

February 15, 2021

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')**

**Sub: Investor Presentation (Q3 & 9M FY21 Results)**

This is with reference to our letter dated February 10, 2021 with respect to Investor Meet scheduled to be held today, i.e., February 15, 2021.

Pursuant to the provisions of Regulation 30 of the Listing Regulations, we enclose herewith our presentation on the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and nine months ended December 31, 2020 which would be presented before the investors.

Kindly take the same on record.

Thanking You,

Yours faithfully,

For Khadim India Limited



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

Encl: As above

**KHADIM INDIA LIMITED**

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



**KHADIM INDIA LIMITED**  
**Q3 & 9M FY21 RESULTS PRESENTATION**  
FEBRUARY 2021

***Khadi*m's®**

## DISCLAIMER

*This presentation and the following discussion may contain “forward looking statements” by Khadim India Limited (“Khadim” or the Company) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives, are based on the current beliefs, assumptions, expectations, estimates, and projections of the management of Khadim about the business, industry and markets in which Khadim operates.*

*These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond Khadim’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not, and should not be construed, as a representation as to future performance or achievements of Khadim.*

*In particular, such statements should not be regarded as a projection of future performance of Khadim. It should be noted that the actual performance or achievements of Khadim may vary significantly from such statements.*

# DISCUSSION SUMMARY

- BUSINESS OVERVIEW
- Q3 & 9M FY21 RESULTS
- BUSINESS STRATEGY & OUTLOOK
- FINANCIAL & OPERATIONAL SUMMARY
- MANAGEMENT TEAM & SHAREHOLDING PATTERN



# BUSINESS OVERVIEW



BRITISH WALKERS



LAZARD



# QUICK SNAPSHOT

## 1 Leading Footwear Brand in India

- 2<sup>nd</sup> largest footwear retailer in India \*
- Largest presence in East India
- One of the top 3 players in South India
- Largest footwear retail franchise network in India
- Emerging brand in West and North India

## 2 Extensive Reach & Presence

- Retail presence across 23 states & 1 union territory
- 774 'Khadim's' branded retail stores (Dec-20)
- Wide network of 628 distributors selling to MBOs across India (Dec-20)

## 5 Strong Design Capabilities

- Understanding latest domestic & global fashion trends
- Strong design capabilities have helped create and grow sub-brands, drive premiumisation and target and retain aspirational customers
- This has led to higher ASP and gross margin

***Khadim's***<sup>®</sup>

**'Affordable Fashion'  
for the entire family  
for every occasion**

## 3 Two-pronged Market Strategy

- Two distinct business models – retail & distribution, each with its own customer base, product range, sales channels
- Ability to capitalize on the growth potential of both the markets and de-risk dependence on any one business

## 4 Asset Light Model for Growth

### Retail business

- 73% of retail presence through franchise route
- Outsource 91% of product requirement (FY20)

