25
Financial liabilities	16.25	62.10

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

Particulars	Currency	Cross Currency	Buy
As at 31 <sup>st</sup> March 2022	USD	Rupees	0.21
As at 31 <sup>st</sup> March 2021	USD	Rupees	0.85

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

## 43 Fair value measurement

### Fair value hierarchy

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

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

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

**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:**

	Particulars	Fair value hierarchy (Level)	Fair value	
			As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>I</b>	<b>Financial assets</b>			
<b>a.</b>	<b>Measured at amortised cost</b>			
	Other financial assets - Non-Current	3	176.11	179.32
	<b>Total Financial assets</b>		<b>176.11</b>	<b>179.32</b>
<b>II</b>	<b>Financial liabilities</b>			
<b>a.</b>	<b>Measured at amortised cost</b>			
	Borrowings - Non-Current	3	148.37	192.86
	<b>Total Financial liabilities</b>		<b>148.37</b>	<b>192.86</b>

#### 44 Micro, Small and Medium scale business entities:

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

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

Sl. No.	Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
	Principal	Nil	Nil
	Interest	Nil	Nil
2	The amount of interest paid by the buyer in terms of section 16, of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	Nil	Nil
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	Nil	Nil

**45** There are no material discrepancies between the quarterly returns and statements of current assets filed by the Company with banks and the books of accounts.

## 46 Ratios

Ratio	Numerator	Denominator	Current year	Previous year	Notes
Current Ratio (times)	Current assets	Current liabilities	1.22	1.19	-
Debt-Equity Ratio (times)	Total debt	Equity	0.61	0.53	-
Debt Service Coverage Ratio (times)	Earning for Debt Service = Net profit after taxes + Finance Costs + Depreciation and amortisation expenses	Debt service = Interest and lease payments + Principal repayments	1.56	0.78	The improvement is largely due to higher profits on account of general improvement in retail business due to reduced impact of the pandemic
Return on Equity Ratio (%)	Net profit after taxes	Average Shareholder's equity	3.16%	-15.15%	The improvement is largely due to higher profits on account of general improvement in retail business due to reduced impact of the pandemic
Inventory Turnover Ratio (times)	Revenue from operations	Average inventory	3.83	4.04	-

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

Ratio	Numerator	Denominator	Current year	Previous year	Notes
Trade Receivables Turnover Ratio (times)	Revenue from operations	Average trade receivables	4.66	5.23	-
Trade Payables Turnover Ratio (times)	Purchases of Stock-in-Trade and raw materials	Average trade payables	2.30	2.57	-
Net Capital Turnover Ratio (times)	Revenue from operations	Average working capital (i.e. Current assets - Current liabilities)	9.31	10.77	-
Net Profit Ratio (%)	Net profit after taxes	Revenue from operations	1.09%	-5.26%	The improvement is largely due to higher profits on account of general improvement in retail business due to reduced impact of the pandemic
Return on Capital Employed (%)	Earnings before interest and taxes	Capital employed = Total equity + Borrowings	9.12%	-5.78%	Higher profits during the year resulted in better return on capital employed
Return on Investment (%)	Net profit after taxes	Equity share capital + Securities premium	4.61%	-23.49%	Higher profits during the year resulted in better return on investment

**47** The Company's operations and financial results have been adversely impacted by COVID-19 pandemic. With the gradual resumption of operations, units have started functioning though challenges still exist. On the basis of the assessment done by the management the carrying amounts of assets are recoverable. The impact of pandemic may be different from that estimated as at the date of these financial results and the Company will closely monitor any material changes to the future economic conditions.

**48** The financial statements were approved for issue by the Board of Directors on 25<sup>th</sup> May 2022

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

Place : Kolkata  
Date : 25<sup>th</sup> May 2022

# 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	5 <sup>th</sup> September 2019
Financial Year ending on	31 <sup>st</sup> March 2021
Reporting Currency	Bangladesh taka
Exchange rate as on 31 <sup>st</sup> March 2022	0.88 Indian Rupee
Share Capital	990,000
Reserves and Surplus	(11,86,822)
Total Assets	1,26,692
Total Liabilities	1,26,692
Investments (excluding Investments made in subsidiaries)	Nil
Turnover	Nil
Loss before tax	(2,36,138)
Provision for tax	Nil
Loss after tax	(2,36,138)
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

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

Place : Kolkata  
Date : 25<sup>th</sup> May 2022

# 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 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2022, their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing 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><b>Revenue Recognition</b></p> <p>Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the Parent performs its obligation to its customers, the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition is when control over the same is transferred to the customer, which is upon delivery.</p> <p>The timing of revenue recognition is relevant to the reported performance of the Parent. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.</p>	<p><b>Principal Audit Procedures</b></p> <p>In order to address the risk of misstatement related to timing of revenue recognition on sale to Wholesale customers, we have performed the following procedures:-</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures including:</p> <ul style="list-style-type: none"> <li>• Assessing the appropriateness of the Parent's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof.</li> <li>• Evaluating the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls.</li> </ul>

# INDEPENDENT AUDITOR'S REPORT

Sr. No.	Key Audit Matter	Auditor's Response
	<p>The Parent operates through two different revenue streams – sale to Wholesale customers and Retail customers.</p> <p>The Retail revenues consist of small transactions under cash and carry model. Hence the likelihood of occurrence and magnitude of a potential misstatement arising out of revenue recognition before transfer of control is minimal.</p> <p>Accordingly, we focused our work on the risk of revenue being recognized before control is transferred in respect of it's revenue from Wholesale customers.</p> <p>Refer Note 3.10 to the Consolidated Financial Statements - Significant Accounting Policies.</p>	<ul style="list-style-type: none"> <li>• Evaluating the design and implementation of Parent's controls in respect of revenue recognition.</li> <li>• Testing the effectiveness of such controls over the timing of recognition of revenue at the year-end.</li> <li>• Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the correct period.</li> <li>• Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.</li> </ul>

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

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

## Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect

to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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.



# INDEPENDENT AUDITOR'S REPORT

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 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.

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

# INDEPENDENT AUDITOR'S REPORT

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

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Group as on 31 March 2022 taken on record by the Board of Directors of the Parent, none of the directors of the Parent are disqualified as on 31 March 2022 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,

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group- Refer Note 35 to the consolidated financial statements.
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. On the basis of checking of accounts of the Group, there was no amount required to be transferred to the Investor Education and Protection Fund by the Parent during the year ended 31<sup>st</sup> March 2022.

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

**(Amitava Chowdhury)**  
Partner  
Membership No. 056060  
UDIN: 22056060AJUDFS2000

Place : Kolkata  
Date : 25.05.2022

## **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 to the members of Khadim India Limited of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March, 2022, we have audited the internal financial controls over financial reporting of Khadim India Limited (hereinafter referred to as “Parent”).

### **Management’s Responsibility for Internal Financial Controls**

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

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the

audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

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

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Parent, in all material respects, has an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2022, based on the criteria for internal financial control over financial reporting established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

**(Amitava Chowdhury)**  
Partner  
Membership No. 056060  
UDIN: 22056060AJUDFS2000

Place : Kolkata  
Date : 25.05.2022

# CONSOLIDATED BALANCE SHEET

**as at 31<sup>st</sup> March 2022**

(All amounts in Rupees million, unless otherwise stated)

Particulars	Note No.	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>ASSETS</b>			
<b>1 Non - current assets</b>			
(a) Property, Plant and Equipment	4A	1,047.00	1,140.68
(b) Capital work - in - progress	4B	8.47	9.50
(c) Right of Use Asset	4C	963.33	1,153.45
(d) Intangible assets	4D	3.36	3.18
(e) Intangible assets under development	4E	0.65	1.49
(f) Financial Assets			
Others	5	176.11	179.32
(g) Deferred tax assets (net)	6	184.22	197.99
(h) Income tax assets (net)	7	36.51	46.96
(i) Other non-current assets	8	90.69	97.89
<b>2 Current assets</b>			
(a) Inventories	9	1,679.32	1,406.79
(b) Financial Assets			
(i) Trade receivables	10	1,331.13	1,206.97
(ii) Cash and cash equivalents	11	31.13	12.46
(iii) Other Bank balances	12	76.00	26.83
(iv) Others	13	108.91	101.26
(c) Other current assets	14	774.12	719.59
<b>Total Assets</b>		<b>6,510.95</b>	<b>6,304.36</b>
<b>EQUITY AND LIABILITIES</b>			
Equity			
(a) Equity Share capital	15	179.70	179.70
(b) Other Equity		1,895.64	1,828.80
<b>LIABILITIES</b>			
<b>1 Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	148.37	192.86
(ii) Lease liabilities	17	991.33	1,172.56
(b) Provisions	18	3.27	5.23
(c) Other non-current liabilities	19	10.44	1.92
<b>2 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	1,070.15	821.08
(ii) Lease liabilities	17	163.97	209.66
(iii) Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,800.89	1,670.52
(iv) Other financial liabilities	22	176.20	166.04
(b) Other current liabilities	23	69.79	54.53
(c) Provisions	24	1.20	1.46
<b>Total Equity and Liabilities</b>		<b>6,510.95</b>	<b>6,304.36</b>

See accompanying notes to the financial statements.

In terms of our Report attached

For and on behalf of Board of Directors

 For **Ray & Ray**

Chartered Accountants

FRN - 301072E

**Amitava Chowdhury**

Partner

Membership no.- 056060

**Siddhartha Roy Burman**

Chairman &amp; Managing Director

**Rittick Roy Burman**

Wholetime Director

**Namrata Ashok Chotrani**

Chief Executive Officer

**Indrajit Chaudhuri**

Chief Financial Officer

Place : Kolkata

 Date : 25<sup>th</sup> May 2022

**Abhijit Dan**

Company Secretary &amp; Head - Legal

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>I. Revenue From Operations</b>	25	5,910.80	6,261.78
<b>II. Other Income</b>	26	162.75	180.79
<b>III. Total Income ( I + II )</b>		<b>6,073.55</b>	<b>6,442.57</b>
<b>IV. Expenses :</b>			
Cost of materials consumed		1,970.29	1,416.00
Purchases of Stock-in-Trade		1,913.51	2,751.65
Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	(170.97)	290.89
Employee benefits expense	28	573.60	608.06
Finance costs	29	227.25	253.75
Depreciation and amortization expense	4F	335.81	392.40
Other expenses	30	1,146.54	1,161.35
<b>Total expenses</b>		<b>5,996.03</b>	<b>6,874.10</b>
<b>V Profit/(Loss) before tax (III - IV)</b>		<b>77.52</b>	<b>(431.53)</b>
<b>VI Tax expense:</b>	31		
(1) Current tax		0.01	(4.73)
(2) Deferred tax		13.13	(97.36)
		<b>13.14</b>	<b>(102.09)</b>
<b>VII. Profit/(Loss) for the year ( V - VI )</b>		<b>64.38</b>	<b>(329.44)</b>
<b>VIII. Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss			
- Re-measurement gains on defined benefit plans	38.2	2.56	2.37
(ii) Income tax relating to items that will not be reclassified to profit or loss	31	(0.64)	(0.60)
<b>Other Comprehensive Income for the year</b>		<b>1.92</b>	<b>1.77</b>
<b>IX Total Comprehensive Income/(Loss) for the year</b>		<b>66.30</b>	<b>(327.67)</b>
<b>Profit/(Loss) for the year attributable to:</b>			
Owners of the parent		64.38	(329.44)
Non-controlling interests		-	-
<b>Total Comprehensive Income/(Loss) for the year attributable to:</b>			
Owners of the parent		66.30	(327.67)
Non-controlling interests		-	-
<b>X. Earnings per equity share : [Nominal Value per Share ₹10/- (Previous year ₹10/-)]</b>	32		
(1) Basic (In ₹)		3.58	(18.33)
(2) Diluted (In ₹)		3.58	(18.33)

See accompanying notes to the financial statements.

