

September 02, 2024

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 2023-24 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 2023-24 along with the Notice convening the 43rd (Forty-Third) Annual General Meeting ('AGM') of the Members of the Company scheduled to be held on Tuesday, September 24, 2024 at 11:30 a.m. IST through Video Conferencing / Other Audio-Visual Means.

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

This is for your information and record.

Thanking you,

Yours faithfully,

For **Khadim India Limited**

Company Secretary & Head - Legal
Membership No.: A21358

Encl: As above


KHADIM INDIA LIMITED



ANNUAL
REPORT

2023-24



www.khadims.com 

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At Khadim, every step you take is a step with us. Whether it's a casual outing or a special event, Khadim is your go-to choice for footwear that complements every moment.



To view this report online or for any other information please visit

<https://www.khadims.com>

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 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

Legal Advisor

Mr. Joydev Sengupta, Advocate
Founder, JSG Legal

Bankers

State Bank of India
ICICI Bank Limited
Central Bank of India
Union 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

7th 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

About Khadim

Affordable Fashion for Everyone

Khadim, one of India's largest branded footwear companies, strives to provide 'affordable fashion for everyone'. Founded in 1981, we cater to the needs of aspiring, fashion-conscious and price-sensitive Indians, across age groups.

As a prime player in affordable fashion, with growing nationwide prominence, we offer trendy, comfortable and budget-friendly footwear. Attuned to the dynamic shifts in domestic and global trends, our versatile products strike the right chord with the increasing needs of India's middle class.

Staying at the forefront of fashion with ever-refreshing edgy and stylish products, we continue to leverage our core capabilities to deliver a superior footwear experience for every occasion and create enduring stakeholder value.

Our Brand Prominence

Largest

Footwear retail franchise network in India

2nd

Largest footwear retailer in India*

Among the Top 3

Players in South India*

Largest

Presence in Eastern India*



* In terms of number of exclusive retail stores

Ethos

Vision

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

Mission

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

We Create Value For



PROMOTERS



OTHER INVESTORS



CUSTOMERS



RETAILERS



DISTRIBUTORS



EMPLOYEES



SUPPLIERS



ENVIRONMENT & COMMUNITIES

Key Business Insights

868

Exclusive Khadim Retail Outlets

₹ 6,149.04 Million

Revenue

₹ 709.78 Million

EBITDA

₹ 63.16 Million

PAT





29.35 Million pairs

Volume Sales in FY 2023-24

90%

Retail product requirement
outsourced in FY 2023-24

780

Permanent employees

Our Unique Proposition



Top Footwear Brand

- Legacy of over six decades in Footwear Industry
- Among India's prominent footwear brands
- Popular brand in mass and economy segments - one of the few branded players in India with this unique appeal
- Leader in Eastern India and ranked among the top three in South India
- Market dominance and strong brand visibility positioned us for opportunities in India's evolving branded product landscape



Widespread Reach

- India's largest footwear franchise retail network
- 868 retail outlets spread across 27 States and 05 Union Territories as on March 31, 2024
- Robust network of 753 distributors supplying over 30,000 Multi-Brand Outlets (MBOs) nationwide as on March 31, 2024
- Strengthening customer connections by venturing into e-commerce business, transit retail format and omni-channel services



Resilient Business Model

- Sustained growth backed by our robust and successful business model
- Demerging the distribution business will allow both retail and distribution verticals to

operate independently, fostering specialisation and leveraging their unique capabilities

- Post demerger, we will optimise talent and resources under each vertical with a sharper focus on targeted customer segments, driving strategic growth and development



Dynamic Design Competencies

- Thorough market research by our in-house expert design team to design products (both across retail and distribution) aligned with the market trends
- Post-design conceptualisation, assigned vendors develop the products
- Design team tracks domestic and international fashion dynamics to drive the growth of mother brand and sub-brands and efficiently meet changing customer dynamics



Diverse Product Portfolio

- Diverse products that embody quality, style and affordability
- Our retail and distribution businesses combined have an addressable market size of approximately 85% of the total Indian footwear market potential
- Alongside our primary brand 'Khadim', we offer various unique sub-brands both in retail and distribution, catering to diverse categories and price points to serve a diverse clientele



Committed to Quality Standards

- Use of superior raw materials, ensuring our products are breathable and comfortable
- Use of exclusive material and sole across almost all branded products
- In-house merchandising team undertakes rigorous checks of raw materials used by vendor partners, prior to approval
- Process and standard set for procurement of raw material at vendor's end with instructions to procure sole and other materials only from Khadim's nominated vendors, ensuring better quality control and a consistent supply
- 4-layer quality checks at different stages (development stage, material testing, WIP & finished goods) are conducted at vendor production sites by a dedicated on-site team to minimise quality concerns
- To stay ahead of market trends, our dedicated team conducts thorough research to guide product design, with vendors assigned to bring these innovations to life
- Established a new laboratory in Kolkata to comply with the Bureau of Indian Standards (BIS)



Asset-Light Growth Model

- Asset-light strategy to drive growth
- Retail product requirements are outsourced eliminating the need for heavy manufacturing-related investments
- 74% of our branded stores operate as franchises
- Across distribution, a flexible blend of in-house and contract manufacturing is maintained, to ensure an agile response to market needs



Operational Excellence

- Emphasise cost-effective sustainable growth through prudent cost management techniques
- Rental warehouse instead of warehouse on ownership basis following asset-light model
- Periodic cost-benefit evaluations conducted for our COCO stores (retail) leading to closure of unprofitable stores
- Consolidating process to minimise work in progress
- Imbibing safety first culture at both the plants
- Improvement in Quality process
- Process re-engineering to improve quality and productivity
- Improving compounds and materials to make the product lighter, durable and attractive



Tech Proficiency

- Regular Software upgrades for seamless operations
- Launch of Live Retail Mobile App (available in iOS and Android) for sales tracking
- Introduced new application for Leave and Travel Management
- Upgraded in Microsoft by D365 application to streamline operations and enhance efficiency
- Payroll migration from HR Mantra to D365 application