### Distribution business

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



Q3 & 9M FY21  
RESULTS UPDATE



SHARON



CLEO



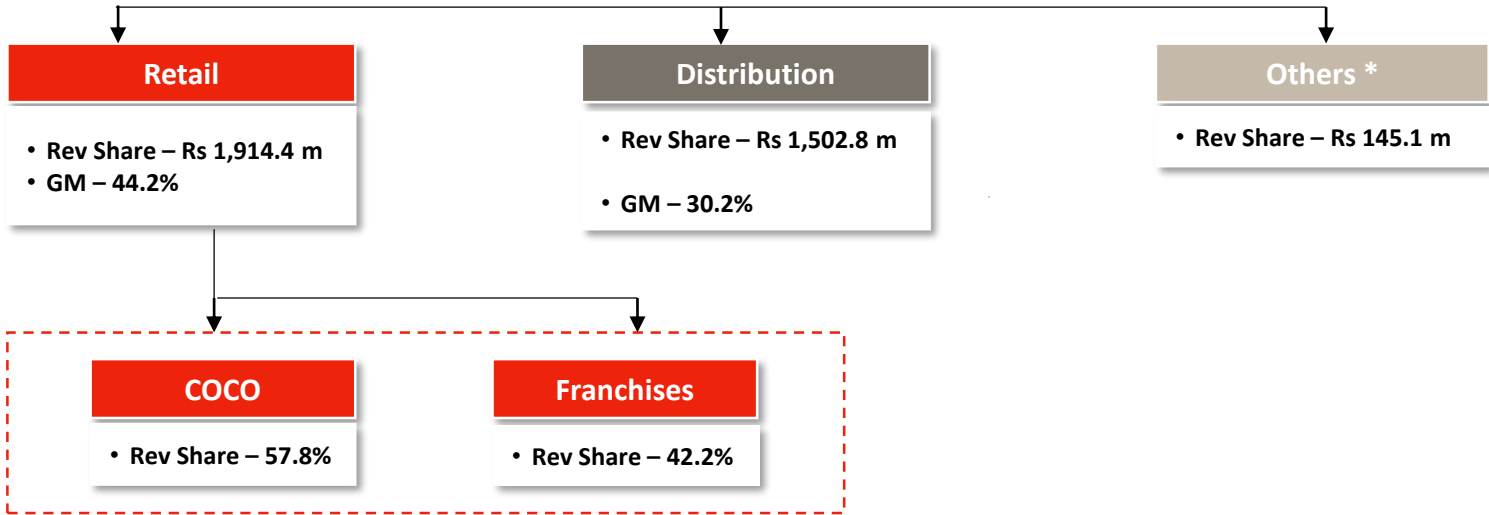


## Q3 & 9M BUSINESS HIGHLIGHTS

- Following Unlock 5.0 guidelines and nationwide ease on restrictions, our entire store network was operational in the quarter
- Encouraging response received to the new sub-brands & range of products introduced in Distribution segment. Demand for open footwear continues to remain high
- New product lines were launched in Retail sub-brands specially for the festive period
- With increasing demand as sales pick up back to pre COVID levels, our production capacity utilisation stands at 72%
- Prudent measures to manage costs continue and efforts to optimise working capital are being explored
- Average COO recovery numbers – from 56% down on QoQ basis in Q2FY21 to 18% down on QoQ basis in Q3FY21
- Distribution business has witnessed good growth owing to continued increased demand for open footwear
- Increase in Gross Margin compared to Q2FY21 attributed to improved customer sentiment towards more fashionable products

## **Khadim's**<sup>®</sup>

9M FY21 Revenues  
Rs 3,562.3 Mn



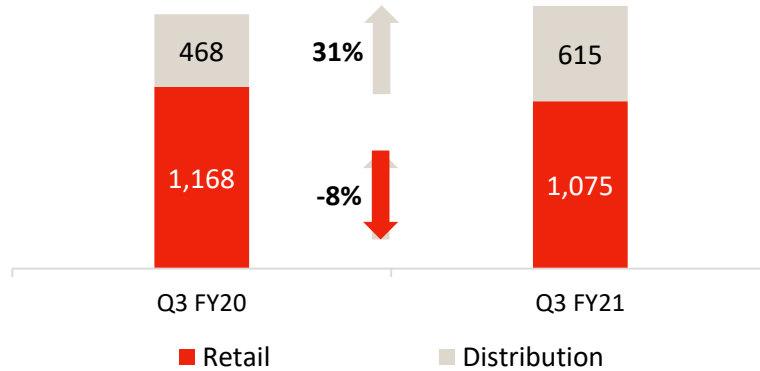
### Asset Light Model for Frontend Expansion and Scalability

- **Retail Business** – Expand into new markets through COCO stores and further augment the presence through franchise stores. 72% of retail presence is through franchise route
- **Distribution Business** – Highly scalable model to capitalise on retail brand recall and target new markets

\* Others include institutional sales, e-commerce sales, export sales and sale of packing materials

# Q3 & 9M FY21 RESULTS: SEGMENT ANALYSIS

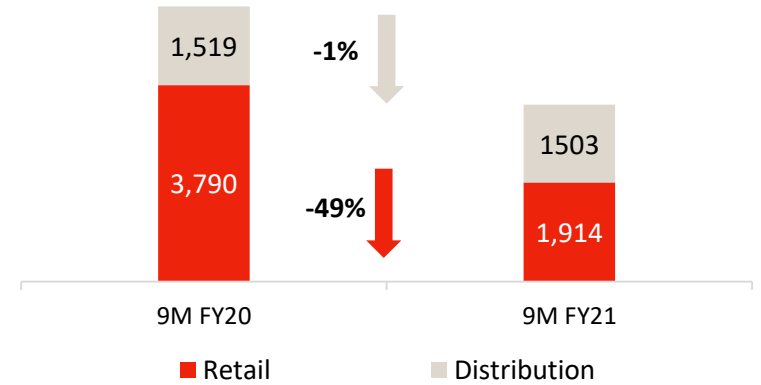
## Q3 FY21 YoY ANALYSIS – REVENUE BREAKUP