In terms of our Report attached

For and on behalf of Board of Directors

For **Ray & Ray**

Chartered Accountants

FRN - 301072E

**Amitava Chowdhury**

Partner

Membership no.- 056060

**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 : 25<sup>th</sup> May 2022

**Abhijit Dan**

Company Secretary & Head - Legal

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

### (a) Equity Share Capital

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

Balance as at 1 <sup>st</sup> April 2020	Changes in equity share capital due to prior period errors	Restated balance as at 1 <sup>st</sup> April 2020	Changes in equity share capital during the year	Balance as at 31 <sup>st</sup> March 2021
179.70	-	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	Exchange differences in translating the financial statements of foreign operations			
<b>Balance as at 1st April 2021</b>	<b>231.92</b>	<b>1,221.83</b>	<b>10.16</b>	<b>364.87</b>	<b>0.02</b>	<b>1,828.80</b>	<b>-</b>	<b>1,828.80</b>
Profit for the year	-	-	-	64.38	-	64.38	-	64.38
Other comprehensive income (net of tax)	-	-	-	1.92	-	1.92	-	1.92
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>66.30</b>	<b>-</b>	<b>66.30</b>	<b>-</b>	<b>66.30</b>
Recognition of share based payment	-	-	0.54	-	-	0.54	-	0.54
<b>Balance as at 31st March 2022</b>	<b>231.92</b>	<b>1,221.83</b>	<b>10.70</b>	<b>431.17</b>	<b>0.02</b>	<b>1,895.64</b>	<b>-</b>	<b>1,895.64</b>
<b>Balance as at 1st April 2020</b>	<b>231.92</b>	<b>1,221.83</b>	<b>8.45</b>	<b>692.54</b>	<b>0.02</b>	<b>2,154.76</b>	<b>-</b>	<b>2,154.76</b>
Loss for the year	-	-	-	(329.44)	-	(329.44)	-	(329.44)
Other comprehensive income (net of tax)	-	-	-	1.77	-	1.77	-	1.77
<b>Total comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(327.67)</b>	<b>-</b>	<b>(327.67)</b>	<b>-</b>	<b>(327.67)</b>
Recognition of share based payment	-	-	1.71	-	-	1.71	-	1.71
<b>Balance as at 31st March 2021</b>	<b>231.92</b>	<b>1,221.83</b>	<b>10.16</b>	<b>364.87</b>	<b>0.02</b>	<b>1,828.80</b>	<b>-</b>	<b>1,828.80</b>

Gain of ₹1.92 million and ₹1.77 million on remeasurement of defined employee benefit plans (net of tax) is recognised as a part of retained earnings for the years ended 31<sup>st</sup> March 2022 and 2021 respectively.

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

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

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

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

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

See accompanying notes to the financial statements.

In terms of our Report attached For and on behalf of Board of Directors

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

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

**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 : 25<sup>th</sup> May 2022

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



# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before Tax for the year	77.52	(431.53)
Adjustments for:		
Depreciation and amortization expense	335.81	392.40
Share based payments to employees	0.54	1.71
Loss on disposal of property, plant and equipment (net)	20.78	22.13
Interest Received	(21.77)	(25.14)
Gain arising on sale of financial assets mandatorily measured at Fair Value through Profit and Loss	(0.05)	(0.27)
Liabilities/Provisions no longer required written back	(94.17)	(113.81)
Government grant received	(6.76)	(1.05)
Provision for doubtful debts, advances and other assets	2.28	6.13
Debts/Advances written off	4.60	6.06
Foreign currency translations and transactions - Net	(0.18)	(0.59)
Finance costs	227.25	253.75
<b>Operating Profit before Working Capital Changes</b>	<b>545.85</b>	<b>109.79</b>
Adjustments for:		
Trade Receivables, Loans and Advances and Other Assets	(136.14)	(17.05)
Inventories	(272.53)	289.71
Trade Payables, Other Liabilities and Provisions	158.50	90.26
<b>Cash Generated from Operations</b>	<b>295.68</b>	<b>472.71</b>
Net income tax refunds	10.44	5.62
<b>Net Cash generated from Operating Activities</b>	<b>306.12</b>	<b>478.33</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, intangible assets	(82.76)	(34.16)
Sale of property, plant and equipment, intangible assets	0.63	1.63
Investments in bank deposits	(113.47)	(35.38)
Maturity of bank deposits	53.03	43.01
Purchase of Current Investments	(2.00)	(10.50)
Sale of Current Investments	2.05	10.77
Interest Received	4.23	3.96
<b>Net Cash used in Investing Activities</b>	<b>(138.29)</b>	<b>(20.67)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(119.00)	(125.91)
Repayment of lease liability	(236.95)	(261.50)
Payment of initial direct cost recognised as Right of Use Asset	(1.49)	(0.78)
Long term loans taken	5.50	260.00
Long term loans repaid	(46.29)	(21.50)
Short term loans repaid	(19.60)	(295.68)
<b>Net Cash used in Financing Activities</b>	<b>(417.83)</b>	<b>(445.37)</b>
Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C)	(250.00)	12.29
Cash and Cash Equivalents at beginning of year	(607.62)	(619.91)
<b>Cash and Cash Equivalents at end of year</b>	<b>(857.62)</b>	<b>(607.62)</b>

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

**Notes:**

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

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
Cash Credit facilities	(888.75)	(620.08)
Cash and cash equivalents (Note 11)	31.13	12.46
<b>Cash and cash equivalents as above</b>	<b>(857.62)</b>	<b>(607.62)</b>

See accompanying notes to the financial statements.

In terms of our Report attached For and on behalf of Board of Directors

For **Ray & Ray**

Chartered Accountants  
FRN - 301072E

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

**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 : 25<sup>th</sup> May 2022

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## 1 Corporate information

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

## 2 Recent accounting pronouncements:

The Ministry of Corporate Affairs ("MCA") notifies new standards / amendments under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

### I Ind AS 16 - Property, plant and equipment:

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2022.

### II Ind AS 37 - Provisions, contingent liabilities and contingent assets:

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1st April 2022, although early adoption is permitted.

The Group is in the process of evaluating the amendments and the impact thereof.

## 3 Significant accounting policies

### 3.1 Statement of Compliance

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

### 3.2 Basis of preparation

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

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

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

participants act in their best economic interest.

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

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

### 3.3 Basis of Consolidation

A) The consolidated financial statements relate to Khadim India Limited (the “Group”), its subsidiary Khadim Shoe Bangladesh Limited, together constitute the “Group”. The consolidated financial statements have been prepared on the following basis:

- i) The financial statements of the Group and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and unrealized profits or losses as per Ind AS 110 ‘consolidated financial statements’, as specified under section 133 of the Companies Act, 2013.
- ii) The financial statements of subsidiary, consolidated are drawn upto the same reporting date as that of the Group.

iii) The excess of the Group’s share in equity of each subsidiary, over the cost of its acquisition at the date on which the investment is made, is recognized as “Capital Reserve on Consolidation” and included as Other Equity under Equity in the Consolidated Balance Sheet.

iv) Non-controlling Interest comprises:

- a) The amount of equity attributable to the non-controlling interests at the date of which investment in a subsidiary is made; and
- b) The non-controlling interests’ share of movements in equity since the date the parent-subsidiary relationship came into existence

Non-controlling interests’ share of net profit / (loss) for the year of consolidated subsidiaries is identified and adjusted against the profit / (Loss) after tax of the Group. The losses attributable to the non-controlling interests are restricted to the extent of non-controlling interests’ equity.

### 3.4 Operating cycle

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

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

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

property, plant and equipment recognized as at 1st April 2016 measured as per the previous GAAP.

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

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

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

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

Buildings - 30 – 60 Years

Leasehold Improvements - Shorter of lease period or over 6 years

Plant and Equipment - 5 – 15 Years

Furniture and Fixtures – 10 Years

Vehicles - 10 Years

Office Equipment - 5 Years

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

### 3.6 Intangible Assets

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

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

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

### 3.7 Impairment of Tangible and Intangible Assets

At the end of each reporting period, the Group reviews the carrying amount of its tangible and intangible assets to determine whether there is any indicator that those assets have suffered an impairment loss. If any such indicator exists, the recoverable amount of the asset is estimated in order

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

to determine the impairment loss. When it is not possible to determine the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

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

### 3.8 Assets held for disposal

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

### 3.9 Inventories

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

### 3.10 Revenue Recognition

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

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

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

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

### 3.11 Government Grant

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

- a. related to or used for assets, are included in the Consolidated Balance Sheet as deferred income and recognized as income over the useful life of the assets.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

- b. related to incurring specific expenditures, are taken to the Consolidated Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.
- c. by way of financial assistance on the basis of certain qualifying criteria, are recognized as they become receivable.

### 3.12 Foreign Currency Transactions

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

### 3.13 Borrowing Cost

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

### 3.14 Retirement and Other Employee Benefits

- I Short-term employee benefits  
All short-term employee benefits such as salaries, wages, bonus etc. which fall within 12 months of the period in which the employee renders related services which entitles them to avail such benefits and also non-accumulating compensated absences are recognized on an undiscounted basis and charged to the Consolidated Statement of Profit and Loss.
- II Defined contribution plan  
The Group's contribution towards Provident Fund and Employee State Insurance with respect to employees

paid/ payable during the year to the respective Authorities are considered as Defined Contribution Plans and are charged to the Consolidated Statement of Profit and Loss.

### III Defined benefit plan

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

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

### IV Other long term employee benefits

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

### V Employee Share Based Compensation

Stock Options are granted to eligible employees in accordance with the

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

Khadim Employee Stock Option Schemes (ESOP), as may be decided by the Nomination and Remuneration Committee.

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

### 3.15 Leases

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

#### Group as a Lessee

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

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

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

#### Right-of-use assets

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

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

#### 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



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

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operating leases are recognized in the Consolidated Statement of Profit and Loss on a straight-line basis over the term of the lease.

### 3.16 Taxes on Income

Taxes on income comprises of current taxes and deferred taxes.

#### Current income tax

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

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

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

#### Deferred tax

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

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

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

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

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

### 3.17 Provisions

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

### 3.18 Dividend Distribution

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## 3.19 Contingent liability

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

## 3.20 Cash and cash equivalents

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

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

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

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

### Financial assets

#### Recognition

Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognized at transaction price when

the Group becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Consolidated Statement of Profit and Loss. Investment in Subsidiary is carried at cost.

### 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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

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

## Financial Liabilities

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

## Offsetting Financial Instruments

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

## Equity Instruments

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

## 4 Significant accounting 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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

disclosure of contingent liabilities at the date of the consolidated financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

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

## Key sources of estimation uncertainty

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

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

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

- II Actuarial Valuation

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## 4A PROPERTY, PLANT AND EQUIPMENT

Particulars	GROSS BLOCK						
	As at 1 <sup>st</sup> April 2020	Additions during the year	Disposal/ adjustment during the year	As at 31 <sup>st</sup> March 2021	Additions during the year	Disposal/ adjustment during the year	As at 31 <sup>st</sup> March 2022
Buildings	697.07	1.29	-	<b>698.36</b>	14.30	-	<b>712.66</b>
Leasehold Improvements	351.87	9.15	34.57	<b>326.45</b>	26.69	58.17	<b>294.97</b>
Plant and equipment	641.17	14.61	2.02	<b>653.76</b>	30.27	0.10	<b>683.93</b>
Furniture and Fixtures	179.03	2.41	6.86	<b>174.58</b>	4.92	6.27	<b>173.23</b>
Vehicles	10.45	-	-	<b>10.45</b>	-	-	<b>10.45</b>
Office Equipment	39.51	1.18	0.47	<b>40.22</b>	2.60	0.39	<b>42.43</b>
<b>Total</b>	<b>1,919.10</b>	<b>28.64</b>	<b>43.92</b>	<b>1,903.82</b>	<b>78.78</b>	<b>64.93</b>	<b>1,917.67</b>

<b>4B Capital work - in - progress</b>	<b>5.52</b>	<b>11.77</b>	<b>7.79</b>	<b>9.50</b>	<b>13.49</b>	<b>14.52</b>	<b>8.47</b>
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## 4A PROPERTY, PLANT AND EQUIPMENT

