

August 26, 2025

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,

**Ref: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")**

**Sub: Outcome of Investor Meet**

This is with reference to Investor Meet held on Tuesday, August 19, 2025.

Pursuant to the provisions of Regulation 30 of the Listing Regulations, we enclose herewith the concall transcript of the said Meeting w.r.t. Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended June 30, 2025.

Kindly take the same on record.

Thanking You,

Yours faithfully,

For **Khadim India Limited**

ABHIJIT  
DAN

Digitally signed by  
ABHIJIT DAN  
Date: 2025.08.26  
18:09:17 +05'30'

**Group Company Secretary & Head- Legal**  
ICSI Membership No. A21358

Encl: As above



frontoffice@khadims.com



033-4009 0501



033-4009 0500

www.khadims.com

**KHADIM INDIA LIMITED**

CIN : L19129WB1981PLC034337

REGISTERED OFFICE: 7TH FLOOR, TOWER C, RDB PRIMARC TECHPARK, 08 MAJOR ARTERIAL ROAD, BLOCK - AE, NEW TOWN (RAJARHAT), KOLKATA-700156

CITY OFFICE: 7A, LINDSAY STREET, KOLKATA - 700 087



“Khadim India Limited  
Q1 & FY ‘2026 Earnings Conference Call”  
August 19, 2025



**MANAGEMENT:**    **MR. RITTICK ROY BURMAN – MANAGING DIRECTOR,**  
                              **MR. INDRAJIT CHAUDHURI – GROUP CHIEF FINANCIAL OFFICER**

**MODERATOR:**    **MR. OMKAR BAGWE – MUFG INTIME IR**

- Moderator:** Ladies and gentlemen, good day, and welcome to the Q1 FY '26 Earnings Conference Call of Khadim India Limited, hosted by MUFG Intime IR.
- As a reminder, all participants' lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing “\*”, then “0” on your touch-tone phone. Please note that this conference is being recorded.
- I now hand the conference over to Mr. Omkar Bagwe from MUFG Intime IR. Thank you, and over to you.
- Omkar Bagwe:** Thank you. Good evening, everyone, and welcome to the Q1 FY '26 Earnings Conference Call of Khadim India Limited.
- Today, to discuss the results, we have with us from the Management, Mr. Rittick Roy Burman – the Managing Director; and Mr. Indrajit Chaudhuri – the Group CFO. They will take you through the Results and Business Performance, after which we can begin the Q&A session.
- Before we begin the conference, I would like to mention that this conference contains certain forward-looking statements about the Company, which are based on the beliefs, opinions, and expectations of the Company as on date of this call. The actual results may differ materially. These statements are not guarantee of the future performance of the Company and involves risks and uncertainties that are difficult to predict.
- I now hand the conference over to Mr. Rittick. Over to you, sir.
- Rittick Roy Burman:** Yes, Thank you. Good evening, everyone. On behalf of Khadim India Limited, I am pleased to welcome you all to today's conference call, where we will be discussing our Q1 FY '26 Results. We sincerely appreciate your time and interest in our Company's performance, and we hope you have had the opportunity to review the 'Financial Results' and 'Investor Presentation' available on the Stock Exchanges.
- The 1st Quarter of FY '26 brought a mix of external factors, including unpredictable weather and certain global developments, which had some impact on overall consumer sentiment, resulting in muted demand during the quarter. Despite these headwinds, we remained focused on executing our strategic priorities.
- For the quarter, we reported revenue from operations of Rs. 957 million. This was primarily impacted by a decline in franchisee sales, which we are actively addressing through targeted interventions. Gross profit stood at Rs. 456.4 million, with a gross margin of 47.7%. The margin was affected by promotional discounts offered during the quarter. It was a tactical move to support volumes in a soft demand environment.
- In line with our strategy to strengthen our brand portfolio and enhance consumer offerings, we entered into a strategic partnership with Skechers during the quarter. This collaboration enables

us to offer Skechers' footwear at selected Khadim stores, adding a globally recognized brand to our retail mix and reinforcing our commitment to delivering value and variety to our customers. We also launched our new athleisure segment, which marks an important step in our product diversification journey. This segment is designed to cater to the growing demand for comfort-driven wear.