Segment Share % *	Q3 FY20	Q3 FY21
Retail	66.8%	61.8%
Distribution	26.8%	35.3%

Gross Margin %	Q3 FY20	Q3 FY21
Retail	47.5%	46.9%
Distribution	31.5%	30.3%

## 9M FY21 YoY ANALYSIS – REVENUE BREAKUP




Segment Share % *	9M FY20	9M FY21
Retail	61.8%	53.7%
Distribution	24.8%	42.2%

Gross Margin %	9M FY20	9M FY21
Retail	45.8%	44.2%
Distribution	29.3%	30.2%

\*All figures as per IND-AS, In Rs Mn

# CONSOLIDATED PROFIT & LOSS STATEMENT

Particulars (In Rs Mn)	Q3 FY21	Q3 FY20	YoY %	Q2 FY21	QoQ %	9M FY21	9M FY20	YoY %
<b>Revenue</b>	<b>1,740.8</b>	<b>1,747.6</b>	<b>-0.4%</b>	<b>1,217.5</b>	<b>43.0%</b>	<b>3,562.3</b>	<b>6,136.5</b>	<b>-41.9%</b>
COGS	1,097.5	1,048.8	4.6%	831.6	32.0%	2,360.9	3,804.0	-37.9%
Gross Profit	643.3	698.8	-7.9%	385.9	66.7%	1201.4	2332.6	-48.5%
<b>Gross Margin %</b>	<b>37.0%</b>	<b>40.0%</b>	<b>-303 bps</b>	<b>31.7%</b>	<b>526 bps</b>	<b>33.7%</b>	<b>38.0%</b>	<b>-429 bps</b>
Employee Expenses	155.6	180.4	-13.8%	149.1	4.3%	458.0	549.4	-16.6%
Other Expenses	336.2	483.5	-30.5%	352.7	-4.7%	850.4	1394.2	-39.0%
<b>EBITDA</b>	<b>151.6</b>	<b>34.9</b>	<b>334.2%</b>	<b>-116.0</b>	<b>-230.7%</b>	<b>-107.0</b>	<b>388.9</b>	<b>-127.5%</b>
<b>EBITDA Margin %</b>	<b>8.7%</b>	<b>2.0%</b>	<b>671 bps</b>	<b>-9.5%</b>	<b>1824 bps</b>	<b>-3.0%</b>	<b>6.3%</b>	<b>-934 bps</b>
Depreciation	95.2	108.4	-12.2%	102.5	-7.1%	300.1	311.5	-3.7%
Finance Cost	60.9	80.6	-24.4%	68.7	-11.3%	194.3	215.1	-9.7%
Other Income	39.5	14.4	173.3%	69.8	-43.5%	145.6	51.3	183.8%
<b>PBT</b>	<b>35.0</b>	<b>-139.6</b>	<b>-</b>	<b>-217.4</b>	<b>-116.1%</b>	<b>-455.8</b>	<b>-86.4</b>	<b>-</b>
Tax Expense	-9.4	-7.7	-	-5.9	-	-11.2	27.5	-
<b>PAT</b>	<b>44.4</b>	<b>-132.0</b>	<b>-</b>	<b>-211.5</b>	<b>-</b>	<b>-444.7</b>	<b>-113.9</b>	<b>-</b>
<b>PAT Margin %</b>	<b>2.5%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