Particulars	ACCUMULATED DEPRECIATION/AMORTIZATION						NET BLOCK		
	As at 1 <sup>st</sup> April 2020	Additions during the year	Disposal/ adjustment during the year	As at 31 <sup>st</sup> March 2021	Additions during the year	Disposal/ adjustment during the year	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Buildings	68.34	18.66	-	<b>87.00</b>	18.57	-	<b>105.57</b>	<b>607.09</b>	<b>611.36</b>
Leasehold Improvements	187.93	43.59	16.19	<b>215.33</b>	34.04	39.90	<b>209.47</b>	<b>85.50</b>	<b>111.12</b>
Plant and equipment	251.37	76.24	0.42	<b>327.19</b>	74.50	0.06	<b>401.63</b>	<b>282.30</b>	<b>326.57</b>
Furniture and Fixtures	83.50	19.10	3.41	<b>99.19</b>	17.76	3.26	<b>113.69</b>	<b>59.54</b>	<b>75.39</b>
Vehicles	4.32	1.37	-	<b>5.69</b>	1.37	-	<b>7.06</b>	<b>3.39</b>	<b>4.76</b>
Office Equipment	23.95	4.99	0.20	<b>28.74</b>	4.81	0.30	<b>33.25</b>	<b>9.18</b>	<b>11.48</b>
<b>Total</b>	<b>619.41</b>	<b>163.95</b>	<b>20.22</b>	<b>763.14</b>	<b>151.05</b>	<b>43.52</b>	<b>870.67</b>	<b>1,047.00</b>	<b>1,140.68</b>

<b>4B Capital work - in - progress</b>							<b>8.47</b>	<b>9.50</b>
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### Note:

The amount of expenditures recognized in the carrying amount of property, plant and equipment in the course of construction is ₹5.53 million (Previous Year - ₹ 47.71 million)

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## 4C RIGHT-TO-USE ASSETS

Particulars	GROSS BLOCK		
	Buildings	Land*	Total
<b>Gross Carrying Value as at 31st March 2020</b>	<b>1,573.45</b>	<b>119.81</b>	<b>1,693.26</b>
Additions during the year	74.32	-	74.32
Deletions during the year	(219.14)	-	(219.14)
<b>Gross Carrying Value as at 31st March 2021</b>	<b>1,428.63</b>	<b>119.81</b>	<b>1,548.44</b>
Additions during the year	150.94	-	150.94
Deletions during the year	(311.62)	-	(311.62)
<b>Gross Carrying Value as at 31st March 2022</b>	<b>1,267.95</b>	<b>119.81</b>	<b>1,387.76</b>

Particulars	ACCUMULATED DEPRECIATION		
	Buildings	Land	Total
<b>Accumulated Depreciation as at 31st March 2020</b>	<b>223.51</b>	<b>2.19</b>	<b>225.70</b>
Depreciation Expenses	223.80	2.19	225.99
Deductions / Adjustments	(56.70)	-	(56.70)
<b>Accumulated Depreciation as at 31st March 2021</b>	<b>390.61</b>	<b>4.38</b>	<b>394.99</b>
Depreciation Expenses	181.26	2.19	183.45
Deductions / Adjustments	(154.01)	-	(154.01)
<b>Accumulated Depreciation as at 31st March 2022</b>	<b>417.86</b>	<b>6.57</b>	<b>424.43</b>

Particulars	NET CARRYING VALUE		
	Buildings	Land	Total
<b>Net Carrying Value as at 31st March 2021</b>	<b>1,038.02</b>	<b>115.43</b>	<b>1,153.45</b>
<b>Net Carrying Value as at 31st March 2022</b>	<b>850.09</b>	<b>113.24</b>	<b>963.33</b>

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

## 4D INTANGIBLE ASSETS

Particulars	GROSS BLOCK						
	As at 1 <sup>st</sup> April 2020	Additions during the year	Disposal/ adjustment during the year	As at 31 <sup>st</sup> March 2021	Additions during the year	Disposal/ adjustment during the year	As at 31 <sup>st</sup> March 2022
Computer software (acquired)	18.78	1.99	10.88	<b>9.89</b>	1.49	4.69	<b>6.69</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## INTANGIBLE ASSETS

Particulars	ACCUMULATED DEPRECIATION/AMORTIZATION						NET BLOCK		
	As at 1 <sup>st</sup> April 2020	Additions during the year	Disposal/adjustment during the year	As at 31 <sup>st</sup> March 2021	Additions during the year	Disposal/adjustment during the year	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Computer software (acquired)	15.13	2.46	10.88	6.71	1.31	4.69	3.33	3.36	3.18

## 4E INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	GROSS BLOCK						
	As at 1 <sup>st</sup> April 2020	Additions during the year	Disposal/adjustment during the year	As at 31 <sup>st</sup> March 2021	Additions during the year	Disposal/adjustment during the year	As at 31 <sup>st</sup> March 2022
Computer software (acquired)	0.88	1.11	0.50	1.49	0.65	1.49	0.65

## 4F DEPRICIATION AND AMORTIZATION EXPENSE

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
Tangible Assets	151.05	163.95
Right-to-Use Assets	183.45	225.99
Intangible Assets	1.31	2.46
<b>Total</b>	<b>335.81</b>	<b>392.40</b>

## 4G Capital work - in - progress ageing

Ageing for Capital work - in - progress as at 31<sup>st</sup> March 2022

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

Ageing for Capital work - in - progress as at 31<sup>st</sup> March 2021

Capital work - in - progress	Amount in Capital work - in - progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	6.40	1.25	1.09	0.76	9.50

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## 4H Intangible Assets under development ageing

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

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

### Ageing for Intangible Assets under development as at 31st March 2021

Intangible Assets under development	Amount in Capital work - in - progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.95	0.54	-	-	1.49

## 5 OTHER FINANCIAL ASSETS - NON-CURRENT

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Unsecured, Considered Good</b>		
Security and other deposits	154.27	169.30
Bank deposits with more than 12 months maturity		
- Against guarantees and letter of credit	13.66	9.37
- As security with Sales Tax Authorities	0.25	0.02
- Pledged against credit facilities	6.75	-
Employee Advances	1.18	0.63
<b>Total</b>	<b>176.11</b>	<b>179.32</b>

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

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Deferred tax assets	236.37	259.90
Less: Deferred tax liabilities	52.15	61.91
<b>Total</b>	<b>184.22</b>	<b>197.99</b>

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

2021-22	Opening balance	Recognized in profit or loss	Recognized in OCI	Closing balance
<b>Deferred tax liabilities/assets in relation to:</b>				
On fiscal allowances on property, plant and equipment, etc.	61.24	(6.85)	-	54.39
On other assets	0.67	(2.91)	-	(2.24)
<b>Total deferred tax liabilities</b>	<b>61.91</b>	<b>(9.76)</b>	<b>-</b>	<b>52.15</b>
On employees' separation and retirement etc.	1.68	0.09	(0.64)	1.13



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

2021-22	Opening balance	Recognized in profit or loss	Recognized in OCI	Closing balance
On right of use asset and lease liabilities	93.57	(9.26)	-	84.31
On accumulated business loss	137.87	(22.77)	-	115.10
On financial assets measured at fair value	4.75	(0.30)	-	4.45
On provision for doubtful debts and advances	14.57	0.57	-	15.14
On provision for slow moving inventories	7.46	8.78	-	16.24
<b>Total deferred tax assets</b>	<b>259.90</b>	<b>(22.89)</b>	<b>(0.64)</b>	<b>236.37</b>
	<b>(197.99)</b>	<b>13.13</b>	<b>0.64</b>	<b>(184.22)</b>

2020-21	Opening balance	Recognized in profit or loss	Recognized in OCI	Closing balance
<b>Deferred tax liabilities/assets in relation to:</b>				
On fiscal allowances on property, plant and equipment, etc.	74.30	(13.06)	-	61.24
On other assets	0.86	(0.19)	-	0.67
<b>Total deferred tax liabilities</b>	<b>75.16</b>	<b>(13.25)</b>	<b>-</b>	<b>61.91</b>
On employees' separation and retirement etc.	1.98	0.30	(0.60)	1.68
On right of use asset and lease liabilities	95.85	(2.28)	-	93.57
On accumulated business loss	53.68	84.19	-	137.87
On financial assets measured at fair value	4.32	0.43	-	4.75
On provision for doubtful debts and advances	13.03	1.54	-	14.57
On provision for slow moving inventories	7.53	(0.07)	-	7.46
<b>Total deferred tax assets</b>	<b>176.39</b>	<b>84.11</b>	<b>(0.60)</b>	<b>259.90</b>
	<b>(101.23)</b>	<b>(97.36)</b>	<b>0.60</b>	<b>(197.99)</b>

## 7 INCOME TAX ASSETS

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Advance Income Tax (Net of Provision ₹254.89 million; 31 <sup>st</sup> March 2021: ₹254.89 million)	36.51	46.96
<b>Total</b>	<b>36.51</b>	<b>46.96</b>

## 8 OTHER NON-CURRENT ASSETS

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Unsecured, Considered Good</b>		
Capital Advances	6.46	5.73
Advances other than capital advances:		
Security deposits	9.11	11.33
Prepaid expenses	63.55	63.26
Other advances	0.08	6.08
Government grant receivable	11.49	11.49
<b>Total</b>	<b>90.69</b>	<b>97.89</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## 9 INVENTORIES

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Raw Material (including packing material)	267.59	166.03
Work-in-progress	89.95	48.87
Finished goods (manufactured)	270.46	176.17
Stock-in-trade (goods purchased for resale)	1,051.32	1,015.72
<b>Total</b>	<b>1,679.32</b>	<b>1,406.79</b>

### Notes:

- Cost of inventory recognized as an expense during the year ₹3,842.47 million (Previous Year - ₹ 4,608.07 million).
- The cost of inventories recognized as an expense in respect of write-downs of inventory to net realisable value included in (i) above - ₹ 2.55 million (Previous Year - ₹ 5.19 million).
- Refer Note 3.9 for mode of valuation.

## 10 TRADE RECEIVABLES

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Considered good - Secured	42.38	37.89
Considered good - Unsecured*	1,288.75	1,169.08
Considered doubtful	60.16	57.88
	<b>1,391.29</b>	<b>1,264.85</b>
Less : Allowance for doubtful debts	60.16	57.88
<b>Total</b>	<b>1,331.13</b>	<b>1,206.97</b>

\*Includes ₹0.003 million (31st March 2021: Nil) due from KM Khadim and Co. which is a firm in which a director is a partner.

### Trade receivables ageing schedule - as at 31<sup>st</sup> March 2022

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## Trade receivables ageing schedule - as at 31<sup>st</sup> March 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	792.08	24.46	240.21	138.46	11.76	1,206.97
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	0.92	3.69	15.59	3.64	28.20	52.04
Disputed Trade receivables – considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	0.01	0.01	5.35	0.33	0.14	5.84
<b>Total</b>	<b>793.01</b>	<b>28.16</b>	<b>261.15</b>	<b>142.43</b>	<b>40.10</b>	<b>1,264.85</b>
Less : Allowance for doubtful debts						57.88
						<b>1,206.97</b>

## 11 CASH AND CASH EQUIVALENTS

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Balances with banks		
On Current Accounts	0.11	1.19
On Cash Credit Accounts	21.03	-
Cheques, drafts on hand	2.30	4.19
Cash on hand	7.69	7.08
<b>Total</b>	<b>31.13</b>	<b>12.46</b>

## 12 OTHER BANK BALANCES

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Dividend Accounts	0.02	0.02
Fixed Deposits with banks*		
- Against guarantees and letter of credit	24.76	26.40
- As security with Sales Tax Authorities	0.20	0.41
- Pledged against credit facilities	51.02	-
<b>Total</b>	<b>76.00</b>	<b>26.83</b>

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## 13 OTHER FINANCIAL ASSETS - CURRENT

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Unsecured, Considered Good</b>		
Assets held for disposal *	58.49	52.49
Interest Receivable	1.09	1.36
Employee Advances	4.41	3.46
Other receivables (Tender deposits, scrap sales etc.)	44.92	43.95
<b>Total</b>	<b>108.91</b>	<b>101.26</b>

\*Represents certain property, plant and equipment which are not in active use. A Memorandum of Understanding has been signed for disposal of the same and an amount of ₹5.00 million received as advance against sale consideration which is disclosed under Other Current Liabilities (Refer note 23)

## 14 OTHER CURRENT ASSETS

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Unsecured, Considered Good</b>		
Advances other than capital advances:		
Advances to related parties	0.31	0.38
Other advances	89.14	31.65
Prepaid expenses	49.25	43.58
Gratuity (Refer Note 38.2)	6.16	6.18
Advance to Government Authorities	629.26	637.80
<b>Total</b>	<b>774.12</b>	<b>719.59</b>

## 15 EQUITY SHARE CAPITAL

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Authorised</b>		
6,00,00,000 (31 <sup>st</sup> March 2021: 6,00,00,000) Equity Shares of ₹10/- each	600.00	600.00
<b>Issued , Subscribed and Paid up</b>		
1,79,69,614 (31 <sup>st</sup> March 2021: 1,79,69,614) Equity Shares of ₹10/- each	179.70	179.70
<b>Total</b>	<b>179.70</b>	<b>179.70</b>

### 15.1 Reconciliation of the number of Equity shares

Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	Number	Amount	Number	Amount
Balance as at the beginning of the year	1,79,69,614	179.70	1,79,69,614	179.70
<b>Balance as at the end of the year</b>	<b>1,79,69,614</b>	<b>179.70</b>	<b>1,79,69,614</b>	<b>179.70</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

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

Name of Shareholder	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Khadim Development Company Private Limited (Holding Company)*	92,73,229	51.61	3,02,950	1.69
Siddhartha Roy Burman	14,64,149	8.15	16,81,649	9.36

**15.3** During the year ended 31<sup>st</sup> March 2019, the Company had issued 4,417 equity shares of ₹10 each on exercise of employee stock options. For details refer Note 40.