Looking ahead, we are optimistic about the upcoming festive season, which is arriving earlier this year. We anticipate a pick-up in consumer demand and are preparing to capitalize on this opportunity. Our focus will be on scaling our sub-brands, British Walkers and Sharon, both of which have shown encouraging growth trends and strong customer resonance.

Now let me walk you through our financial performance of the retail business for the quarter.

Revenue from operations stood at Rs. 957 million. Gross profit was Rs. 456.4 million, with a gross margin of 47.7%. EBITDA for the quarter came in at Rs. 123.3 million, translating to an EBITDA margin of 12.9%. Profit after tax stood at Rs. 8.6 million, with a PAT margin of 0.9%.

Our retail footprint at the end of Q1 FY '26 comprised 884 stores, including 207 Company-owned outlets and 677 franchisee stores. Sales through e-commerce channels contributed 1.34% of total revenue for the quarter. While this channel remains a small part of our overall business, we are actively working on enhancing its contribution through improved logistics and digital marketing initiatives.

As we move forward, we remain confident in our strategy and proactive approach. We are committed to building on our strong brand equity, optimizing our retail network, and innovating across product categories to meet evolving consumer preferences. We believe these efforts will translate into improved performance and sustainable growth in the quarters ahead.

With that, I conclude my remarks and would be happy to take any questions you may have.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. We take the first question from the line of Arnav from Ambit. Please proceed.

**Arnav Sakhuja:** Hi. Thank you for taking my question. So my first question is, could you please provide an update on the listing of KSR Footwear?

**Indrajit Chaudhuri:** We have already submitted the application to the BSE and NSE. Now the BSE will come up with any questions. So, if they come with questions, then we will reply to them. I think by the end of this month or early September we will have approval from BSE or NSE.

**Arnav Sakhuja:** Okay. Sure. Thank you. So my next question is with regards to the discounts that we have been offering in Q1. Given that the government has now announced that it will likely make a GST rate cut, will we be stopping our discounts in these coming quarters?

- Indrajit Chaudhuri:** No, no. We will continue with the discount because when the GST will be effective, we do not know at present. So during this August --
- Rittick Roy Burman:** We will probably not give in the festive time. And then as per the market situation, we might have to give discounts in future, as per what the economy is or how the customer inflow is, we are having to give. Like I said in the speech also, to protect volumes, etc., in a soft demand environment. The festive season, we aim not to give. But after that, as per the market trends, we would give or not give, which we cannot say now.
- Arnav Sakhuja:** So then, as per that logic, then in Q2 can we be expecting a similar gross margin? Or can we expect some improvement over and above the current level of 47%?
- Indrajit Chaudhuri:** See, the discount in Q2 will continue till 31st August. After that the festive season will start, so there will be no discounts. So margin will be a little bit improved from the Q1.
- Arnav Sakhuja:** Okay. Thank you.
- Moderator:** Thank you. We take the next question from the line of Akhil Parekh from B&K Securities. Please proceed.
- Akhil Parekh:** Hi. Thanks for the opportunity. Sir again, on the gross margin front, right? Historically, we have done 55%, 57%, despite the consumer weakness in past. Any specific challenges we are having? And is it also to do with the clearance of the BIS inventory need? That's my first question.
- Indrajit Chaudhuri:** No, this gross margin down, I think it was around 53% in the last quarter, in FY '25 1st Quarter. So mainly it is impacted through, one is that we have taken a price cut in Khadim product which has nearly contributed around 2.5% margin down. That we have already told in the last year that we will be taking a price cut to have an improved volume growth. And secondly, because of the discount trend which has been done. In the last year 1st Quarter our contribution of discount sale was around 18%, while this year the 1st Quarter contribution of discount sale is around 33%.
- Both of these together has impacted the gross margin. But in the next quarter, there will be improvement in the gross margin because the festive week there will be no discount. But during the 3rd Quarter and 4th Quarter, depending on the market, we have to decide on the discount. And the margin will remain more or less in the range of 48% to 49%.
- Akhil Parekh:** Okay. So, it is slightly contradictory or contrary to what you had highlighted one year, a year and a half back before the demerger process had started, right? We were confident of achieving 17%, 18% of EBITDA level post IndAS margin for the retail business. But it looks like it might not happen for this year.
- Indrajit Chaudhuri:** No, if you see the sales, the EBITDA margin, the sales from the 1st Quarter has come down around Rs. 10 crores. So had it been the same sales, we have achieved around 13% EBITDA margin. But had it been the same sale, 15% to 16% was easily achievable. So if the value of the

sales remains constant, then again we have the potential of doing around 16% EBITDA margin in retail business.