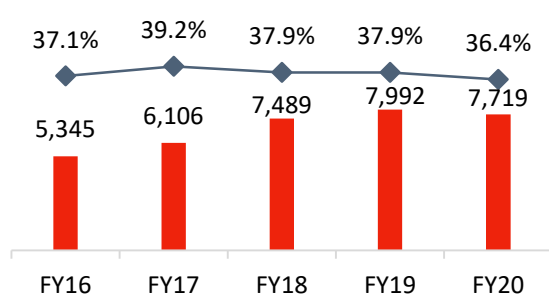


FINANCIAL & OPERATIONAL  
SUMMARY

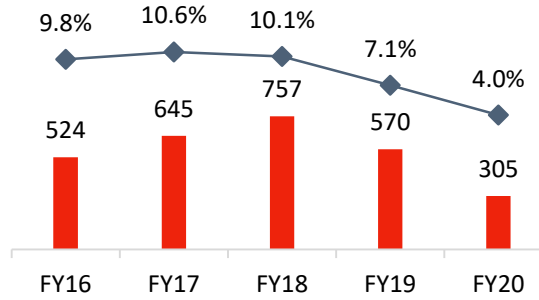
# FINANCIAL SUMMARY\*

In Rs Mn

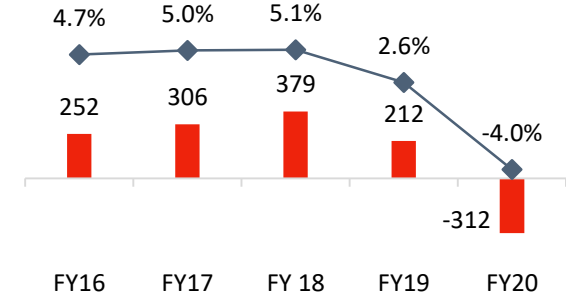
## Revenues & Gross Margin



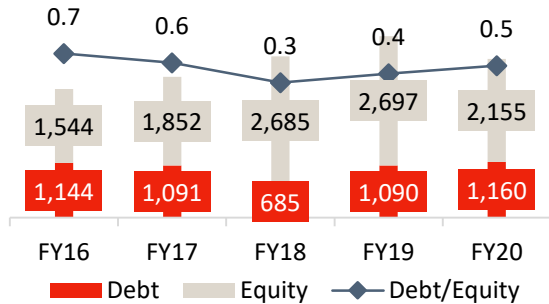
## EBITDA & EBITDA Margin



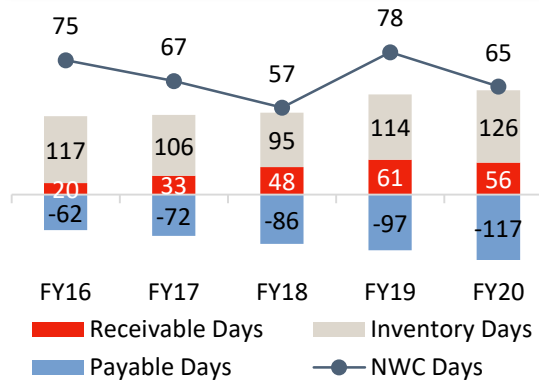
## PAT & PAT Margin



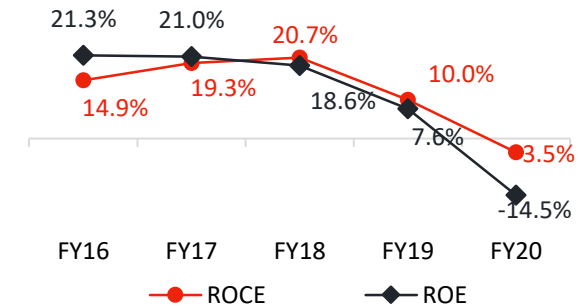
## Leverage Analysis



## Working Capital Analysis



## Return Ratios \*



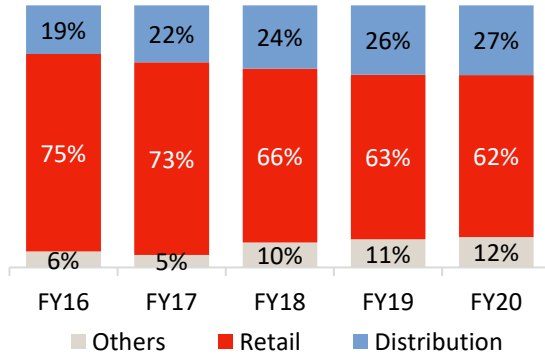
FY17 onwards, numbers are as per IND-AS, while those in previous years are as per I-GAAP. Sales scheme and commissions were included in sales in I-GAAP, these are deducted in IND-AS and net sales are reported