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

The Company has one class of Equity Shares having a face value of ₹10/- per share. Each shareholder is eligible for one vote per share held. The Dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the Annual General Meeting, except in case of Interim Dividend. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

## 15.5 Disclosure of Shareholding of Promoters

Disclosure of Shareholding of Promoters as at 31<sup>st</sup> March 2022:

Promoter name	Shares held by promoters				% change during the year
	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021		
	No. of shares	% of total shares	No. of shares	% of total shares	
Knightsville Private Limited*	-	-	87,37,829	48.63%	-48.63%
Siddhartha Roy Burman	14,64,149	8.15%	16,81,649	9.36%	-1.21%
<b>Total</b>	<b>14,64,149</b>	<b>8.15%</b>	<b>1,04,19,478</b>	<b>57.99%</b>	<b>-49.84%</b>

Disclosure of Shareholding of Promoters as at 31<sup>st</sup> March 2021:

Promoter name	Shares held by promoters				% change during the year
	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020		
	No. of shares	% of total shares	No. of shares	% of total shares	
Knightsville Private Limited	87,37,829	48.63%	87,37,829	48.63%	-
Siddhartha Roy Burman	16,81,649	9.36%	16,42,149	9.14%	0.22%
<b>Total</b>	<b>1,04,19,478</b>	<b>57.99%</b>	<b>1,03,79,978</b>	<b>57.77%</b>	<b>0.22%</b>

## 15.6 Shares reserved for issue under Options

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Equity shares of ₹10/- each	34,560	34,560
	<b>34,560</b>	<b>34,560</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

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

## Terms and conditions of Options granted

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

The vesting period for conversion of Options is as follows:

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

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

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

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

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

Further details of 'Khadim Employee Stock Option Plan 2017' are provided in Note 40.

\* Refer Note 36

## 16 BORROWINGS - NON-CURRENT

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>SECURED</b>		
<b>Term Loans from Banks</b>		
State Bank of India Term Loan [Refer Note 1 of 16.2]	51.45	68.60
HDFC Bank Term Loan [Refer Note 2 of 16.2]	70.00	94.00
ICICI Bank Term Loan [Refer Note 3 of 16.2]	21.89	30.26
Axis Bank Term Loan [Refer Note 4 of 16.2]	5.03	-
<b>Total</b>	<b>148.37</b>	<b>192.86</b>

16.1 The scheduled maturity of these term loans is mentioned as under:

Name of the Bank	2022-23*	2023-24	2024-25	2025-26	2026-27
State Bank of India Term Loan	17.15	17.15	17.15	17.15	-
HDFC Bank Term Loan	24.00	24.00	24.00	22.00	-
ICICI Bank Term Loan	7.73	7.73	7.73	6.43	-
Axis Bank Term Loan	0.47	1.37	1.37	1.37	0.92
<b>Total</b>	<b>49.35</b>	<b>50.25</b>	<b>50.25</b>	<b>46.95</b>	<b>0.92</b>

\*Represents 'Current maturities of long term debt' (refer Note 22 - Other Financial Liabilities - Current)

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## 16.2 Nature of Security of 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 second pari-passu basis with other working capital member banks under the consortium.

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore on second pari-passu basis with other working capital members banks under the consortium, lien on fixed deposit on second pari-passu basis, and equitable mortgage of properties at Kasba

**2 Primary security** - Same as State Bank of India Term loan (Refer Note 1 above).

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, and lien on fixed deposit on second pari-passu basis with other working capital members banks under the consortium.

**3 Primary security** - Same as State Bank of India Term loan (Refer Note 1 above).

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, and lien on fixed deposit on second pari-passu basis with other working capital members banks under the consortium, equitable mortgage of factory building at S19, S20 and S21 at Kasba, Kolkata, retail outlet at Rashbehari Avenue, Kolkata

**4 Primary security** - Same as State Bank of India Term loan (Refer Note 1 above).

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, and lien on fixed deposit on second pari-passu basis with other working capital members banks under the consortium.

## 17 LEASE LIABILITIES

Particulars	As at 31 <sup>st</sup> March 2022			As at 31 <sup>st</sup> March 2021		
	Non-Current	Current	Total	Non-Current	Current	Total
Lease Liabilities	991.33	163.97	1,155.30	1,172.56	209.66	1,382.22
<b>Total</b>	<b>991.33</b>	<b>163.97</b>	<b>1,155.30</b>	<b>1,172.56</b>	<b>209.66</b>	<b>1,382.22</b>

**17.1** The details of the contractual maturities of lease liabilities as at 31<sup>st</sup> March 2022 on an undiscounted basis are as follows:

Particulars	As at 31 <sup>st</sup> March 2022
Less than one year	163.97
One to two years	154.96
Two to three years	155.55
Three to four years	148.09
Four to five years	133.97
More than five years	398.76
<b>Total</b>	<b>1,155.30</b>

**17.2 (i)** The Group for the year ended 31<sup>st</sup> March 2022 has recognised expenses of ₹ 56.31 million (Previous year - ₹ 45.14 million) in relation to short-term leases and recorded as 'Rent expenses' under Other Expenses in Note 30.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

**17.2 (ii)** The Group for the year ended 31<sup>st</sup> March 2022 has recognised expenses of ₹2.36 million (Previous Year - ₹1.91 million) as variable lease payment for commissioned outlets and ₹0.83 million (Previous Year - ₹0.52 million) for leased outlet and recorded as 'Commission and Discount' under Other Expenses in Note 30.

**17.2 (iii)** The Group has benefited from waivers granted by various lessors of varied durations of lease payments on several leased premises in India. The waiver of lease payments of ₹48.20 million (Previous Year - ₹73.23 million) has been accounted for as a negative variable lease payment in the statement of profit or loss. The Group has derecognised the part of the lease liability that has been extinguished by the forgiveness of lease payments, consistent with the requirements of Ind AS 109:3.3.1

## 18 PROVISIONS - NON-CURRENT

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Other long term benefits</b>		
Leave Encashment	3.27	5.23
<b>Total</b>	<b>3.27</b>	<b>5.23</b>

## 19 OTHER NON-CURRENT LIABILITIES

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Deferred Government Grant	10.44	1.92
<b>Total</b>	<b>10.44</b>	<b>1.92</b>

## 20 BORROWINGS - CURRENT

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>SECURED</b>		
<b>Loans repayable on demand</b>		
<b>Cash Credit / Working Capital Demand Loans from Banks</b>		
State Bank of India Cash Credit [Refer Note 1 of 20.1]	434.29	313.36
Axis Bank Cash Credit [Refer Note 2 of 20.1]	7.76	5.41
ICICI Bank Cash Credit [Refer Note 2 of 20.1]	-	7.98
HDFC Bank Cash Credit [Refer Note 2 of 20.1]	255.58	293.33
Bank of India Cash Credit [Refer Note 3 of 20.1]	139.88	-
Central Bank of India Cash Credit [Refer Note 4 of 20.1]	51.24	-
Axis Bank Demand Loan [Refer Note 2 of 20.1]	36.40	36.00
ICICI Bank Demand Loan I [Refer Note 2 of 20.1]	20.00	40.00
ICICI Bank Demand Loan II [Refer Note 5 of 20.1]	125.00	125.00
<b>Total</b>	<b>1,070.15</b>	<b>821.08</b>



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## 20.1 Nature of Security of Cash Credit and Working Capital Demand 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, and lien on fixed deposit 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, and lien on fixed deposit on pari-passu basis with other working capital members banks under the consortium, personal guarantee of Managing Director and corporate guarantee of group company.

- 3 Primary security** - Same as State Bank of India Cash Credit (Refer Note 1 above).

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, and lien on fixed deposit on pari-passu basis with other working capital members banks under the consortium, equitable mortgage of property at Howrah, lien on fixed deposit, personal guarantee of Managing Director and corporate guarantee of group company.

- 4 Primary security** - Same as State Bank of India Cash Credit (Refer Note 1 above).

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, and lien on fixed deposit on pari-passu basis with other working capital members banks under the consortium, lien on fixed deposit, personal guarantee of Managing Director and corporate guarantee of group company.

- 5 Primary security** - Secured by mortgage of factory building at S19, S20 and S21 at Kasba, Kolkata, retail outlet at Rashbehari Avenue, Kolkata and personal guarantee of Managing Director.

## 21 TRADE PAYABLES

### Trade payables ageing schedule - as at 31<sup>st</sup> March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-
Others	1,750.49	20.11	27.34	2.95	1,800.89
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>1,750.49</b>	<b>20.11</b>	<b>27.34</b>	<b>2.95</b>	<b>1,800.89</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## Trade payables ageing schedule - as at 31<sup>st</sup> March 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-
Others	1,628.50	37.05	2.75	2.22	1,670.52
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>1,628.50</b>	<b>37.05</b>	<b>2.75</b>	<b>2.22</b>	<b>1,670.52</b>

## 22 OTHER FINANCIAL LIABILITIES - CURRENT

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Current maturities of long term debt	49.35	45.64
Interest accrued and due on borrowings	1.35	0.98
Interest accrued but not due on borrowings	0.36	-
Unpaid Dividend [Refer Note 22.1]	0.02	0.02
Deposits from customers	106.22	96.35
Other payables:		
Payables on purchase of property, plant and equipment	18.86	22.51
Others [Reimbursement claims, etc.]	0.04	0.54
<b>Total</b>	<b>176.20</b>	<b>166.04</b>

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

## 23 OTHER CURRENT LIABILITIES

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Advance from customers	20.34	31.39
Advance against sale of Assets held for disposal	25.00	5.00
Statutory remittances (GST, Contribution to Provident and Other Funds, Withholding Tax)	21.52	16.48
Deferred Government Grant	2.70	0.99
Others	0.23	0.67
<b>Total</b>	<b>69.79</b>	<b>54.53</b>

## 24 PROVISIONS - CURRENT

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Other short term benefits</b>		
Leave Encashment	1.20	1.46
<b>Total</b>	<b>1.20</b>	<b>1.46</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## 25 REVENUE FROM OPERATIONS

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
Sale of products *	5,816.65	6,179.63
[Refer Note 25.1]		
Other operating revenues [Refer Note 25.2]	94.15	82.15
<b>Total</b>	<b>5,910.80</b>	<b>6,261.78</b>

\* Net of sales returns

### 25.1 Details of sale of products

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
Footwear and accessories	5,816.65	6,179.63
<b>Total</b>	<b>5,816.65</b>	<b>6,179.63</b>

### 25.2 Details of other operating revenues

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
Sale of ancillaries	59.90	52.37
Scrap sales	33.42	29.78
Export incentives	0.83	-
<b>Total</b>	<b>94.15</b>	<b>82.15</b>