**Akhil Parekh:** Sure. And second question, in the opening remarks Rittick highlighted that there was some franchisee sale weakness, could you just elaborate on that point and what exactly has happened?

**Indrajit Chaudhuri:** Because since the franchisee sale, in the secondary sale of franchises has already is dipping, so the primary sales from our side was little bit less compared to the last quarter. Because otherwise it tantamounts to holding stock at the franchisee level. So, for that reason, we have deliberately done less primary sales less to the franchisee.

**Akhil Parekh:** Okay. So the inventory levels are slightly on the higher side at the franchisee as against the retail business?

**Indrajit Chaudhuri:** Yes, yes.

**Akhil Parekh:** Okay. And just last two questions, one is on the BIS inventory front, have we cleared everything on the non-BIS inventory or its still pending?

**Indrajit Chaudhuri:** Mostly we have cleared all the BIS. Some element will be there, means, now we are giving good discount so it will be liquidated, if there is some Non-BIS.

**Akhil Parekh:** Okay. The large part is already cleared?

**Indrajit Chaudhuri:** Yes.

**Akhil Parekh:** And last one is GST front, right, sir. The current GST rate is 12% for products up to Rs. 1,000, right? That was increased from 5% to 12% some two years back.

**Rittick Roy Burman:** January '24.

**Akhil Parekh:** January '24, yes. So what percentage of our portfolio is below Rs. 1,000?

**Indrajit Chaudhuri:** Below Rs. 1,000 would be around 70%.

**Akhil Parekh:** Okay. So that can get a big boost if the GST rate drops from 12% to 5%, which is what the anticipation is basically.

**Indrajit Chaudhuri:** Yes. But if the GST rate is dropped, then the price reduction will have to be there also. So once this is done, then we can have a clear sight of the situation.

**Akhil Parekh:** Sure. So that's all from my side. And best wishes for the upcoming quarters. Thank you.

**Moderator:** Thank you. We take the next question from the line of Deepan Narayanan from TrustLine Holdings Private Limited. Please proceed.

- Deepan Narayanan:** Good evening, everyone. Thanks a lot for the opportunity. So firstly from my side, the price cuts we have taken on Khadim brand, so what kind of volume improvements we are already seeing? And are we hopeful of volume improving further in coming quarters of Khadim brand?
- Rittick Roy Burman:** Yes. So like what we said, like we have actually not billed so much to the franchisee, so that's why there was a little bit of a volume. If we look at the business-to-business wise, we have franchisee, we have retail. So in franchisee since we have not billed, so the volume, there was a little bit of a degrowth. But since we have not done the primary sale, but in retail we have seen encouraging growth numbers in the lower price points like Rs. 0 to Rs. 499 and also in the Khadim's brand also the degrowth has actually it's become like no degrowth in the Khadim's brand. Previously we used to have double-digit stuff like that, so now it's almost like no degrowth. So franchisee, we did a little bit of less billing this year 1st Quarter, keeping their stock position in mind, the debtors and all in mind. Yes, that's the thing.
- Deepan Narayanan:** Okay. So by price cut, the degrowth in the lower segment price point has stopped.
- Rittick Roy Burman:** Has stopped, yes.
- Deepan Narayanan:** Okay. So what is the kind of volume growth do we expect in the coming quarters, even during festival season from the Khadim brand now?
- Rittick Roy Burman:** We can expect a decent growth. I mean, to put a number like that, it becomes very difficult. But like I am saying that the degrowth has been arrested, there's a little bit of growth also in the lower price points. So we hope that will continue. And now that in the 1st Quarter, as we said, the customer footfall was a bit less, so expected if the customer footfall increases and when more customers will come and buy these products, there should be a decent amount of growth in the Khadim brand and especially in the lower price points. The main point being there has been growth in the lower price points, volume growth. And there has been a lot of growth due to discount also. There has been pairage growth because of that also.
- Deepan Narayanan:** Okay. And this new partnership we announced with Skechers, so can you throw more light on this partnership? And what will be the impact on growth and margins kind of this thing?
- Rittick Roy Burman:** Yes. So Skechers, we recently started, like, I think we started in July.
- Indrajit Chaudhuri:** June.
- Rittick Roy Burman:** No, June. Sorry, we started in June. So, it's been, we have kept it at the moment in our high footfall stores, 10 stores, high footfall stores. I mean, the response has been pretty decent. So, we are waiting and watching this latest introduction. But we are happy to see that customers are coming and buying these.
- Skechers is a great brand. It's great, like their sports shoes are very, very widely accepted. And it's a new thing for the Indian customers also. So, our customers are coming and buying these articles from our high footfall shops. So, we expect these things, we cannot put any numbers