\* Return ratios are calculated excluding amalgamation reserve of Rs. 230mn

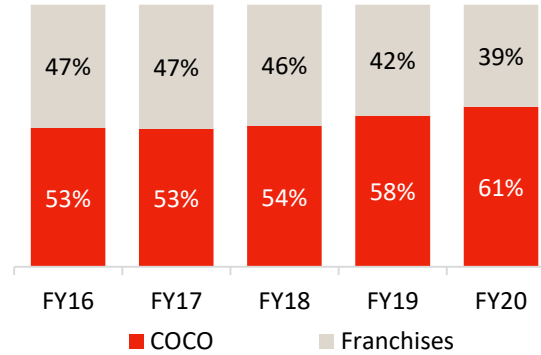
# FINANCIAL SUMMARY

In Rs Mn (I-GAAP)

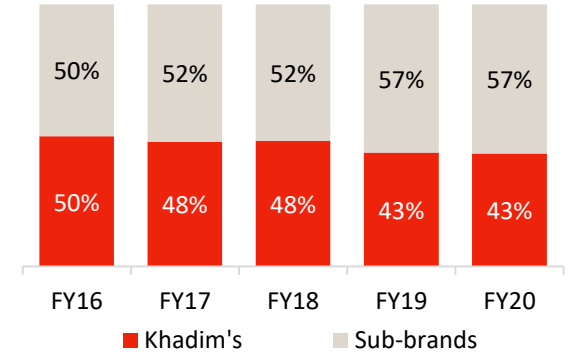
### Revenues – Segment wise



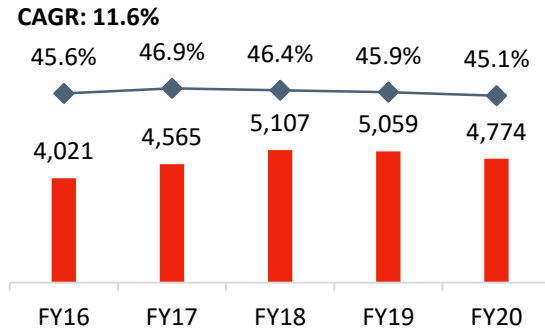
### Retail Revenues – COCO vs Franchises



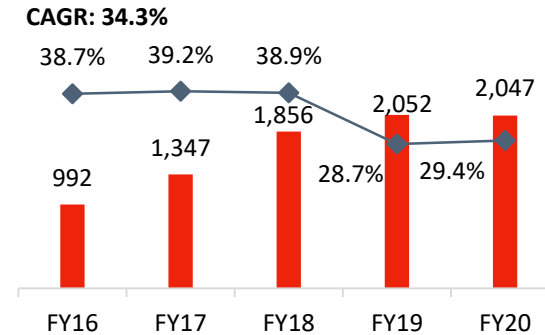
### Retail Revenues – Khadim's vs Sub-brands



### Retail Revenues & Gross Margin



### Distribution Revenues & Gross Margin



BUSINESS STRATEGY  
& OUTLOOK





# TWO-PRONGED BUSINESS MODEL & GROWTH STRATEGY

	Retail Business	Distribution Business
Reach	774 'Khadim's exclusive branded outlets	628 distributors supplying to MBOs across India
Target Segment	Middle & upper middle income consumers in metros (incl. mini metros), Tier I – III cities	Lower & middle income consumers in Tier I – III cities, who shop in MBOs
Price & Product Range	Rs 74 – Rs 3,699 Leather / non-leather sandals, slippers, boots, ballerinas, stilettos, moccasins, sports shoes and accessories*	Rs 64 – Rs 999 EVA, basic and premium Hawaii, PVC, PVC DIP and PU and Stuck On products
Sourcing	91% outsourced (FY20) – smaller quantities of premium high quality products	Own manufacturing and contract manufacturing facilities



**Expand Store Network pan-India with focus on Premiumisation, Asset Light Model & optimum capacity utilisation**

## Retail Business

- Expanding retail footprint in markets across South India, West India and in Uttar Pradesh in North India
- Focus on entering into new markets through COCOs and further augment presence in such markets through franchisees

## Distribution Business

- Focus on penetration in existing markets in Eastern and Southern India and capitalise on retail brand recall and target markets in West and North India
- Increase utilisation of existing installed capacity and invest in machines and moulds at existing manufacturing facilities

\*Accessories includes socks, shoe polishes, brushes, leather belts, wallets, laptop bags etc.