## 26 OTHER INCOME

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
Interest income comprises interest from:		
- Deposits with banks - carried at amortised cost	2.13	2.68
- Other financial assets measured at amortised cost	17.81	21.43
- On Income Tax Refunds	1.83	1.03
Gain arising on sale of financial assets mandatorily measured at Fair Value through Profit and Loss	0.05	0.27
Other non-operating income (Rental income, etc.)	140.93	155.38
<b>Total</b>	<b>162.75</b>	<b>180.79</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

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

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>Inventories at the end of the year</b>		
Work - in - progress	89.95	48.87
Finished goods	270.46	176.17
Stock-in-trade	1,051.32	1,015.72
	<b>1,411.73</b>	<b>1,240.76</b>
<b>Inventories at the beginning of the year</b>		
Work - in - progress	48.87	54.75
Finished goods	176.17	335.91
Stock-in-trade	1,015.72	1,140.99
	<b>1,240.76</b>	<b>1,531.65</b>
<b>Total</b>	<b>(170.97)</b>	<b>290.89</b>

## 28 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
Salaries and wages	508.95	532.60
Contribution to Provident and other funds	23.17	26.17
Share based payments to employees	0.54	1.71
Staff Welfare Expenses	40.94	47.58
<b>Total</b>	<b>573.60</b>	<b>608.06</b>

## 29 FINANCE COSTS

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
Interest expense on financial liabilities measured at amortised cost	119.72	121.28
Interest expense on lease liabilities	107.53	132.47
<b>Total</b>	<b>227.25</b>	<b>253.75</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## 30 OTHER EXPENSES

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
Consumption of Stores	8.10	6.07
Power and Fuel	170.67	152.52
Rent [Refer Note 17.2 (i)]	72.97	65.30
Rates and Taxes	11.01	13.41
Bank Charges	14.06	14.20
Insurance	19.41	19.62
Repairs:		
Plant and Machinery	13.58	14.39
Others	86.57	88.99
Travelling and Conveyance Expenses	37.13	24.17
Printing and Stationery	3.63	3.21
Postage, Telephone and other Communication Expenses	10.64	12.78
Advertising, Marketing and Sales Promotion Expenses	182.18	198.99
Freight Charges, Transport and Delivery	148.60	168.56
Jobwork Charges	210.65	190.52
Professional Fees	29.50	28.07
Commission and Discount [Refer Note 17.2 (ii)]	72.65	86.96
Legal Expenses	0.23	0.08
Debts/Advances written off	4.60	6.06
Loss on sale/discard of property, plant and equipments - Net	20.78	22.13
Provision for doubtful debts, advances and other assets	2.28	6.13
Security Hire Charges	9.71	15.30
Miscellaneous Expenses (Refer Note 30.1 and 33)	17.58	23.89
<b>Total</b>	<b>1,146.54</b>	<b>1,161.35</b>

30.1 Miscellaneous Expenses include :

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
Amount paid /payable to Auditors (excluding tax)		
- Statutory Audit	1.13	1.97
- Tax Audit	0.15	0.40
- Other matters	1.08	1.79
- Out of pocket expenses	0.09	0.03
<b>Total</b>	<b>2.45</b>	<b>4.19</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## 31 INCOME TAX EXPENSES

### A Amount recognised in profit or loss

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>Current tax</b>		
Income tax for the year		
Current tax	-	-
Adjustments/(credits) related to previous years - Net		
Current tax	0.01	(4.73)
<b>Total Current tax</b>	<b>0.01</b>	<b>(4.73)</b>
<b>Deferred tax</b>		
Deferred tax for the year	13.13	(97.36)
<b>Total</b>	<b>13.14</b>	<b>(102.09)</b>

### B Amount recognised in other comprehensive income

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
The tax (charge)/credit arising on income and expenses recognised in other comprehensive income is as follows:		
<b>Deferred tax</b>		
On items that will not be reclassified to profit or loss		
Re-measurement (gains)/losses on defined benefit plans	(0.64)	(0.60)
<b>Total</b>	<b>(0.64)</b>	<b>(0.60)</b>

### C Reconciliation of effective tax rate

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
Profit/(Loss) before tax	77.52	(431.53)
Applicable tax rate	25.168%	25.168%
Income tax expense on above rate	19.51	(108.61)
Effect of unused tax loss not recognised as deferred tax assets	0.05	0.08
Expenses not allowable under tax laws	17.30	27.57
Additional expenses allowable under tax laws	(23.73)	(16.40)
	<b>13.13</b>	<b>(97.36)</b>
Tax adjustment of prior periods	0.01	(4.73)
Tax as per statement of profit and loss	<b>13.14</b>	<b>(102.09)</b>

#### Note:

The Group has long term capital losses of ₹49.99 million (31<sup>st</sup> March 2021 - ₹ 49.99 million) for which no deferred tax assets have been recognised. These losses are due to expire in the following year:

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
Assessment year 2026-2027	49.99	49.99
	<b>49.99</b>	<b>49.99</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

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

	Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
i.	Profit/(Loss) after Tax attributable to the Equity Shareholders	64.38	(329.44)
ii.	Weighted average number of equity shares outstanding for the purpose of basic earnings per share	1,79,69,614	1,79,69,614
iii.	Weighted average number of equity shares in computing diluted earnings per share	1,79,69,614	1,79,69,614
iv.	Earnings per share on profit/(loss) for the year (Face value ₹10/- per share)		
	- Basic [(i) / (ii)]	3.58	(18.33)
	- Diluted [(i) / (iii)]	3.58	(18.33)

**33** Miscellaneous Expenses included in "Note 30 - Other Expenses" includes expenditure incurred under Section 135 of the Companies Act, 2013 on Corporate Social Responsibility (CSR) activities and the same represents contributions for promoting health care, education and other expenses. Gross amount required to be spent by the Group is ₹Nil (Previous Year - ₹3.35 million) and amount spent during the year is ₹0.35 million (Previous Year - ₹3.47 million).

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

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

### Geographical information

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>Revenue from external customers</b>		
- Within India	5,909.38	6,261.78
- Outside India	1.42	-
<b>Total</b>	<b>5,910.80</b>	<b>6,261.78</b>

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Non-current assets*</b>		
- Within India	2,150.01	2,453.15
- Outside India	-	-
<b>Total</b>	<b>2,150.01</b>	<b>2,453.15</b>

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

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## 35 Contingent Liabilities in respect of -

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Claims not acknowledged as debts :</b>		
a. Sales Tax Matters under dispute	2.68	6.55
b. Income Tax Matters under dispute	1.62	1.62

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

**36** The Hon'ble National Group Law Tribunal, Kolkata Bench vide its order dated 6th January 2021, approved a Scheme of Arrangement under Sections 230-232 and other applicable provisions of the Companies Act, 2013 ("Scheme"). Pursuant to the Scheme, the entire undertaking of Tetenal Photochemie Private Limited, Photo Imaging Private Limited, Moviewallah Communications Private Limited and Knightsville Private Limited ("Transferor Companies"), together with all assets and liabilities relating thereto were amalgamated in Khadim Development Company Private Limited ("Transferee Group") with appointed date being 1st October 2019. The said scheme became effective w.e.f. 8th September 2021, pursuant to which, all the shares of the Group held by the said transferor companies were transferred to Khadim Development Company Private Limited which hence became the holding company of Khadim India Limited.

## 37 Commitments

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Capital Commitment (Net of capital advances - ₹5.36 million; 31 <sup>st</sup> March 2021 - ₹0.42 million)	21.77	0.78

## 38 Employee Benefits

The Group has recognized, in the Consolidated Statement of Profit and Loss for the year ended 31st March 2022 an amount of ₹19.31 million (Previous Year - ₹21.69 million) as expenses under defined contribution plans (Employer's Contribution to Provident and Other Funds) under note 28.

### 38.1 Defined Benefit Plan

#### Description of Plans

The employees' gratuity fund scheme is managed by Life Insurance Corporation Of India (LIC) as a defined benefit plan. The present value of obligation is determined by actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

#### Risk Management

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

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

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



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

**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.

## 38.2

Particulars	Gratuity (Funded)	
	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>I. Components of Employer Expense</b>		
- recognized in Consolidated Statement of Profit and loss		
a. Current Service cost	4.07	4.59
b. Net Interest cost	(0.22)	(0.11)
<b>c. Total expense recognized in the Consolidated Statement of Profit and Loss</b>	<b>3.85</b>	<b>4.48</b>
- Re-measurements recognized in Other Comprehensive Income		
d. Return on plan assets (excluding amounts included in Net interest cost)	0.34	0.57
e. Effect of changes in financial assumptions	(0.75)	0.51
f. Effect of experience adjustments	(2.15)	(3.45)
<b>g. Total re-measurement loss/(gain) included in Other Comprehensive Income</b>	<b>(2.56)</b>	<b>(2.37)</b>
<b>h. Total defined benefit cost recognized in Consolidated Statement of Profit and Loss and Other Comprehensive Income (c+g)</b>	<b>1.29</b>	<b>2.11</b>

The current service cost and net interest cost for the year pertaining to Gratuity expenses have been recognized in "Contribution to Provident and other funds" under Note 28. The re-measurements of the net defined benefit liability are included in Other Comprehensive Income .

Particulars	Gratuity (Funded)	
	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>II. Actual Returns</b>	<b>3.63</b>	<b>3.22</b>
<b>III. Changes in Defined Benefit Obligation (DBO)</b>		
a. Present value of DBO at the beginning of the year	54.39	52.50
b. Current Service Cost	4.07	4.59
c. Interest Cost	3.76	3.68
d. Re-measurement losses/(gains):		

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

Particulars	Gratuity (Funded)	
	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
- Effect of changes in financial assumptions	(0.75)	0.51
- Effect of experience adjustments	(2.15)	(3.45)
e. Benefits paid	(7.34)	(3.44)
<b>f. Present value of DBO at the end of the year</b>	<b>51.98</b>	<b>54.39</b>
<b>IV. Change in the Fair Value of Plan Assets</b>		
a. Plan Assets at the beginning of the year	60.57	50.78
b. Interest income	3.97	3.80
c. Re-measurement losses on plan assets	(0.34)	(0.57)
d. Actual Company contributions	1.28	10.00
e. Benefits paid	(7.34)	(3.44)
<b>f. Plan Assets at the end of the year</b>	<b>58.14</b>	<b>60.57</b>

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>V. Net Asset/(Liability) recognized in Consolidated Balance Sheet</b>		
a. Present value of Defined Benefit Obligation	51.98	54.39
b. Fair value of Plan Assets	58.14	60.57
c. Funded Status [Surplus/(Deficit)]	6.16	6.18
<b>d. Net Asset/(Liability) recognized in Consolidated Balance Sheet</b>	<b>6.16</b>	<b>6.18</b>
- Current	6.16	6.18
- Non-Current	-	-
<b>VI. Best estimate of Employers' expected contribution for the next year</b>	<b>4.09</b>	<b>4.50</b>

## VII. Actuarial Assumptions

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
a. Discount Rate (%)	7.10%	6.90%
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.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

## VIII. Major Category of Plan Assets as a % of the Total Plan Assets

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Gratuity - Funds managed by Insurer (LIC in Group Gratuity Scheme)	100%	100%

In the absence of detailed information regarding plan assets which is funded with Insurance Company, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

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

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>Gratuity</b>		
Present value of DBO	51.98	54.39
Fair value of plan assets	58.14	60.57
Funded status [Surplus / (Deficit)]	6.15	6.18
Experience gain / (loss) adjustments on plan liabilities	2.15	3.45
Experience gain / (loss) adjustments on plan assets	(0.34)	(0.57)

## X Sensitivity Analysis

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

Particulars	Gratuity - DBO as at	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
1. Discount rate + 100 basis points	47.83	49.92
2. Discount rate - 100 basis points	56.69	59.50
3. Salary increase rate + 1%	56.81	59.59
4. Salary increase rate - 1%	47.62	49.69

## XI. Maturity analysis of the benefit payments

Particulars	Gratuity	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Year 1	3.22	3.57
Year 2	2.81	0.87
Year 3	3.60	0.43
Year 4	3.13	1.49
Year 5	4.00	1.35
Next 5 years	26.69	27.07