Organised Supply Chain

- Modern warehouse facilities backed by a dedicated team and resilient supply chain system
- Theory of Constraints (TOC) applied across our supply chain for both retail and distribution
- Entire warehouse operation performed through scanner, eliminating manual error in GRN, Invoicing and other relevant activities
- Installed barcode machines at vendor premises for timely material sourcing, efficient delivery and logistics, resulting in quick inventory turnover and a steady product supply
- Reduction in transit lead time of stocks by introducing a sizeable number of organised transporters and utilising maximum FTL movement
- Enlisted new stable vendors to build up more supply capacity



Seasoned Leadership and Competent Team

- Promoters with rich footwear industry experience
- Proficient management team, skilled in key functional areas such as finance, business development, supply chain, sales, legal and secretarial
- Dedicated functional heads
- Competent workforce underscoring our commitment to sustainable growth and creating lasting stakeholder value

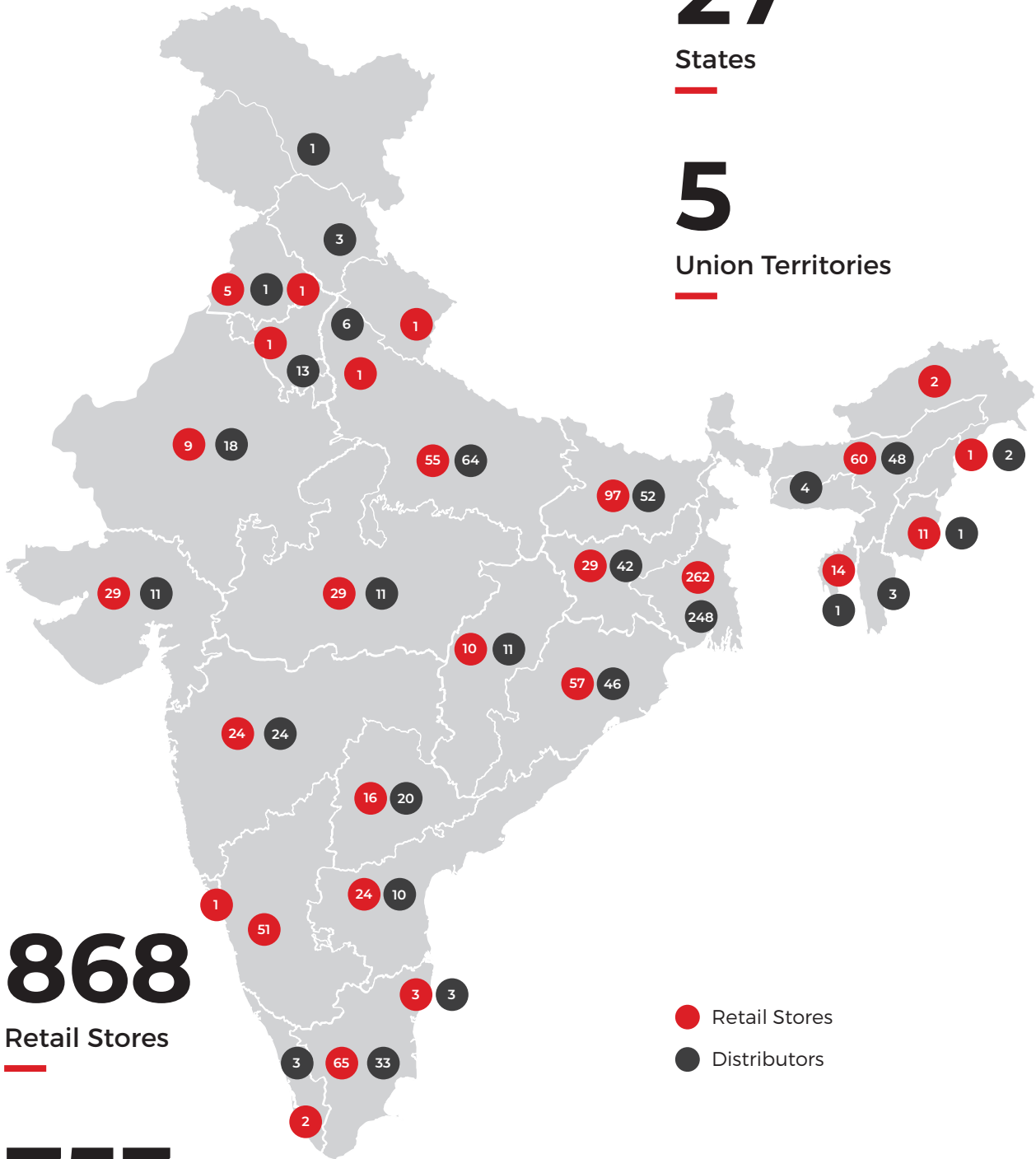
Our Towering Presence

27

States

5

Union Territories



868

Retail Stores

753

Distributors

● Retail Stores

● Distributors

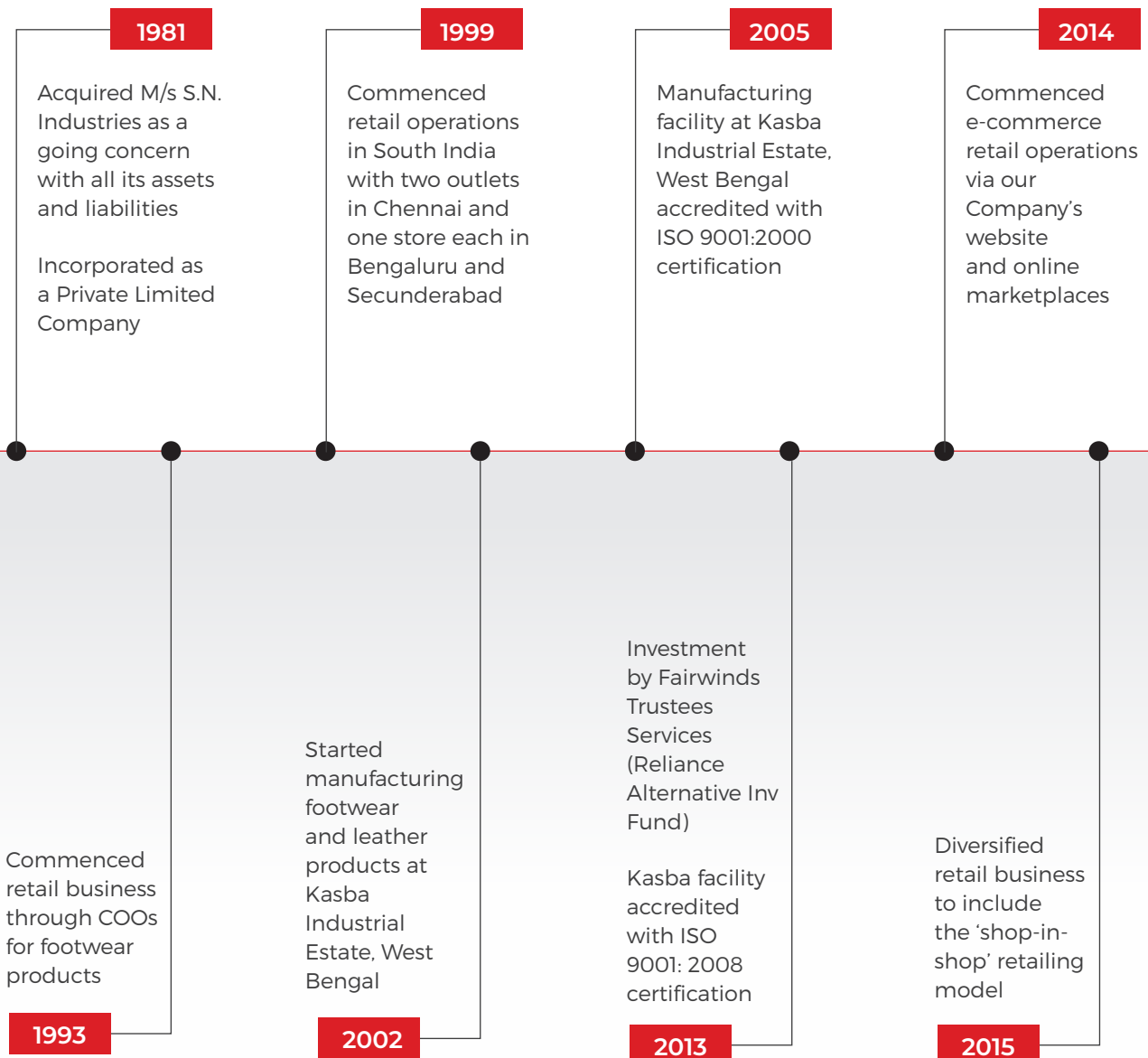
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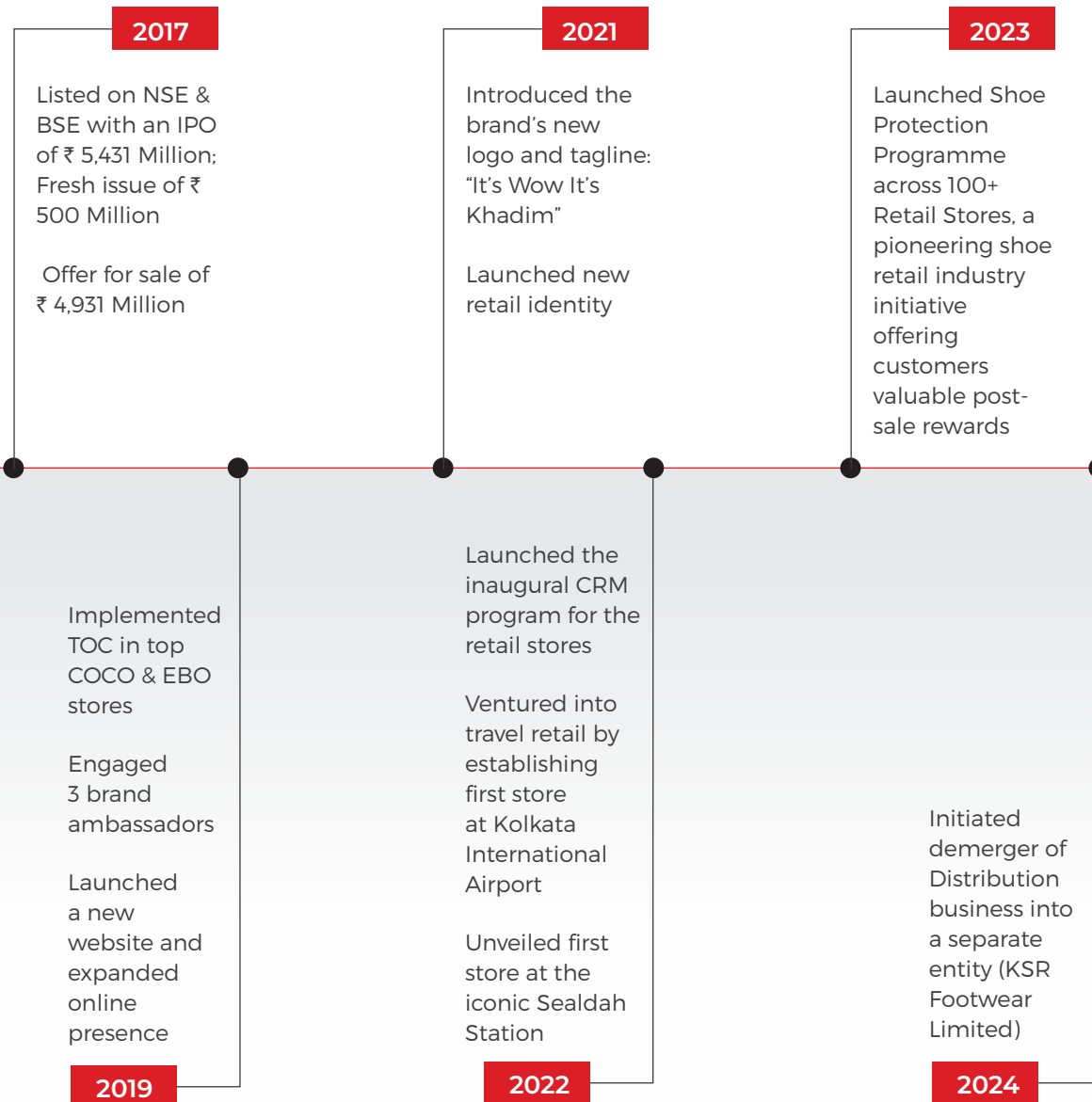


Our Journey

Milestones Charting Our Progress

Strategic milestones, offering a glimpse into Khadim's journey of growth and resilience as we craft affordable fashion that resonates with evolving consumer preferences nationwide.