# POSITIVE INDUSTRY OUTLOOK

## Favourable macro and demographic tailwinds

### Market Size

- Young demographics - 78% of the population is below 45 years of age
- India is the second largest consumer of footwear in the world
- India is also the second largest producer of footwear in the world, accounting for 9% of global footwear market

### Increasing working women

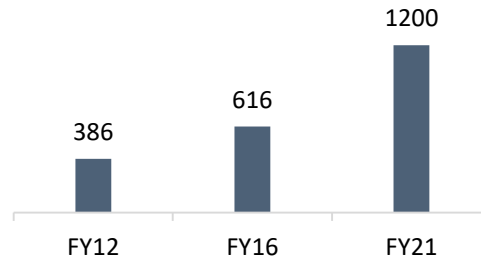
- Increasing number of working women driving the growth of women's footwear market

### Income Growth

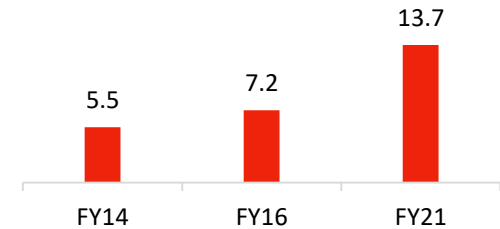
- Increasing disposable income of consumer and higher spending on lifestyle products, leading to shift from unbranded to branded play

## Domestic footwear retail to grow at a faster pace compared to the overall retail industry

Overall retail market in US \$ Bn

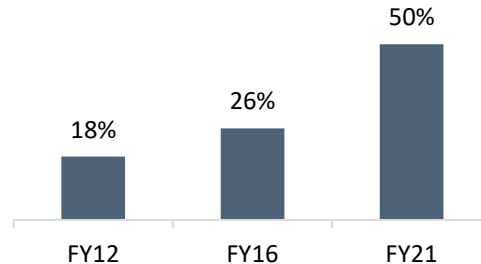


Domestic footwear market at retail price in US \$ Bn

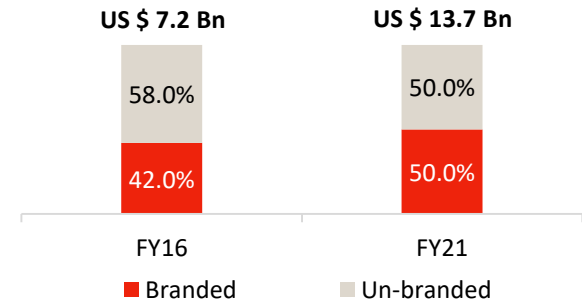


## Continued shift towards organised retail with increasing preference for branded products

Organised footwear as % of footwear industry



Share of Footwear Market



Source: Industry Reports, IBEF

# WIDE PRODUCT RANGE ACROSS VARIOUS CATEGORIES & PRICE POINTS

'Affordable Fashion' brand catering to the entire family for all occasions



**Khadim's®**

- Men / Women / Kids
- Fashionable & casual footwear for value conscious customers



- Menswear
- Formal shoes & sandals using premium quality leather



- Menswear
- Semi-formal & casual shoes / sandals, using premium quality leather and faux leather



- Menswear
- Outdoor boots / sandals using premium quality faux leather



- Men & Women wear
- Sports / activity sneakers / floater / sandals in mesh / synthetic / canvas uppers



- Womenswear
- Fashionable yet functional sandals using premium quality faux leather



- Womenswear
- Light & trendy sandals using premium quality faux leather



- Men & Women wear
- Closed & open shoes / sandals using premium quality soft leather and faux leather



- Womenswear
- Comfortable and fashionable footwear for pre-teen and teenage girls