right now. But the higher price point in our sports shoes merchandise category, the sports shoes one, the higher price point part of the sports shoes merchandise category should have a good growth. That's all I can say for now.

**Deepan Narayanan:** Okay. So what is the kind of arrangement we have with Skechers? So, is it commission-based sale or it's a store usage --

**Rittick Roy Burman:** It's a buy and sell.

**Deepan Narayanan:** Sorry?

**Indrajit Chaudhuri:** It's a buy and sell, like we bought certain designs from them and we are selling it. They have given a discount from MRP and we are selling it at MRP or some articles are discounted also. So that way it's happening.

**Deepan Narayanan:** Okay. So in future, the average bill value per customer could increase where these products are present in these stores, right?

**Rittick Roy Burman:** Yes, yes. It should increase. I mean, some of the stores' degrowth and all after introduction have been lesser. So we expect while festive season also when people are in mood to spend more, maybe they will buy these products even more than what they are buying now, okay?

**Indrajit Chaudhuri:** But the margin for the Skechers product will be comparatively less than the Khadim margin.

**Deepan Narayanan:** How many stores currently we have kept Skechers now? And what is the plan to ramp up for this during festival season and coming years?

**Rittick Roy Burman:** We have kept in 10 stores now. So, we will be ramping-up after the festive season. We have invested in certain amount of stock, right, for this. So, we are planning to liquidate that. And then we will plan again after the festive season. Right now, it's in only in East, so we will probably will start keeping the stocks first in our high footfall stores in South, etc. So that would be the plan for now for Skechers.

**Deepan Narayanan:** Okay. And what is the kind of athleisure segment contribution during this quarter?

**Rittick Roy Burman:** Athleisure contribution, like it's at a nascent stage. It would be 1%, 2%, not more than that. But we have increased some stores recently, so we should be able to see increasing numbers soon.

**Deepan Narayanan:** And any specific contribution from the sports shoes for Khadim brand?

**Rittick Roy Burman:** Sports shoes, again, the lower price point sports shoes have done pretty well, actually. In the Pro sub-brand of Khadim's, there are some lower price points which we introduced last year in November. So that has done well, below Rs. 1,000.