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

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## 39 Related Party Disclosure as per requirements of Ind AS 24 on “Related Party Disclosures”

### A) List of Related Parties

Holding Company	Knightsville Private Limited (till 8th September 2021) [Refer Note 36] Khadim Development Company Private Limited (w.e.f 8th September 2021) [Refer Note 36]
Key Management Personnel (KMP)	Mr. Siddhartha Roy Burman - Chairman and Managing Director Mr. Ritoban Roy Burman, Non-Executive Director Dr. Indranath Chatterjee, Non-Executive Independent Director Prof. (Dr.) Surabhi Banerjee, Non-Executive Independent Director Mr. Alok Chauthmal Churiwala, Non-Executive Independent Director Mr. Rittick Roy Burman, Wholetime Director Ms. Namrata Ashok Chotrani, Chief Executive Officer 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 (till 8th September 2021) 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 Storyscope Films Private Limited
Relatives of KMP	Mrs. Namita Roy Burman (Mother of Mr. Siddhartha Roy Burman)

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### B) Particulars of transactions during the year ended 31<sup>st</sup> March 2022:

Particulars	For the year ended 31 <sup>st</sup> March 2022		For the year ended 31 <sup>st</sup> March 2021	
<b>I) Holding Company #</b>				
a) Rent paid to Khadim Development Co. Pvt Ltd		0.84		-
b) Rent received from Khadim Development Co. Pvt Ltd		0.02		-
<b>II) Key Management Personnel ^</b>				
a) Remuneration				
- Mr. Siddhartha Roy Burman #	26.52		23.49	
- Mr. Rittick Roy Burman	2.27		1.98	
- Ms. Namrata Ashok Chotrani	6.31		5.67	

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

Particulars	For the year ended 31 <sup>st</sup> March 2022		For the year ended 31 <sup>st</sup> March 2021	
- Mr.Indrajit Chaudhuri	3.45		3.03	
- Mr.Abhijit Dan	2.29	40.83	1.69	35.86
b) Share based payments				
- Mr.Indrajit Chaudhuri		0.09		0.29
c) Rent paid to Mr.Siddhartha Roy Burman		0.08		0.08
d) Sitting fees				
- Dr.Indranath Chatterjee	0.45		0.38	
- Prof.(Dr.) Surabhi Banerjee	0.47		0.40	
- Mr.Alok Chauthmal Churiwala	0.45		0.38	
- Mr.Ritoban Roy Burman	0.14	1.51	0.07	1.23
e) Commission				
- Dr.Indranath Chatterjee	0.20		0.10	
- Prof.(Dr.) Surabhi Banerjee	0.20		0.10	
- Mr.Alok Chauthmal Churiwala	0.20	0.60	0.10	0.30
f) Unsecured loan taken from Mr.Siddhartha Roy Burman		-		50.00
g) Unsecured loan repaid to Mr.Siddhartha Roy Burman (including interest of ₹0.76 million)		-		50.76
<b>III) Enterprises over which KMP and their relatives exercise significant influence</b>				
a) Rent paid to Khadim Development Co. Pvt Ltd #		-		0.84
b) Commission paid				
- Khadim Enterprises	0.19		0.16	
- Bee Tee Enterprises	0.49		0.38	
- Sheila Departmental Stores Pvt Ltd	0.36		0.26	
- St. Mary's Clinic & Drug Stores	0.07	1.11	0.05	0.85
c) Rent received				
- K M Khadim & Co.	0.03		0.03	
- Khadim Estate Advisors Pvt Ltd	0.03		0.05	
- Sheila Departmental Stores Pvt Ltd	0.02		-	
- Storyscope Films Private Limited	0.02	0.10	-	0.08
<b>IV) Relatives of Key Management Personnel</b>				
Remuneration				
- Mrs.Namita Roy Burman		1.38		1.44

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Outstanding Balances</b>		
<b>I) Key Management Personnel</b>		
- Mr.Siddhartha Roy Burman	(3.05)	-
- Mr.Rittick Roy Burman	(0.27)	-
- Dr.Indranath Chatterjee	(0.18)	(0.09)
- Prof.(Dr.) Surabhi Banerjee	(0.18)	(0.09)
- Mr.Alok Chauthmal Churiwala	(0.18)	(0.09)
<b>II) Enterprises over which KMP and their relatives exercise significant influence</b>		
- Khadim Enterprises	(0.15)	(0.04)
- Bee Tee Enterprises	(0.11)	(0.27)
- Sheila Departmental Stores Pvt Ltd	(0.40)	(0.08)
- St. Mary's Clinic & Drug Stores	0.31	0.38
- Khadim Development Co Pvt Ltd	(0.23)	(0.06)
- Khadim Estate Advisors Pvt Ltd	0.08	0.05
- Storyscope Films Private Limited	0.02	-
- K M Khadim & Co.	0.00	-

# Also refer Note 20.1 in respect of guarantees given for loans taken by the Group.

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

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

	Name of the Scheme	Khadim Employee Stock Option Plan 2017
i.	Date of Shareholders' approval	: 17th June 2017
ii.	Total number of Options approved under the Scheme	: Options equivalent to 1,86,465 equity shares of ₹10/- each
iii.	Vesting schedule	: 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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

	Name of the Scheme	Khadim Employee Stock Option Plan 2017
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 2021-22 is ₹0.54 million (Previous Year - ₹1.71 million).
ix.	Nature and extent of employee share based payment plan that existed during the period including the general terms and conditions of the plan	: Each option entitles the holder thereof to apply for and be allotted one equity share of ₹10 each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of five years from such date.
x.	Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock	: Weighted average exercise price per Option - ₹320 Weighted average fair value per Option - ₹310
xi.	Option movements during the year:	
a.	Options outstanding at the beginning of the year	: 34,560
b.	Options granted during the year	: -
c.	Options cancelled and lapsed during the year	: -
d.	Options vested and exercisable during the year (net of Options lapsed and exercised)	: 15,136
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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

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

## 41 Financial Instruments and related disclosures

### A Capital Management

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

### B Categories of Financial Instruments

Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	Carrying value	Fair value	Carrying value	Fair value
<b>I Financial assets</b>				
<b>a. Measured at amortised cost</b>				
Trade receivables	1,331.13	1,331.13	1,206.97	1,206.97
Cash and cash equivalents	31.13	31.13	12.46	12.46
Other bank balances	76.00	76.00	26.83	26.83



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

	Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
		Carrying value	Fair value	Carrying value	Fair value
	Other financial assets	285.02	285.02	280.58	280.58
	<b>Total Financial assets</b>	<b>1,723.28</b>	<b>1,723.28</b>	<b>1,526.84</b>	<b>1,526.84</b>
<b>II</b>	<b>Financial liabilities</b>				
<b>a.</b>	<b>Measured at amortised cost</b>				
	Lease liabilities	1,155.30	1,155.30	1,382.22	1,382.22
	Borrowings	1,218.52	1,218.52	1,013.94	1,013.94
	Trade payables	1,800.89	1,800.89	1,670.52	1,670.52
	Other financial liabilities	176.20	176.20	166.04	166.04
	<b>Total Financial liabilities</b>	<b>4,350.91</b>	<b>4,350.91</b>	<b>4,232.72</b>	<b>4,232.72</b>

## 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 31 <sup>st</sup> March 2022	Carrying value	Less than 1 year	Between 1 to 5 years	Beyond 5 years	Total
Lease liabilities	1,155.30	163.97	592.57	398.76	1,155.30
Borrowings	1,218.52	1,070.15	148.37	-	1,218.52
Trade payables	1,800.89	1,800.89	-	-	1,800.89
Other financial liabilities	176.20	176.20	-	-	176.20
<b>Total</b>	<b>4,350.91</b>	<b>3,211.21</b>	<b>740.94</b>	<b>398.76</b>	<b>4,350.91</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

As at 31 <sup>st</sup> March 2021	Carrying value	Less than 1 year	Between 1 to 5 years	Beyond 5 years	Total
Lease liabilities	1,382.22	209.66	743.50	429.06	1,382.22
Borrowings	1,013.94	821.08	192.86	-	1,013.94
Trade payables	1,670.52	1,670.52	-	-	1,670.52
Other financial liabilities	166.04	166.04	-	-	166.04
<b>Total</b>	<b>4,232.72</b>	<b>2,867.30</b>	<b>936.36</b>	<b>429.06</b>	<b>4,232.72</b>

## Credit Risk

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

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

Particulars	Expected Loss Provision	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Opening Balance	57.88	51.75
Add: Provisions made (net)	2.28	6.13
Closing Balance	<b>60.16</b>	<b>57.88</b>

Of the trade receivables balance at the end of the year, ₹326 million (31<sup>st</sup> March 2021: ₹326 million) is due from a customer, which exceeded 20 per cent of gross financial assets at the end of the year. Management has assessed the recoverability and believes that the amount is fully recoverable. Apart from this, the Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

## Foreign currency Risk

The 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:

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
	USD	USD
Financial assets	2.33	2.25
Financial liabilities	16.25	62.10

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

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

Particulars	Currency	Cross Currency	Buy
As at 31 <sup>st</sup> March 2022	USD	Rupees	0.21
As at 31 <sup>st</sup> March 2021	USD	Rupees	0.85

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

## 42 Fair value measurement

### Fair value hierarchy

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

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

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

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

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

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

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

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

	Particulars	Fair value hierarchy (Level)	Fair value	
			As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>I</b>	<b>Financial assets</b>			
<b>a.</b>	<b>Measured at amortised cost</b>			
	Other financial assets - Non-Current	3	176.11	179.32
	<b>Total Financial assets</b>		<b>176.11</b>	<b>179.32</b>
<b>II</b>	<b>Financial liabilities</b>			
<b>a.</b>	<b>Measured at amortised cost</b>			
	Borrowings - Non-Current	3	148.37	192.86
	<b>Total Financial liabilities</b>		<b>148.37</b>	<b>192.86</b>

## 43 Micro, Small and Medium scale business entities:

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

Sl. No.	Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
	Principal	Nil	Nil
	Interest	Nil	Nil
2	The amount of interest paid by the buyer in terms of section 16, of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	Nil	Nil
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	Nil	Nil

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rupees million, unless otherwise stated)

- 44** There are no material discrepancies between the quarterly returns and statements of current assets filed by the Group with banks and the books of accounts.
- 45** The Group's operations and financial results have been adversely impacted by COVID-19 pandemic. With the gradual resumption of operations, units have started functioning though challenges still exist. On the basis of the assessment done by the management the carrying amounts of assets are recoverable. The impact of pandemic may be different from that estimated as at the date of these financial results and the Group will closely monitor any material changes to the future economic conditions.
- 46** Additional information as required by Paragraph 2 of the General Instructions for Preparation of consolidated financial statements to Schedule III to the Companies Act, 2013:

Name of the entity	Net Assets		Share in Profit		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Income	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
<b>Parent</b>								
Khadim India Limited	100.01%	2,075.51	100.32%	64.59	100.00%	1.92	100.32%	66.51
<b>Subsidiary</b>								
<b>Foreign</b>								
Khadim Shoe Bangladesh Limited	-0.01%	(0.17)	-0.32%	(0.21)	-	-	-0.32%	(0.21)
<b>Total</b>	<b>100.00%</b>	<b>2,075.34</b>	<b>100.00%</b>	<b>64.38</b>	<b>100.00%</b>	<b>1.92</b>	<b>100.00%</b>	<b>66.30</b>

- 47** The consolidated financial statements were approved for issue by the Board of Directors on 25<sup>th</sup> May 2022

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

Place : Kolkata  
Date : 25<sup>th</sup> May 2022

# NOTICE

**NOTICE** is hereby given that the 41<sup>st</sup> (Forty-First) Annual General Meeting ('AGM') of the Members of Khadim India Limited ("the Company") will be held on **Friday, September 23, 2022 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, 2022 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint Director in place of Mr. Rittick Roy Burman (DIN: 08537366), who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS:

3. **Re-appointment of Mr. Rittick Roy Burman (DIN: 08537366) as a 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 the Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and Board of Directors and subject to such other consents and permissions, as may be required, the approval of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Rittick Roy Burman (DIN: 08537366), as a Whole-time Director ("Key Managerial Personnel") of the Company, for a further period of 3 (Three) years with effect from November 08, 2022 till November 07, 2025 (both days inclusive) 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 re-appointment) and on such terms and conditions as set out in the explanatory statement annexed hereto with liberty to the Board of Directors to vary, amend or revise the remuneration within the maximum ceiling and the terms and conditions of the said re-appointment in accordance with the provisions of the Companies Act, 2013 and as may be agreed to between the Board of Directors and Mr. Rittick Roy Burman."