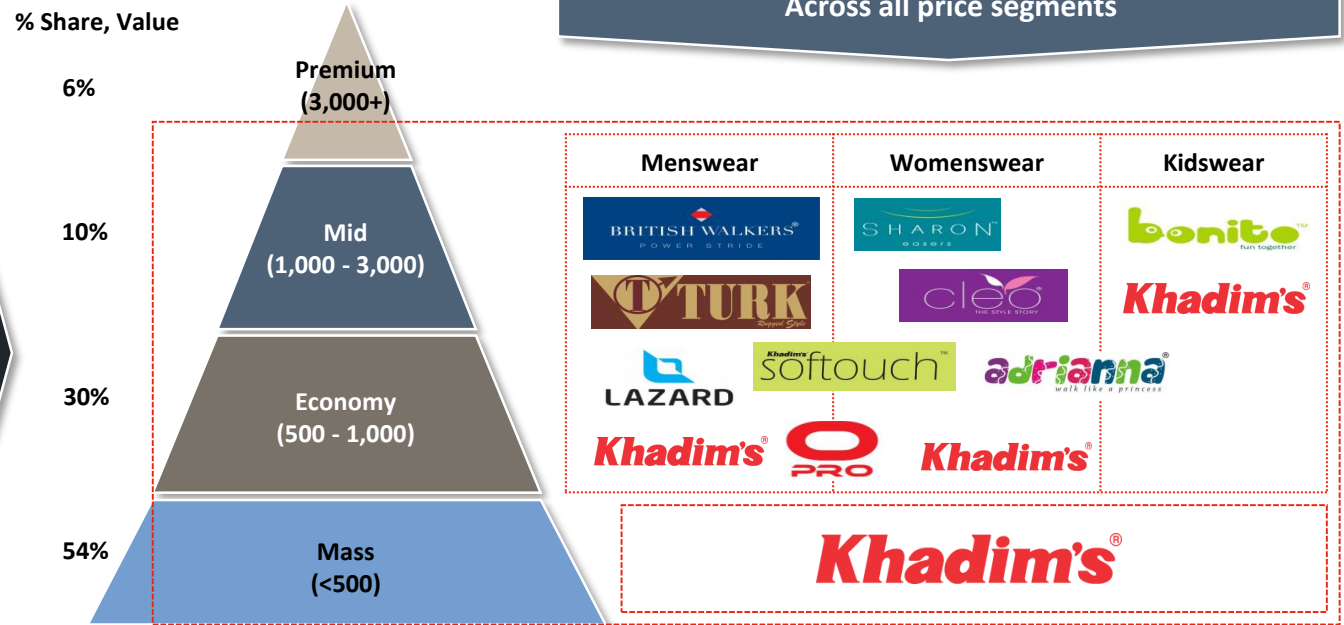
- Kidswear
- Range of fun and colourful shoes for toddlers and children

**Khadim's**

# DISTINCT BRAND POSITIONING FOR VARIOUS MARKET SEGMENTS

Khadim's brand presence and product range makes it capable to address ~85% of the total Indian footwear market potential

Footwear Market Segmentation  
(MRP at retail stores in Rs)



Distinct brand positioning to target customers  
Across all price segments

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

# PROMOTER, BOARD OF DIRECTORS & MANAGEMENT TEAM



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

- Associated with the Company since its incorporation. He has 37 years of experience in the footwear industry
- Responsible for the overall strategic decision making and provides leadership to all operations

## **Dr Indra Nath Chatterjee, Non-Executive, Independent Director**

- 43 years of experience in multi-national companies
- Earlier worked with Hinduja Group, Jindal Drilling & Industries, ONGC, Tata Motors, Indian Airlines, Calcutta Business School, IFFCO- Tokio General Insurance Co.

## **Alok Chauthmal Churiwala, Non-Executive, Independent Director**

- Over 22 years experience in capital markets, IIM-A & ISB alumnus
- Former Vice Chairman of BSE Broker Forum, Board member of ICSA (Int. Council for Securities Assoc.) & advisory Board of ICCL (Indian Clearing Corporation Ltd)

## **Prof. (Dr.) Surabhi Banerjee, Non-Executive, Independent Director**

- 38 years of experience as an academician
- Earlier associated with Netaji Subhas Open University as the vice chancellor, with Gour Banga University as the vice-chancellor, and with the Central University of Orissa as vice-chancellor

## **Ritoban Roy Burman, Non-Executive Director**

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

## **Rittick Roy Burman, Wholetime Director**

- Bachelor's degree in commerce from University of Calcutta
- Management Graduate from University of California
- He has taken charge of driving long-term strategy, new initiatives and merchandising

# EXPERIENCED MANAGEMENT TEAM



## **Namrata Chotrani, CEO**

- She was associated with KPMG & Fairwinds Asset Managers Limited (since 2012) and has a total experience of over 11 years in tax, private equity and mergers.
- She was previously on board of the company representing Fairwinds