Product Portfolio

Diverse Offerings for the Aspirational Consumer

Our extensive product range, encompassing the 'Khadim' brand and sub-brands, is specifically crafted to suit the needs of evolving customer preferences. We offer quality and pocket-friendly offerings across multiple categories and price points across retail and distribution divisions.

During the year, we revamped our product portfolio across retail and distribution divisions to align with the aspirations of consumers across diverse geographies, including metros, mini metros and Tier II & III cities.

We placed special emphasis on refreshing our sports footwear range to meet the rising demand for athleisure, offering a vibrant, edgy and stylish range of products for contemporary consumers. Additionally, we restructured our accessories line, including women's bags, backpacks and school bags, to deliver a fresh and appealing look.

We have also successfully differentiated our sub-brands to appeal to various end users, driving premiumisation across our portfolio and business. The focus on offering stylish yet affordable options was further bolstered by enhanced in-house design capabilities and new vendor partnerships.



KEY DEVELOPMENTS IN PVC & EVA

Products standardised as per BIS norms and commercialised

Enhanced comfort level with rubberised, light weight, well-gripped and fashionable product designs

Achieving zero waste through efficient recycling

RETAIL PRODUCTS



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



KHADIM ACCESSORIES

For Men



Cross Body Bag



Laptop Bag



Portfolio Bag



Belts



Wallet



For Women



Belts



Clutch Bag



Backpack



Satchel Bag



Sling Bag



Tote Bag



Other Accessories _____



Socks



School Bags

DISTRIBUTION OFFERINGS



KHADIM

Basic Hawaai



Kalypso

Premium Hawaai and
Fabrication Chappals



Wash'n'
ear

PVC Footwear



FLIERS

DIP & PU Footwear



FITNXT

Athleisure Sandal
and Shoes



DUNFORD

Formal Sandal and
Shoes



Pugo

Footwear for Kids

Business Restructure

Unlocking New Opportunities

At Khadim, we continue to capitalise on our strengths to drive growth and pursue new avenues of growth. Our well-formulated strategies focus on expanding our reach while delivering lasting value to our stakeholders.

Until recently, we operated two distinct business models for our retail and distribution verticals, each serving its unique customer base, products and sales channels. In FY 2023-24, we initiated the process of revamping our business model to further enhance our growth and expansion in the Indian footwear sector.

Demerging Distribution Business

As part of our corporate restructuring, we are in the process of demerging our distribution business into a separate company - KSR Footwear Limited (KFL). KFL is a Wholly-owned Subsidiary of Khadim India Limited. This scheme of arrangement between Khadim India Limited (Demerged Company) and KFL for the demerger, transfer and vesting of the Demerged Undertaking of the Company into KFL on a going concern basis, was approved by Board of Directors of both the companies in FY 2023-24.

Through this demerger, we aim to achieve break even in our distribution business while improving performance across both our retail and distribution businesses.

	Model Type	Target Customers
Business Verticals		
Retail Segment	Asset-light business model is predominantly applied for selling products via <ul style="list-style-type: none"> 868 Exclusive Retail Stores 223 - Company Owned Company Operated (COCO) Outlets and 645 Franchises as on March 31, 2024 	<ul style="list-style-type: none"> Middle & upper middle-income consumers in Metros (including mini metros), Tier I-III cities
Distribution Segment	Footwear is manufactured at the Company's own facility and supplied to distributors. <ul style="list-style-type: none"> 753 distributors supplying to more than 30,000 Multi-Brand Outlets (MBOs) across India as on March 31, 2024 	<ul style="list-style-type: none"> Lower & middle-income consumers in Tier I-III cities, shopping in MBOs



Product Type

Price Range

Sourcing

More in the premium range compared to distribution segment products

- Leather / non-leather sandals, slippers, boots, ballerinas, stilettos, moccasins, sports shoes and accessories*

₹ 105 – ₹ 4,199
75% of our SKUs are below ₹ 1,000

- 90% of product requirements are outsourced from diverse vendor networks for various designs, sizes and colours
- Only smaller quantity of premium high-quality products are self-manufactured

Products vary from basic utility footwear to affordable premium footwear

- EVA, basic and premium Hawaii, PVC, PVC DIP and PU and Stuck On products

₹ 75 – ₹ 999
83% of our SKUs are below ₹ 500

- 96% own manufacturing
4% contract manufacturing facilities

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

Message from the CMD's Desk



Dear Shareholders,

It gives me immense pleasure to present the Company's Annual Report for fiscal year 2023-24. Despite a challenging macro environment marked by muted demand and inflationary pressure, we sustained our retail sales, expanded our presence and reinforced retail market leadership. Our strategic focus on opening new stores supported by an asset-light model, improving EBITDA margins, demerging our distribution business and product improvisation coupled with focused marketing initiatives, has been crucial to our performance in FY 2023-24.

We are building a robust foundation for long-term growth and increased visibility by fostering strong customer connections and leveraging cutting-edge technology and an engaged workforce.

Macro Economic Landscape

In FY 2023-24, the global footwear market was mainly driven by changing consumer preferences, technological advancement and emerging trends. Despite weak demand, the Indian footwear segment benefited from a burgeoning middle class, rapid urbanisation, increased digitalisation, expanding rural markets, higher disposable incomes, and a growing preference for branded and premium footwear. Favourable government initiatives such as the Production Linked Incentive Scheme (PLI) and Make in India further accelerated growth, creating opportunities for both established brands and new entrants.