**Deepan Narayanan:** Okay. Thanks a lot, and all the best.



- Moderator:** Thank you. The next question is from the line of Abhishek Benkar from Genuity Capital. Please proceed.
- Abhishek Benkar:** Thank you for the opportunity, sir. One of my questions has been answered. I just wanted to ask, are there any such tie-ups like Skechers tie-up in the process? Or are we contemplating there may be some more tie-ups, such tie-ups?
- Rittick Roy Burman:** So we have done another small tie-up, which we did not mention, but it was quite small. Like for the monsoon season, there is a renowned umbrella brand in Calcutta, in Bengal, so we have kept some of their umbrellas in our shops during the monsoon season on SOR basis. It's miniscule, but yes, we have just kept it, so that while monsoon seasons and all people want some umbrellas, they can come and get from our high footfall shops. So we have done that.
- Abhishek Benkar:** Okay. Yes. And also, what are our expectations from these tie-ups? So these tie-ups will become big in future? Like, what is our expectation?
- Indrajit Chaudhuri:** These are mainly strategic tie-ups. Means whatever product that are missing in our retail outlets, for that we are keeping. But the product that we are, I mean, Khadim is providing through its sub-brands, we will not go for any tie-up in that segment.
- Rittick Roy Burman:** Yes, these tie-ups get like a separate set of customers in our store. So some of the objectives are like that. And as if we are waiting for that. See, the 1st Quarter was low because of low footfall, unpredictable weather, etc. So let the footfalls come in. If we see a good response, then we have to decide accordingly how much to scale up.
- Abhishek Benkar:** Okay. And also, are we foraying into premium segments through our own products?
- Rittick Roy Burman:** Yes. Like I mentioned in my speech also, so we have certain sub-brands, we have British Walkers which is leather shoes. So, we have actually launched many designs in that also, those price points. It's not only about the price point, its crushed leather British Walkers shoes we have launched, natural leather. So these are very premium leather products. These start from Rs. 3,799 and go up till a little more, Rs. 3,799-plus, okay?
- So these products we have launched in select stores. So in British Walkers, we have given such products to capture that consumer also, that premium consumer. And we have another sub-brand called Sharon in our ladies category, where we have provided a lot of value-added ladies designs with California construction products. So those are also -- have been having a good response for some time now. And now we think the time has come to increase the options in that also, in the Sharon products.
- So these premium stuff we are doing in British Walkers, Sharon, Skechers. But we also remain focused on volume growth, so we are keeping our prices competitive in Khadim's, and providing some discounts when the thing is soft, the demand is soft.
- Abhishek Benkar:** Okay. Thank you, sir. And all the best.

**Moderator:** Thank you. We take the next question from the line of Sucrit D. Patil from Eyesight Fintrade Private Limited. Please proceed.

**Sucrit Patil:** Good evening to the Khadim team. I have two questions. One is for Mr. Burman, and one is for Mr. Indrajit. So, good evening, Mr. Burman, my question to you is, with demand challenges and profitability improving for Khadim, how are you planning to reposition Khadim for the next phase of growth, especially in Tier 2 and Tier 3 towns? Are you going to explore youth-led designs, digital-first launches, or regional influencer tie-ups that can help a strong brand story just beyond price and reach? What is the plan of Khadim for the next Q2 or Q3? I just wanted to understand. That's all. Thank you.

**Rittick Roy Burman:** For Tier 2 and 3 shops, you are saying?

**Sucrit Patil:** Towns.

**Rittick Roy Burman:** Yes, for towns. Yes, so for Tier 2 and 3 towns, like I mentioned, it's a little price sensitive, those markets, Tier 3, Tier 4. So, for that we are launching products, like I mentioned, below Rs. 499 and stuff like that. And yes, we are doing influencer marketing. During any new store is opening, we are doing influencer marketing. If you go and see, nowadays the influencers are focusing a lot on the price point. I mean, they are going and saying that, oh, you get this at this price point. So they are focusing that, so that Tier 2 and 3 people, where they are a bit price-conscious, the majority of the consumers they get that messaging. So that's the thing.

**Sucrit Patil:** I get the pricing part. My question was particularly, how are you doing the tie-up with the influencers or the other things I have asked to build a brand? Apart from the pricing part, how is Khadim trying to build its brand, brand image, to be very precise?

**Rittick Roy Burman:** Yes, Khadim is trying to build a brand by various ways. So, if you see, like right now our festive catalog ads have started in the newspapers. So, we are giving a lot of focus on the sub-brands now. Like I mentioned a while back, Sharon, British Walkers, we are promoting that also in the newspapers, along with the traditional, like there are some ads traditional catalog ads with price point-driven marketing that we are doing.

But while we do that, we are also promoting the sub-brands after a long time, standalone, like in a standalone manner. And we are doing a lot of, if you walk into our stores now, you will see there's a lot of product-oriented POP material that is there in our stores. Like we have got scrollers in our show window discussing about this California construction that we are having in our Sharon sub-brand. Then, like the hand crushed leather article that I said in British Walker. If you go to the British Walkers shelf, there is a special focus with POP material showing that. Then British Walkers shoes also has got a comfort range where the insoles are very comfortable. The soles are little thick and its very comfort, broad fit shoes. So that also we are putting POP material in our stores to enhance the brand, the sub-brands.