## **Indrajit Chowdhury, CFO**

- 20+ yrs of experience in finance & accounts, taxation and strategic planning
- Responsible for all commercial & strategic planning and has assisted in providing the corporate structure of the company as it stands today
- Earlier associated with P. G. Shah and Co

## **Tapas Ghosh, GM - Business Development & Systems**

- 24+ years of experience in accounts, strategic planning, IT, business development and sales
- He is responsible for the COO sales in the company
- Earlier worked with K.M. Khadim & Co

## **Aranya Ray, GM - Supply Chain Management**

- 20 years of experience in supply chain operations, buying and merchandising
- He is responsible for supply chain, logistics, procurement and merchandising in the company
- Earlier worked with ICI India Limited and ITC Limited

## **Rajdeep Banerjee, Business Head – E-Commerce**

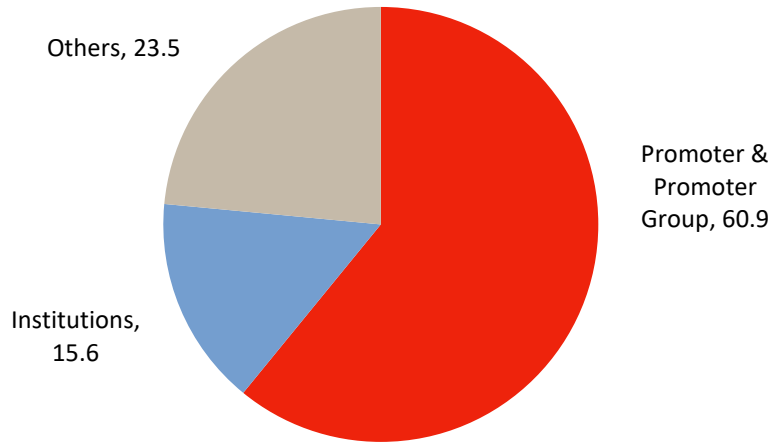
- MBA (Marketing) from PITS, Pune
- 14 years of experience in online & offline retail
- Previously associated with Flipkart India, TESCO, METRO Cash & Carry, Faber Castle India

## **Kaushik Dutta, AGM - Sales**

- PGCBM from XLRI Jamshedpur.
- Joined Khadims in March 2007. Recently promoted from Zonal Head and is now heading EBO/BO vertical
- Rich experience of 15 years in footwear domain across retail sales

# SHAREHOLDING STRUCTURE

% Shareholding – Dec '20



Key Institutional Investors

% Holding

IDFC MUTUAL FUND	3.8%
UTI MF	4.6%
SUNDARAM MUTUAL FUND	2.5%
SUNDARAM ALTERNATIVE OPPORTUNITIES FUND	2.2%
TRUSTLINE DEEP ALPHA	1.9%

Source: BSE

# KEY MILESTONES

1981

- Acquired and took over the business of M/s S.N. Industries as a going concern with all its assets and liabilities
- Incorporated as a private limited company

1993

- Commenced retail business through COOs for footwear products

1999

- Commenced retail operations in South India through with two outlets in Chennai and one each in Bengaluru and Secunderabad

2002

- Commenced manufacturing operations for footwear and leather products at Kasba Industrial Estate, West Bengal

2005

- Accredited with ISO 9001:2000 certification for with respect to the manufacturing facility at Kasba Industrial Estate, West Bengal

2019

- Implemented TOC across top COCO & EBO stores
- Engaged 3 brand ambassadors
- Launched new website & increased online sales

2017

- Listed on NSE & BSE with an IPO of Rs 5,431 Mn –
  - Fresh issue of Rs 500 Mn
  - Offer for sale of Rs 4,931 Mn

2016

- Accredited with ISO 9001:2015 certification with respect to Kasba facility

2015

- Expanded retail business to include the 'shop-in-shop' retailing model

2014

- Commenced e-commerce retailing operations through Company's e-commerce website, while also utilizing online market place(s)

2013

- Investment by FairwindsTrustees Services (Reliance Alternative Inv Fund)
- Accredited with ISO 9001: 2008 certification with respect to Kasba facility

2010

- Commenced distribution operations at central distribution centre at Bantala, West Bengal





Thank  
you!

## ***Khadim's***<sup>®</sup>

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**CEO**

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**Indrajit Chowdhury**

**CFO**

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