The Company faced several headwinds, including high inflation impacting raw material prices and sales, particularly in our core markets of Tier III and IV cities and softness in discretionary consumer spending. We also faced heightened competition with the emergence of new organised players and local competition. Furthermore, the Company has taken all the initiative to implement a regulatory shift in accordance with the stringent Bureau of Indian Standards (BIS) quality norms.

Performance Highlights

Notwithstanding such challenges, we managed to retain our retail sales at the previous year's levels though a reduction in credit limits impacted our distribution business. In FY 2023-24, Revenues stood at ₹ 6,149.04 Million, reflecting a 6.87% decrease from ₹ 6,602.64 million in FY 2022-23. Despite this, our Gross Margin improved significantly to 45.4%, an increase of 350 basis points year-on-year, driven by a higher contribution from the retail division.

Operating EBITDA margin rose to 11.54% of net sales, compared to 10.98% in the previous year. However, Profit After Tax fell to ₹ 63.16 million – a 63.93% year-on-year decrease from ₹ 175.07 Million.

Retail and Distribution gross margins enhanced to 56.1% and 38.5%, respectively, up from 53% and 34.9% in FY 2022-23. These improvements underscore our commitment to operational excellence, superior product designs, effective brand premiumisation and targeted marketing campaigns.

Growth and Expansion Focus

Changing consumer behaviours, rising disposable income, growing fashion awareness and increasing popularity of digital channels have contributed to the growth of the retail segment and broader brand penetration beyond metros and mini-metros. Backed by an asset-light model, we focused on a favourable product mix, affordable prices and expanded footprint to capitalise on these opportunities and drive retail growth during the fiscal year.

Our dedicated team worked on improving product designs while launching new products to make them more appealing with vibrant and trendy designs to our aspirational customers across Metros and Tier I, II & III cities. We continued to pursue sub-brand premiumisation to improve sales and margins with a strategic focus on metros and mini-metros.

To strengthen the performance of our distribution division, we implemented a robust credit mechanism. Additionally, we have expanded our PU and EVA range alongside rationalisation of price and improvement in product design and quality.

As we advance our growth strategy, our decision to demerge Khadim's distribution segment in FY 2023-24 signifies a transformative step for our Company.

Demerging Distribution Business

By demerging our distribution division into the newly formed KSR Footwear Limited, we aim to boost operational efficiency and accelerate growth while minimising risks. This strategic move will enable us to

create sector-focused entities, attract investors with targeted interests, and streamline our management structures. We have secured approvals from BSE and NSE and are now awaiting the final approval from the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench, for our demerger scheme. Bifurcating our retail and distribution segments will unlock significant value for each vertical, paving the way for focused growth and enhanced stakeholder value.

Focused Marketing

During the fiscal year, we amplified our brand recall through targeted marketing campaigns, strategic partnership with influencers and investments across both digital and traditional media. Highlights include our festive campaign, 'Cholche Khadim Cholbe Khadim,' celebrating our steadfast commitment to affordable fashion tailored to evolving customer needs. We also welcomed Abir Chatterjee and Ishaa Saha, renowned Bengali Actor and Actress as our Brand Ambassador, harnessing their popularity to bolster our visibility among younger audiences in the East and North East regions of India.

Optimising Core Capabilities

By leveraging our key strengths and maintaining a technology focus approach, we stay attuned to our core principle of making affordable fashion for everyone.

Our manufacturing facilities are equipped with advanced testing laboratories, ensuring smooth adaptation and transition to new BIS regulatory requirements. We are also actively guiding our vendors through the BIS registration and product testing to ensure compliance.

Operating state-of-the-art warehouses helps us drive operational excellence and maintain a robust supply chain. During FY 2023-24, we modernised our warehouse application with modern WMS to further streamline operations. We continue to embrace technology for automation and optimisation, enhancing operational

and efficiencies alongside improving customer satisfaction. Additionally, we invest in digital capabilities to expand our reach to the rising demand among digitally savvy consumers.

Prioritising employee engagement, we continue to invest in dedicated leadership programmes and internal training to make our employees adaptable to evolving industry and customer needs. As we advance, we stand committed to fostering a culture of collaboration and empowerment, enabling our employees to thrive and significantly contribute to our growth and customer satisfaction.

Outlook

As we chart our path forward, we intend to seize growing segment opportunities, expand our store network and optimise working capital post-demerger to boost sales value and enhance retail profitability. Our strategic focus includes plans to raise ₹ 149.20 Million to scale operations and diversify our portfolio to accelerate growth and deliver lasting shareholder value.

In closing, I want to extend my deepest gratitude to our shareholders, loyal customers, employees, trusted business partners and the broader community for your ongoing support. I am especially appreciative of our esteemed Board of Directors for their strategic insights and guidance.

Confident in our long-term strategy, we are committed to leveraging our brand strength, customer loyalty and market potential to drive sustainable growth and deliver enduring value to our shareholders. Together, we are poised for a future of exciting opportunities and continued success.

Warm Regards,

Siddhartha Roy Burman
Chairman & Managing Director

Whole-time Director's Communique



Dear Shareholders,

It is my great pleasure to reconnect with you amidst all the strategic moves that the Company intends to undertake to create long-term stakeholder's value while remain dedicated to its vision and mission.

Pursuing Growth

Our commitment to delivering affordable fashionable footwear for everyone with an innovative product range has made Khadim popular among consumers across diverse age groups. Operating an asset-light model to drive profitability and cost efficiency, we have conceptualised a comprehensive strategy targeting each footwear segment. This focus allows us to capitalise on growth opportunities and reduce dependency on any single business while maintaining market leadership.

Despite a challenging external environment and softening in customer spending, our deep market insights and understanding of consumer preferences kept us resilient and relevant in FY 2023-24, showcasing strong brand trust among consumers and unwavering partner support across India. Our performance was driven by strategic financial and operational planning centered on our core business priorities. With our long-term vision to become the leading affordable footwear brand in India, we continued to reinvent our offerings and adapt to evolving consumer needs.