4. **Re-appointment of Mr. Alok Chauthmal Churiwala (DIN: 02043221) as an Independent Director of the Company for a second term of 5 consecutive years**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149 & 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, the rules made thereunder, Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and Board of Directors, the approval of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Alok Chauthmal Churiwala (DIN: 02043221), for a second term of 5 (Five) consecutive years, commencing from May 11, 2023 to May 10, 2028, who is currently holding the office as an Independent Director up to May 10, 2023 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, as an Independent Director of the Company, not liable to retire by rotation."

5. **Payment of commission to Independent Directors of the Company for the financial year ended March 31, 2022**

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

**"RESOLVED THAT** pursuant to the provisions of Section 149(9), 197, 198 and other applicable provisions, if any, of the Companies Act, 2013

## NOTICE

("the Act") and rules made thereunder read with Schedule V to the Act and Regulation 17(6)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company and subject to all other applicable approval(s) as may be required, the consent of the Members of the Company be and is hereby accorded for payment of commission of ₹ 2,00,000/- (Rupees Two Lakh Only) to each of the Independent Directors of the Company for the financial year ended March 31, 2022 in addition to the fees / reimbursement of expenses (if any) for attending the meetings of the Board and its Committees."

By Order of the Board of Directors

**Abhijit Dan**

Company Secretary & Head – Legal  
Membership No.: A21358

Date: May 25, 2022

Place: Kolkata

### NOTES:

- Pursuant to the General Circular No. 20/2020 dated May 05, 2020 read with General Circular No. 14/2020 dated April 08, 2020, No. 17/2020 dated April 13, 2020, No. 02/2021 dated January 13, 2021, No. 21/2021 dated December 14, 2021 and No. 02/2022 dated May 05, 2022 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, Circular Number SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and Circular Number SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by the Securities 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 will be held through VC / OAVM.
- 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.
- The information as required under Regulation 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. Rittick Roy Burman and Mr. Alok Chauthmal Churiwala at the AGM, is enclosed herewith and marked as **Annexure-II**.
- Since the AGM will be held through VC / OAVM facility, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not enclosed to this Notice.
- 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.
- 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.
- Corporate members are requested to send to the Company at [compliance@khadims.com](mailto:compliance@khadims.com), a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the AGM.
- Since the AGM will be held through VC / OAVM, the Route Map of the AGM venue is not enclosed to this Notice.
- 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

## NOTICE

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., Friday, September 23, 2022 at 11:30 a.m. Members seeking to inspect such documents can send an e-mail to [compliance@khadims.com](mailto:compliance@khadims.com) mentioning their names, folio numbers / demat account numbers and contact numbers.

10. To support the "Green Initiative", Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices and Circulars etc. from the Company electronically.
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 Saturday, September 17, 2022 till Friday, September 23, 2022 (inclusive of both days) for the purpose of the AGM of the Company.
12. Members are requested to quote the ledger folio / DP ID and Client ID in all communication with the Company.
13. Members are requested to:
  - a) intimate to the Secretarial Department / Company's Registrar and Transfer Agent, Link Intime India Private Limited (LIPL), or changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc. in prescribed Form ISR-1 and other forms (available on the Company's website at <https://www.khadims.com/information-for-holders-of-physical-securities>) pursuant to SEBI Circular dated November 03, 2021, in case of shares held in physical form; and
  - b) intimate to the respective Depository Participant, changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., in case of shares held in dematerialized form.
14. In accordance with Section 72 of the Companies Act, 2013 and SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 03, 2021 read with clarificatory SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated December 14, 2021, the facility for making nomination is available for the Members in respect of the shares held by them. Members are requested to submit the said details to LIPL in case the shares are held in physical form and to their respective DP in case the shares are held by them in dematerialized form.
15. **Procedure for registration as speakers / seek clarification:**
  - a) Members willing to express their views or ask questions during the AGM are required to register themselves as speakers by sending their requests, from Tuesday, September 13, 2022 (10:00 a.m. IST) to Friday, September 16, 2022 (5:00 p.m. IST), at [compliance@khadims.com](mailto:compliance@khadims.com) from their registered e-mail addresses, mentioning their names, folio numbers / demat account numbers, PAN details and mobile numbers. Only those Members who have registered themselves as speakers will be allowed to express their views / ask questions during the AGM. The Company / the Chairman of the Meeting reserves the right to restrict the number of questions, time allotted and number of speakers to ensure smooth conduct of the AGM.
  - b) Any Member desirous of receiving any information on the Financial Statements or Operations of the Company is requested to forward his / her queries to the Company through e-mail at [compliance@khadims.com](mailto:compliance@khadims.com), mentioning his / her name, folio numbers / demat account numbers, e-mail addresses and mobile numbers, at least seven working days prior to the AGM, so that the required information can be made available during the AGM.



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

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

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

18. In compliance with the MCA Circulars and the aforesaid SEBI Circular dated May 12, 2020, January 15, 2021 and May 13, 2022, Notice of the AGM along with the Annual Report is being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories / RTA. Members may note that the Notice and Annual Report will also be available on the website of the Company viz., [www.khadims.com](http://www.khadims.com) and on the websites of the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com). The Notice will also be available on the website of NSDL at [www.evoting.nsd.com](http://www.evoting.nsd.com).

19. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. issue of duplicate securities certificate; claim from unclaimed suspense account; renewal / exchange of securities certificate; endorsement; sub-division / splitting of securities certificate; consolidation of securities certificates / folios; transmission and transposition.

Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website at <https://www.khadims.com/information-for-holders-of-physical-securities> and on the RTA's website at <https://linkintime.co.in/>. It may be noted that any service request can be processed only after the folio is KYC Compliant.

In view of this, members holding shares in physical form 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 through the NSDL e-voting system.

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

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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.

### 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, 4<sup>th</sup> Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013, to provide remote e-voting services and e-voting facility during the AGM, who are holding the shares as on the cut-off date.
- 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 Tuesday, September 20, 2022 and ends at 5:00 p.m. IST on Thursday, September 22, 2022.** During this period, the Members of the Company, holding shares either in physical or dematerialized mode,

as on the **cut-off date i.e., Friday, September 16, 2022** may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

- iv) 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, 3<sup>rd</sup> 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 and remote e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated scrutinizer's report of the total votes cast in favour or against, if any, not later than 3 (Three) days of conclusion of the AGM or within 2 (Two) working days of conclusion of the AGM, whichever is earlier. The Scrutinizer thereafter shall submit the said Report to the Chairman or a person authorized by him in writing who shall countersign the same and declare within the stipulated time, the results of the voting forthwith. The resolution(s) shall be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes.
- 24. The results declared along with the scrutinizer's report shall be placed on the website of the Company i.e., [www.khadims.com](http://www.khadims.com) and on the website of NSDL immediately after the results are declared by the Chairman or a person authorised by him in writing. The same shall be communicated by the Company to the stock exchanges i.e., BSE Limited and National Stock Exchange of India Limited.

# NOTICE

## Annexure-I

### EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF COMPANIES ACT, 2013

#### Item No. 3

The Members of the Company, vide its 39<sup>th</sup> Annual General Meeting held on September 23, 2020, had approved the appointment of Mr. Rittick Roy Burman (DIN: 08537366) as the Whole-time Director ("Key Managerial Personnel") for a period of 3 (Three) years with effect from November 08, 2019 till November 07, 2022 (both days inclusive).

The Board has, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members, approved the re-appointment of Mr. Rittick Roy Burman, Whole-time Director, post completion of his term, for a further period of 3 (Three) years with effect from November 08, 2022 till November 07, 2025 (both days inclusive).

Mr. Rittick Roy Burman holds 3,850 equity shares (0.0214%) 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 a declaration in Form DIR - 8 stating that he is not disqualified from being re-appointed as a Whole-time Director in terms of Section 164 of the Act. He satisfies all the conditions as set out in Section 196(3) of the Act and Part-I of Schedule V to the Act, for being eligible for his re-appointment.

Further, taking into consideration his contribution towards the growth of the Company, his re-appointment would be immensely beneficial for the Company.

The broad terms and conditions of the proposed re-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. Basic Salary

Not exceeding ₹ 26,91,444/- (Rupees Twenty Six Lakh Ninety One Thousand Four Hundred and Forty Four Only) per annum. Further, the annual increments to the basic salary shall be as per the Company Rules and not exceeding 20% per annum on the last drawn basic salary.

#### II. Performance Linked Incentive

Mr. Rittick Roy Burman shall be entitled to variable pay of not exceeding ₹ 2,94,800/- (Rupees Two Lakh Ninety Four Thousand and Eight Hundred 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, chauffeur driven car.
- ii. Medical Facilities:  
As per Company Rules.
- 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.

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- 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 re-appointment in case of loss or inadequacy of profit.

### Sitting Fees

Mr. 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 proposed re-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 Wholeselling.
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, 2022.
5. **Foreign Investment or collaborations, if any:**  
No such investment or collaboration yet.

### II. Information about Mr. Rittick Roy Burman:

Particulars	Mr. Rittick Roy Burman
Background Details	<p>Mr. Rittick Roy Burman is a member of the Promoter Group, Whole-time Director (Key Managerial Personnel) of the Company.</p> <p>Post his Graduation, he worked with the Company for 3 (Three) years in various departments to gain an overall understanding of the business. Prior to his appointment as a Whole-time Director, he acted as Head – Merchandising &amp; New Initiative, taking care of the long term strategy of the organisation and drive new initiatives, ventures and merchandising of the Company.</p> <p>He holds a Bachelor's Degree in Commerce from the University of Calcutta. He completed his further studies in Berkeley, University of California as a Management Graduate.</p>
Past Remuneration	₹ 2.27 million for the financial year ended March 31, 2022.
Recognition and Award	The Company incorporated Khadim Shoe Bangladesh Limited, a wholly-owned subsidiary in Bangladesh for the purpose of venturing into the footwear domain of the said neighbouring country under the able leadership of Mr. Rittick Roy Burman.
Job profile and his suitability	To look after the overall Management of the Company in association with the Chairman & Managing Director.
Remuneration proposed	As mentioned above

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Particulars	Mr. Rittick Roy Burman
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	<p>The proposed remuneration commensurate with respect to the industry standard and on account of the varied experience of the appointee in the Footwear Industry.</p> <p>The proposed remuneration is determined based on the recommendations of the Nomination and Remuneration Committee.</p>
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:	<p>No pecuniary relationship with the Company except the contractual payments mentioned above and also whatever disclosed in the Notes to the Audited Financial Statements of the Company for the financial year ended on March 31, 2022 under the head Related Party disclosure.</p> <p>He is the son of Mr. Siddhartha Roy Burman, Chairman &amp; Managing Director and brother of Mr. Ritoban Roy Burman, Non – Executive, Non - Independent Director.</p>

### III. Other Information

a. Reasons for loss or inadequate profits:

The Company has achieved profit for the financial year ended March 31, 2022. However, the financial and operational performance of the Company may be impacted considering the uncertainties and challenges posed by resurgence of Covid-19 Pandemic or any other reasons. Hence, there may be inadequate profits or no profits during the tenure of Mr. Rittick Roy Burman and in such event Mr. Rittick Roy Burman would require to be compensated adequately considering the abilities and rich experience possessed by him.

b. Steps taken or proposed to be taken for improvement:

The Company is improving capacity utilization to the optimum level for all its plants for attaining economies of scale. The Company has increased its concentration towards online sales through effective marketing activities. Furthermore, the Company is also focused towards enhancing its omnichannel sales network by interlinking its e-commerce platform and stores across the country. The Company is in frequent interaction with the customers and other stakeholders through digital communication via WhatsApp, Instagram, Facebook etc.

c. Expected increase in productivity and profits in measurable terms:

After taking steps as stated above, the Company shall be in a position to strengthen its capabilities as well as address the future opportunities in India and other markets of choice. The above measures undertaken are expected to yield positive results and improve the financial performance of the Company in the coming years.