- Sucrit Patil:** Okay. Fair enough. I get the point. My second question and the final question is to Mr. Indrajit with regards to finance. I believe sir is online today?
- Indrajit Chaudhuri:** Yes, yes. Tell me.
- Sucrit Patil:** Yes. So I just want to understand, as you manage cost and plan for growth, as a CFO, how do you decide where to invest or deploy major of the capital, say, between new stores or digital platforms and brand campaign? What is the framework that you follow? I just want to understand that.
- Indrajit Chaudhuri:** See, in regard to the opening new outlet now, we are presently concentrating on the East, Eastern part of the country where the breakeven is reached very quickly, and also some parts of Southern part of the country where also the brand is fairly present. So, at present, we are not considering any expansion in the North and West where it takes times around two and a half to three years. So we need stores where we are able to reach the profitability in the first year. So that type of stores we are investing.
- And in regard to digital thing, yes, we are doing digital activities. It's round the year. We are investing in digital. And also, we have shifted our e-commerce business from our warehouse to eKart Logistics hub from where our sale returns has also reduced. From our warehouse it was around 30%, now it has come down to 20% to 21% return in e-commerce. And in regard to marketing, yes, we have reduced the marketing cost. But once everything improves, we will do the marketing for both brand building and for ATL and BTL.
- Sucrit Patil:** Yes. I think that is good enough guidance for me. And I wish the entire Khadim team best of luck for the next quarter.
- Rittick Roy Burman:** Thank you.
- Moderator:** Thank you. We take the next question from the line of Darshil Jain from R.J. Investments. Please proceed.
- Darshil Jain:** Yes. So firstly, thank you for taking my question. I have a couple of questions. So, could you provide more insights into your store addition plans for upcoming quarter and maybe the remainder of FY '26? And specifically, what is the expected number of new stores? Maybe a ballpark number would also do. And will the focus be more on expanding Company-owned outlets? Or would it be a franchisee-led growth? And also, additionally, what factors are influencing this strategy like regional demand trend?
- Rittick Roy Burman:** Yes, yes, I will take this question. So, this year we are opening some Company-owned outlets, around 7 to 10 Company-owned outlets. But more aggressive opening has been planned, we have started these TFM franchises, so we are planning more aggressive store launches in that. Like this year, we have already launched, I will not be able to say the number, but we have achieved a good turnover from this franchisee TFM outlets that we have opened, around Rs. 5 crores of additional turnover we have achieved, okay? The number would be how much?

- Indrajit Chaudhuri:** Around 12, 13.
- Rittick Roy Burman:** 12, 13 new TFM has been opened, True Franchised Model. So there we have added Rs. 5 crores of turnover till now. And we aim to open many more, like we aim to open many more of this model. This is a model where you send the stock to the franchise owner and they get a commission.
- Darshil Jain:** Understood.
- Rittick Roy Burman:** Yes, like the expectation is that by doing this you will have a good control over your stock and everything.
- Darshil Jain:** Understood. And my final question is, are there any plans to introduce new product categories or segments like athleisure segment in the coming quarters that could maybe align with the evolving consumer preferences?
- Rittick Roy Burman:** Now athleisure we have launched, if you talk about clothes. And in sports shoes, we have launched Skechers also, and our own sport shoes also we have launched, we have done a lot of studies and we have increased our non-lacing range. We used to have like a big quantity of our designs were lacing, and non-lacing was a bit less, so now we have increased non-lacing range, because that has a more acceptance by customer. So non-lacing range and lacing range would be around, I mean, I shouldn't comment on percentage, but we have just increased the non-lacing range also which also is showing a good response in sports shoes, in our brand Pro. And we had launched some sneakers and all, the low price below Rs. 1,000 sneakers, that also had a good show.
- And Waves, we have a brand called Waves, which is basically EVA products, where you have all sorts of EVA, thong slippers, clogs. These kind of articles have also done pretty well. And we have created actually, if you go to our shops now, you will see like we have created a corner for Waves basically, this Waves products which is basically with EVA thong slippers and all. We have done sort of communication, waterproof sort of communication, and we have kept the products there. And we expect this category to continue doing well for next several years.
- Darshil Jain:** Understood. That's all from my side. All the best for your future quarters.
- Rittick Roy Burman:** Thank you.
- Moderator:** Thank you. We will take the next question from the line of Esha Murthy from M&A Ventures. Please proceed.
- Esha Murthy:** Hello, sir. So in the opening speech you mentioned that the quarter was impacted by muted demand due to unpredictable weather and global demand. So like could you provide more clarity on how the softened demand environment has played out like across different regions or store formats? For instance, I would say, like were Tier 2 and Tier 3 cities more affected than metros? Or did franchisee stores see a sharper decline compared to COCO stores?