Business Highlights

Leveraging our core strengths, we prioritised innovation to revamp our portfolio while maintaining our strategic focus on brand premiumisation and expanding our presence. Solidifying our presence in Eastern parts of India, we continued to grow our retail footprint across Southern and Western India, as well as Uttar Pradesh in North India. Additionally, we fortified our e-commerce business, expanded through transit retail formats and integrated omni-channel services to cater to a wider consumer base.

A key highlight of the year was the plan to demerge our distribution division into a separate corporate entity, a move that will support our continued growth and leadership in the affordable footwear segment.

We embraced cutting-edge technology to streamline processes and products, boosting operational and cost efficiencies and elevate customer experiences. Our personalised marketing campaigns, targeting specific



Our retail segment growth was driven by a favourable product mix, affordable prices, marketing drive and expansion focus across diverse markets. Backed by an asset-light model, we added 94 new retail stores in FY 2023-24.

customer segments in both retail and distribution have enhanced customer engagement and loyalty.

Despite external challenges impacting total revenues, our collective efforts resulted in an improved operating EBITDA of 11.54% of net sales and a gross margin of 45.4%, driven by a favourable product mix from increased retail contributions.

Driving Performance

Our retail segment growth was driven by a favourable product mix, affordable prices, marketing

drive and expansion focus across diverse markets. Backed by an asset-light model, we added 94 new retail stores in FY 2023-24, strategically located at convenient places to enhance consumer convenience and increase our brand visibility. Our retail store network now encompasses 868 branded retail outlets across 27 states and 5 union territories. We have also renovated our existing stores to enhance customer experience. Additionally, we have deepened our presence across Eastern and Southern markets. Our foray into new markets will

be initially through COCO stores and subsequent expansion via the franchisee route. We are also expanding our presence across West and North India through various forms of Franchisee.

As on March 31, 2024, we have built a strong network of 753 distributors serving over 30,000 MBOs nationwide, enhancing our presence in Tier I and Tier III locations. Despite a dip in the distribution segment's performance this fiscal year, our focus on introducing new products, improving design



Our commitment to stay at the forefront of the retail segment and maintain leadership in affordable fashion footwear drives our strategic focus.

and quality, rationalising prices and implementing a robust credit collection strategy has strengthened the segment and optimised capacity utilisation.

Strengthening Distribution Business

The Company's plan to demerge the distribution business is expected to position the business for targeted growth and increased value, setting the stage for a robust future. The strategic arrangement between Khadim India Limited (Demerged Company) and KSR Footwear Limited (Resulting Company) will attract a distinct investor base, enabling more targeted portfolio allocation into separate entities. Additionally, this approach will facilitate independent capital allocation and balance sheet management, tailored to the specific needs of each business, driving potential business growth, expansion and increased competitiveness in relevant markets.

Solidifying Position with a Revamped Portfolio

Our commitment to stay at the forefront of the retail segment and maintain leadership in affordable fashion footwear drives

our strategic focus. This year, we revamped our product portfolio to align with the aspirational needs of consumers across metros, mini-metros, and Tier II & III cities, emphasising product premiumisation by offering stylish yet affordable products. The mother brand 'Khadim' remained the priority product for our target segment in Tier III and IV cities.

To meet this growing demand, we also enhanced our in-house design capabilities and partnered with new vendors. Additionally, we ensure the use of superior quality raw materials through rigorous quality checks by our team, making our products breathable

and comfortable. Our dedicated team conducts thorough market research to align product development with evolving trends, selecting vendors to bring these designs to market.

We have successfully differentiated our sub-brands to cater to various end users, driving premiumisation across our portfolio and business units. In response to the rising demand for athleisure, Sports shoe and athleisure, EVA beach sandals, Spring-Summer and Autumn-Winter collections, we introduced a refreshing range of vibrant, edgy and stylish footwear collections during the fiscal year. We also refreshed our accessories category,



including ladies' bags, backpacks, and school bags, with new designs to enhance consumer satisfaction.

These efforts have strengthened our market position, elevating the Company as the preferred choice in affordable fashion footwear.

Expanding E-Commerce, Transit Retail and Omni-channel Service Reach

With a focus on expanding our consumer base, we continued to upgrade our e-commerce platform in FY 2023-24. Our measures led to improved user experience, simplified navigation and streamlined checkout, resulting in higher online sales and better customer retention. Furthermore, we focused on increasing our presence in airports and railway stations, capturing impulse buy from travellers and boosting our visibility in the transit retail segment. Leveraging advanced technology, we have seamlessly integrated online and in-store experiences to offer comprehensive customer experience. Powered by specialised platforms, our omni-channel strategy allows our customers to browse online, shop in-store, and enjoy services like same-day delivery, enhancing their overall shopping journey and improving operational efficiencies.

Customised Marketing

We rolled out various personalised marketing initiatives across channels during the fiscal year. By analysing customer data and behaviour, we tailored promotions, offers and recommendations to individual preferences. This strategy boosted customer engagement and loyalty alongside enhancing our brand visibility. By implementing dynamic and comprehensive marketing initiatives such as on-boarding new brand ambassadors, Amazon Pay integration, Voucher Integrations Programme, Loyalty Programme

and implementation of brand slogan "Cholche Khadim Cholbe Khadim", we focused on blending tradition with innovation to cater to evolving customer needs.

The Way Ahead

By staying attuned to market trends and segment opportunities, we are poised to evolve and expand. Leveraging our strategic priorities and core strengths, we will continue to drive brand premiumisation while offering affordable products under the Khadim brand to fuel growth and enhance visibility and outreach.

I take this opportunity to thank everyone for your unwavering support and trust in our capability to deliver affordable fashion footwear for everyone.