### IV. Disclosures

The requisite details of remuneration payable to Mr. Rittick Roy Burman are included in the Corporate Governance Report, forming part of the Board's Report of FY 2021-22 of the Company.

Name of the Companies in which Mr. Rittick Roy Burman 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
3.	Storyscope Films Private Limited	Director

In accordance with provisions of Sections 196, 197, 198 and other applicable provisions of the Act, read with Schedule V to the said Act, the re-

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appointment of Mr. Rittick Roy Burman as Whole-time Director and the terms of remuneration payable to him requires approval of the Members by passing a Special Resolution.

The Board recommends the Special Resolution set out at Item No. 3 for approval of the shareholders.

The Company has received a Notice in writing under Section 160 of the Act from a Member proposing the said re-appointment of Mr. Rittick Roy Burman.

All relevant documents concerning re-appointment of Mr. Rittick Roy Burman as Whole-time Director shall be open for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e., Friday, September 23, 2022.

Except Mr. Rittick Roy Burman (self), Mr. Siddhartha Roy Burman (father) and Mr. Ritoban Roy Burman (brother) and their relatives, none of the Directors 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.

### Item No. 4

Mr. Alok Chauthmal Churiwala, Independent Director had been appointed by the Members at the 37<sup>th</sup> Annual General Meeting held on September 06, 2018 for a term of 5 (Five) consecutive years from May 11, 2018 till May 10, 2023.

Based on rich experience, professional skill, knowledge, continued valuable guidance to the management and the contributions made by Mr. Alok Chauthmal Churiwala during his association with the Company and also on the basis of his performance evaluation, the Board of Directors of the Company has, on the recommendation of the Nomination and Remuneration Committee, considered it desirable that it shall be in the interest of the Company to continue to avail the services of Mr. Alok Chauthmal Churiwala, as an Independent Director of the Company.

Further, in the opinion of the Board, Mr. Alok Chauthmal Churiwala fulfils the conditions specified in the Act read with Schedule IV to the Act and Rules made thereunder and also under the Listing Regulations for re-appointment as an Independent Director of the Company.

Mr. Alok Chauthmal Churiwala is independent of the Management of the Company.

It is therefore proposed to re-appoint Mr. Alok Chauthmal Churiwala as an Independent Director of the Company, to hold office for a second term of 5 (Five) consecutive years, commencing from May 11, 2023 to May 10, 2028, with a period of office not liable to retire by rotation.

The details of Mr. Alok Chauthmal Churiwala are provided in the Annexure-II to the Notice pursuant to the provisions of the Listing Regulations and Secretarial Standards on General Meetings.

Mr. Alok Chauthmal Churiwala is eligible and is not disqualified from being re-appointed as Director in terms of Section 164 of the Act and has consented to continue as an Independent Director of the Company. The Company has also received a declaration that he meets with the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 25(8) of the Listing Regulations.

Name of the Companies in which Mr. Alok Chauthmal Churiwala holds directorship other than the Company are:

Sl. No.	Name of the Company	Designation
1.	Churiwala Securities Private Limited	Managing Director
2.	Churiwala Holdings and Finance Private Limited	Director

The Company has pursuant to Section 160 of the Act, received notice, in writing, from a Member proposing his candidature for re-appointment as an Independent Director.

All relevant documents concerning re-appointment of Mr. Alok Chauthmal Churiwala as an Independent Director shall be open for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e., Friday, September 23, 2022.

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None of the Directors / Key Managerial Personnel of the Company or their relatives except Mr. Alok Chauthmal Churiwala are concerned or interested (financially or otherwise), in the proposed resolution to be passed as a Special Resolution.

The Board recommends the Special Resolution as set out in Item No. 4 of the Notice, for approval of the Members of the Company.

### Item No. 5

The Company is being immensely benefited from the expertise, skill, knowledge, experience, continued valuable guidance provided by the Independent Directors to the management.

The Independent directors devote their valuable time during Board and Committee meetings of the Company and discuss with the management on the strategic and critical issues and provide guidance and suggestions for the same from time to time for the welfare of the Company.

Considering their roles and responsibilities, the Board of Directors of the Company at its meeting held on May 25, 2022 have approved payment of commission of ₹ 2,00,000/- (Rupees Two Lakh Only) to each of the Independent Directors of the Company for the financial year ended March 31, 2022 in addition to the fees for attending the meetings of the Board and its Committees, subject to the approval of the Members.

The amount of commission is determined by the Board of Directors as per Remuneration policy of the Company.

In the opinion of the Board of Directors and based on the recommendation of the Nomination and Remuneration Committee, the commission proposed to be paid to Independent Directors is reasonable and justify the expertise, skill, knowledge, experience, guidance and time devoted by Independent Directors for the business affairs of the Company. The Board of Directors recommend passing of this resolution as set out in Item No. 5 of this Notice.

Dr. Indra Nath Chatterjee, Prof. (Dr.) Surabhi Banerjee and Mr. Alok Chauthmal Churiwala, being Independent Directors, may be considered as concerned or interested in this matter. No other Director, Key Managerial Personnel of the Company or their relatives are concerned or interested (financially or otherwise), in the proposed resolution to be passed as an Ordinary Resolution.

By Order of the Board of Directors

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

Date: May 25, 2022

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 & 3)	(Item No. 4)
Name of the Director	<b>Mr. Rittick Roy Burman (DIN: 08537366)</b>	<b>Mr. Alok Chauthmal Churiwala (DIN: 02043221)</b>
Date of Birth	04/06/1992	18/07/1969
Age	30 Years	53 Years
Nationality	Indian	Indian
Qualifications	Bachelor's degree in Commerce from the University of Calcutta and Management Graduate from University of California.	B.com from H.R. College of Commerce & Economics, Mumbai and Diploma in Securities Law from the Government Law College, Mumbai apart from executive learning programs from IIM, Ahmedabad & Indian School of Business, Hyderabad.
Experience and expertise in specific functional areas	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.	Mr. Alok Chauthmal Churiwala is a third generation stock Broker and an Angel Investor. He has a rich experience of over 24 years in the Indian Capital Markets.
Date of first appointment on the Board	08/11/2019	11/05/2018
Shareholding in the Company (including shareholding as a beneficial owner)	Mr. Rittick Roy Burman holds 3,850 equity shares (0.0214 %) of the Company in individual capacity.	Mr. Alok Chauthmal Churiwala does not hold any shares of the Company, either in individual capacity or on a beneficial basis on behalf of any other person.
Relationship with other Directors, Manager or with KMP	Son of Mr. Siddhartha Roy Burman, Chairman & Managing Director and brother of Mr. Ritoban Roy Burman, Non - Executive, Non -Independent Director.	None
Number of meetings attended during the financial year 2021-22	Number of Meetings held: 5 Number of Meetings attended: 5	Number of Meetings held: 5 Number of Meetings attended: 5
List of outside Directorships held in other Public Companies (excluding foreign Companies and Companies under Section 8 of the Companies Act, 2013)	None	None
The Listed entity from which Director has resigned in last three years	None	None



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Particulars	(Item No. 2 & 3)	(Item No. 4)
<b>Name of the Director</b>	<b>Mr. Rittick Roy Burman (DIN: 08537366)</b>	<b>Mr. Alok Chauthmal Churiwala (DIN: 02043221)</b>
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	As per the resolution at Item No. 3 of the Notice convening this Meeting read with Explanatory Statements thereto, Mr. Rittick Roy Burman is proposed to be re-appointed as Whole-time Director for a further period of 3 years from November 08, 2022 till November 07, 2025 (both days inclusive).	As per the resolution at Item No. 4 of the Notice convening this Meeting read with Explanatory Statements thereto, Mr. Alok Chauthmal Churiwala is proposed to be re-appointed as an Independent Director, not liable to retire by rotation.
Remuneration proposed to be paid	Mr. Rittick Roy Burman is entitled to Remuneration as per terms as set out in the explanatory statement annexed hereto.	Mr. Alok Chauthmal Churiwala shall be eligible for the following: <ol style="list-style-type: none"> <li>Sitting fees for attending meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board;</li> <li>Reimbursement of expenses for participation in the Board and other meetings; and</li> <li>Commission as may be approved by the members.</li> </ol>
Remuneration last drawn by such person, if applicable (As per last audited balance sheet dated March 31, 2022)	₹ 2.27 million	₹ 0.65 million*
Skills & capabilities required for the role and the manner in which the proposed person meets such requirement	Operations, Management, Sales and Marketing	Management, Administration, Finance, Law, Sales and Marketing

In addition to the above, other requisite details required relating to re-appointment of aforesaid Directors have already been provided elsewhere in the Board's Report.

# Includes only Audit Committee and Stakeholders' Relationship Committee.

\* Includes commission of ₹ 0.20 million, to be paid subject to approval of the members of the Company.

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## Annexure-III

### INSTRUCTIONS TO ATTEND THE AGM THROUGH VC / OAVM:

1. Members will be able to attend the 41<sup>st</sup> AGM through VC / OAVM through the NSDL e-voting system. Members may access to the same by following the instructions mentioned in **Annexure-IV**. After successful login, you can see link of "VC / OAVM link" placed under "Join Meeting" menu against the Company name. You are requested to click on VC / OAVM link placed under "Join Meeting" menu. The link for VC / OAVM will be available in Shareholder / Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members who 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 Ms. Pallavi Mhatre, Senior Manager, NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call 1800 1020 990 / 1800 22 44 30.
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 Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
8. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video / camera along with good internet speed.

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## Annexure-IV

### A. INSTRUCTIONS FOR REMOTE E-VOTING:

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system





Step 2: Cast your vote electronically and join AGM on NSDL e-Voting system

Details on Step 1 is mentioned below:

#### a. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by the Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a personal computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on Company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for <b>IDeAS</b> e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder / Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders / Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p>NSDL Mobile App is available on</p> <p>   </p> <div style="display: flex; justify-content: space-around;">   </div>

# NOTICE

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi / Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi / Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

### Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

### b. Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.

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2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section.
3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e., Cast your vote electronically.*

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from

NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned 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](http://www.evoting.nsdl.com).

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- b) Click on **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number / folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
  8. Now, you will have to click on “Login” button.
  9. After you click on the “Login” button, Home page of e-Voting will open.

### Details on Step 2 is mentioned below:

#### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
  2. Select “EVEN” of the Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC / OAVM” link placed under “Join Meeting”.
  3. Now you are ready for e-Voting as the Voting page opens.
  4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
  6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### B. INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM:

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
3. Members who have voted through remote e-voting before the AGM will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for remote e-voting.

### 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 / Power of Attorney / Authority letter etc. with attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [aklabhcs@gmail.com](mailto:aklabhcs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **“Upload Board Resolution / Authority Letter”** displayed under “e-Voting” tab in their login.

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2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details / Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  3. In case of any queries, Members may refer the “Frequently Asked Questions (FAQs) for Shareholders” and “e-voting user manual for Shareholders” available under the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Senior Manager at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  4. The voting rights of the Member shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date i.e., Friday, September 16, 2022.
  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., Friday, September 16, 2022 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through electronic means. A person who is not a Member as on the cut-off date, i.e., Friday, September 16, 2022 should treat this Notice for information purpose only.
  6. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and become a Member of the Company after despatch of the Notice of the AGM and holding shares as on the cut-off date i.e., Friday, September 16, 2022 may obtain the login User Id and password / PIN by sending a request to NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) / RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in). However, if you are already registered with NSDL for remote e-voting then you can use your existing User ID and password / PIN for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details / Password” or “Physical User Reset Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800 1020 990 and 1800 22 44 30.
- In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e., Friday, September 16, 2022 may follow steps mentioned above under Step I: “Access to NSDL e-Voting system”.
7. In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### **Instructions for Members whose e-mail ids are not registered / updated:**

Physical Holding	Send a request to the Company at <a href="mailto:compliance@khadims.com">compliance@khadims.com</a> or to the Company's RTA at <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> 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](mailto: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.



Newly opened flagship store (COCO) at Kolkata Airport





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