- Indrajit Chaudhuri:** We have seen the decline overall, but I mean, franchisee it will be a little more compared to our COCO stores. Because since the franchisee is dependent on the stock that they purchase from us, since their secondary has dipped the payment has also become slow, so they have been affected by some stock also. But the degrowth is more in the Tier 2, Tier 3 compared to the metro and mini metro.
- Esha Murthy:** So, sir, what specific steps are you taking to mitigate this softness in demand like going forward?
- Indrajit Chaudhuri:** See, what we have done, we have given discount, we have provided more articles in discounts so that our stock is also liquidated. And we have seen, means, good rise in the discount percentage. As I told, from 18%, it has gone to 33%. And this quarter, means, during the 15 August time also we have given the discount thing and you have seen the sale has improved. But the margin will be affected because of discount.
- But in the festive, we expect that the demand will be increasing and we will be not providing any discount and also can protect our margin there. So, we are eagerly waiting for the festive season which is early this year, particularly in Bengal the Durga Puja is in the month of September. And after that we have a Diwali and the winter season where the demand is generally higher compared to the 1st Quarter.
- Rittick Roy Burman:** Yes.
- Esha Murthy:** Okay, sir. Okay. Understood. Thank you, sir.
- Moderator:** Thank you. We take the next question from the line of Riddhi Vora from SAS Capital. Please proceed.
- Riddhi Vora:** Yes. So my question is that are there any other partnership or brand tie-ups in the pipeline for FY '26 that we investors should be aware of? And could you share your criteria for selecting such partners, whether it is based on the product category or target audience or some geographic reach?
- Rittick Roy Burman:** No. See, we have done certain partnerships, mainly in those areas where we felt that we probably do not have those product exactly. So those areas we have done partnership. And since Skechers has been a big partnership, I mean, Skechers is a partnership where the products' MRP is also high, so I consider it a big partnership. But we have some other smaller partnerships. I mean, you can count that as a partnership, but it's just like the umbrellas, it's just to have the seasonal demand met. Then we keep some VIP school bags, VIP. That's because Khadim is a shoe brand, it's not a primarily a school bag brand, so the traction of VIP school bags is a bit stronger. So that's why.
- Indrajit Chaudhuri:** Socks sector?
- Rittick Roy Burman:** In socks sector, we have Jockey.

**Indrajit Chaudhuri:** Jockey and Puma.

**Rittick Roy Burman:** Jockey and Puma, some sporty socks. So these are the tie-ups which we have. These tie-ups are small, I call this VIP and that Jockey and Puma.

**Indrajit Chaudhuri:** Mainly the tie-ups are in different genre of product, not footwear. Footwear is the first tie-up that we have done with Skechers.

**Riddhi Vora:** Okay. Thank you.

**Moderator:** Thank you. Ladies and gentlemen, due to time constraints, we take that as the last question, and would now like to hand the conference over to Mr. Omkar Bagwe from MUFG Intime IR for closing comments. Over to you, sir.

**Omkar Bagwe:** Yes. Thank you for joining us on the call today. I would like to thank the management for sparing the time and answering all the queries. We are from MUFG Intime, Investor Relations Advisors for Khadim India Limited. For any queries, please feel free to contact us. Thank you, everyone, and have a great day.

**Rittick Roy Burman:** Thank you.

**Moderator:** Thank you. On behalf of Khadim India Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.

Disclaimer: The Company has tried its best to prepare the exact word-to-word transcript of the proceedings of the Earnings' call. However, this may not be the exact replication of the same.