Warm Regards,

Rittick Roy Burman

Whole-time Director



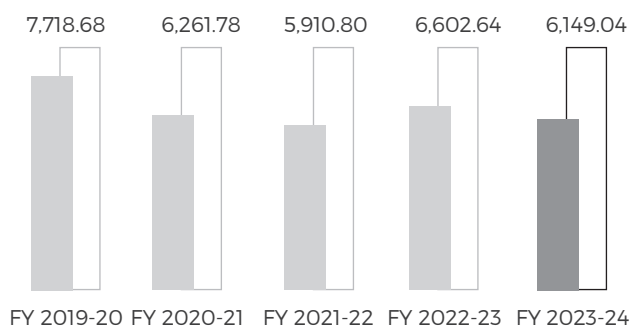
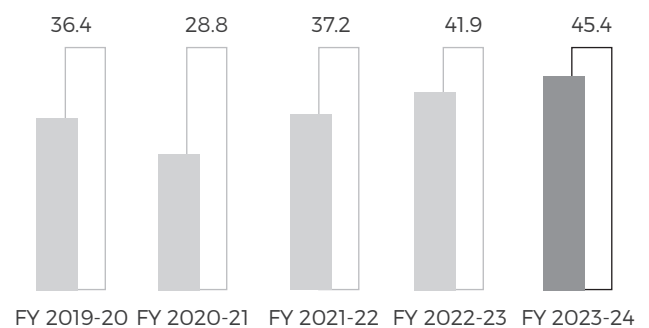
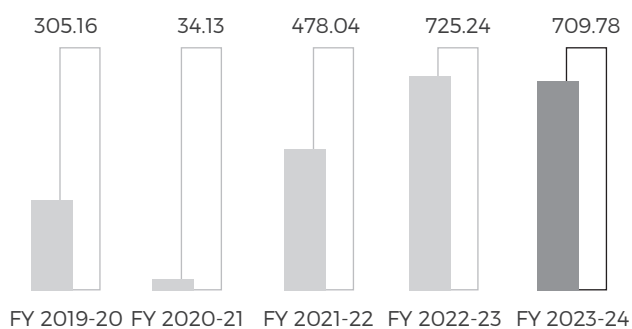
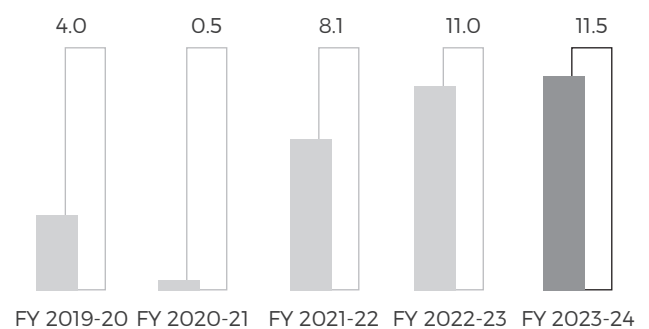
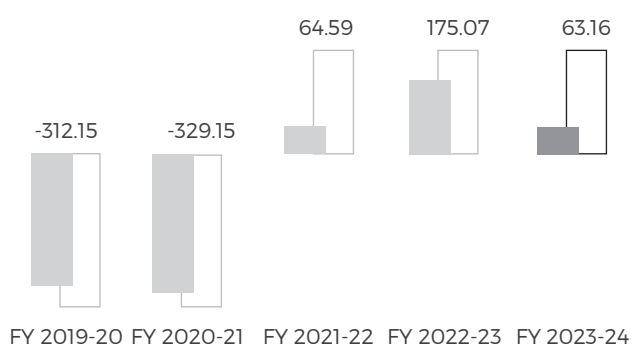
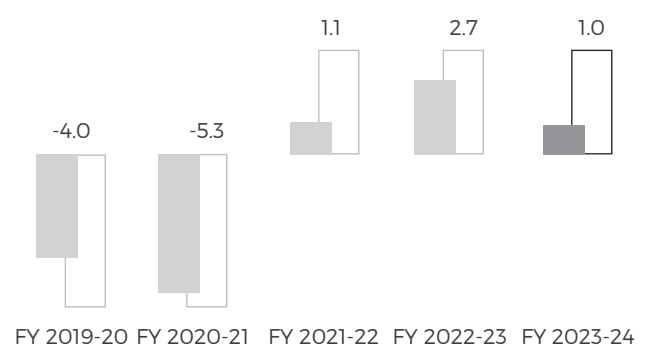
With a focus on expanding our consumer base, we continued to upgrade our e-commerce platform in FY 2023-24.



Key Performance Indicators

Financial Performance

In FY 2023-24, our gross margins improved due to increased contribution from our retail segment, despite a challenging external environment.

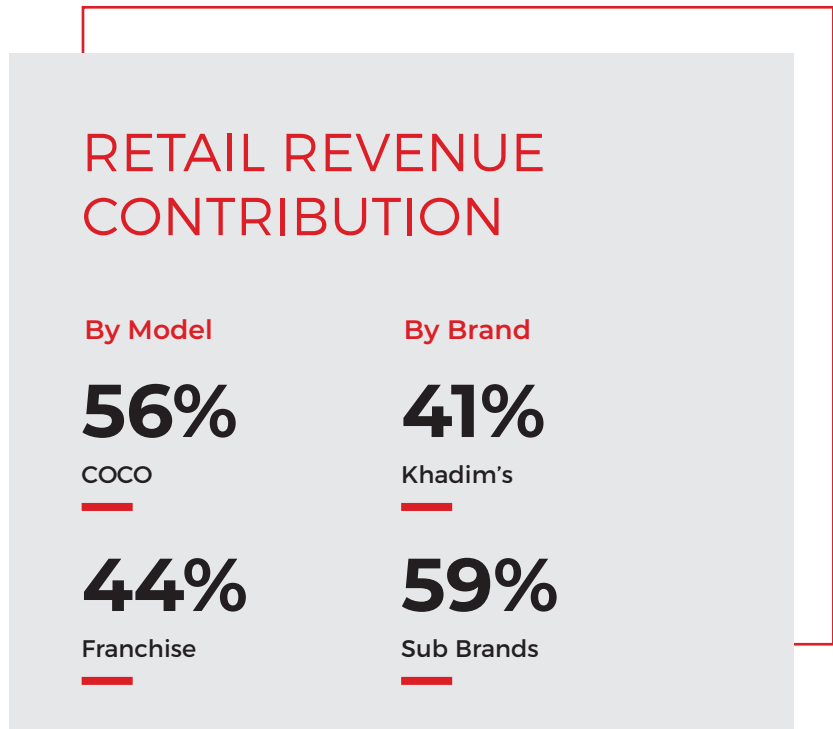
Revenue (₹ Million)

Gross Margin (%)

EBITDA (₹ Million)

EBITDA Margin (%)

PAT (in ₹ Million)

PAT Margin (%)


Retail Overview

Solidifying Our Retail Presence

We drive sales through diverse channels to reach a broader consumer base and boost revenues. By implementing strategic measures, we ensure seamless customer journeys while strengthening customer bonds and driving growth.

Our focus on quality products, affordable pricing, cutting-edge technologies and targeted marketing initiatives has been pivotal in driving retail performance and sustaining our competitive edge in FY 2023-24. Additionally, we enhanced our e-commerce platform, expanded into transit retail format and integrated omni-channel services to successfully strengthen our retail business in the highly dynamic market landscape.



94

New Stores additions in FY 2023-24

Increasing Our Store Presence

Our retail growth strategy centers on store expansion through an asset-light model, expanding across diverse markets to connect with a wider customer base and drive sustainable growth. Solidifying our presence in Eastern and Southern India, we continued to enhance our retail presence in markets across South India, West India and Uttar Pradesh (North India) during FY 2023-24. Additionally, we focused on venturing into new markets in the East and South through COCO stores and subsequent expansion

in these markets via the franchisee route. Our expansion into North and West Indian markets will be through the Franchisee Run and Managed (FRM) and True Franchise Model (TFM) routes.

As of March 31, 2024, we have 868 branded retail outlets, a rise of 3% compared to March 31, 2023. Additionally, our new stores have been strategically positioned in convenient locations to maximise visibility and boost sales.

Retail Stores

By Model

223

COCO

645

Franchise

Improved Designs and Brand Premiumisation

In FY 2023-24, we focused on improving product designs to make them more appealing to our aspirational customers across Metros and Tier I, II & III cities.

Consumers are increasingly seeking stylish, high-quality footwear, particularly in sports and formal men's categories and are willing to pay premium prices for quality products. To capitalise on the demand and drive premiumisation, our design team strategically invested in in-house capabilities and collaborated with new suppliers.

The improved product designs led to a notable increase in orders, particularly during the festive season. The rising sales of our sub-brands, surpassing the sales contribution of our flagship brand

'Khadim' have elevated product premiumisation while maintaining affordability for our customers.

Focus on Increasing ASPs

Achieving a healthy average selling price (ASP) margin across categories was another key area during the year. We focused on design improvements, right from workwear for men or women or sports shoes to ensure higher ASPs.

Our commitment to the athleisure segment continues with Khadim's strong brand presence and strategically located showrooms. We launched numerous new sports shoe designs in FY 2023-24, especially during the festive season, with prices ranging from ₹ 999 to ₹ 3,000, to boost ASP growth.



Over the next 2-3 years, we will be strategically focusing on altering our product mix to enhance value addition. There would be a specific focus on improving revenues from our sub-brands over brand Khadim to ensure higher ASPs as gross margins from sub-brands are marginally on the higher side.

Enhanced E-commerce Platform

We bolstered our e-commerce platform with upgrades to enhance user experience, simplify navigation, and streamline checkout processes. These improvements have driven increased online sales while boosting customer retention.

Transit Retail Format

During the year, we continued our presence in transit locations like airports and railway stations, boosting our visibility in the transit retail space. This strategic focus has allowed us to capture impulse purchases from travellers and broaden our customer base.

Omni-Channel Integration

We have successfully integrated our online and brick-and-mortar stores to deliver a seamless shopping experience. Our omnichannel approach enables customers to browse products online, shop in-store and benefit from services like same-day delivery.



Personalised Marketing Strategies

Targeting specific customer segments, we have implemented personalised marketing strategies across our various channels during FY 2023-24. By analysing customer data and behaviour, we tailored promotions, offers and recommendations to individual preferences, resulting in enhanced customer engagement and loyalty.

Cutting-Edge Technology

We embraced technological advancements to elevate our customer shopping experience. These include CRM programs, Amazon Pay integration, Voucher Integrations Programme, etc. By leveraging these technologies, we offer personalised product recommendations and real-time inventory tracking, boosting customer satisfaction and driving sales.



Modernising Warehouse Application

To enhance operational efficiency and customer satisfaction, we upgraded our software from DCMS to WMS in respect of Warehouse Management. This application optimises operations by mapping SKUs to specific racks and bins, streamlining stock placement and retrieval. Stock inwards are scanned with wireless handheld devices and stored in predefined locations, while outbound processes generate picklists based on FIFO SKU locations, reducing pickup and invoicing times. This system allows for quick and easy SKU location within the warehouse. Additionally, we semi-automated our warehouses to further streamline our operations.



Distribution Overview

Revamping Distribution

Sustaining a strong distribution network, coupled with efficient production and warehouse facilities, has helped us to efficiently reach out to customers across smaller towns and cities and drive business growth.



Demerger of Distribution Division

As part of our corporate restructuring, we are demerging our distribution business into a separate company - KSR Footwear Limited (KFL), to accelerate its growth and specialisation.

The demerger will allow the demerged distribution division and the remaining business (retail) to focus on their distinct market segments, each with unique strategies, customer base and capital needs. Additionally, it will enhance each segment's competitiveness, operational efficiency and relevant market. It will also facilitate efficient allocation of resources by both businesses, to drive growth, attract the right talent and provide better opportunities for existing employees, all while aligning with a focused strategic approach for each entity.

Furthermore, this strategic move will create sector-focused entities, attract business-specific investors, streamline management structures and ring-fence businesses from each other. It will also improve risk management and optimise management bandwidth, ultimately unlocking greater value for shareholders. We will focus on prioritising more profitable products, even with

lower sales volumes, to ensure the newly formed entity's profitability.

Our demerger plan is on track, with approvals from BSE and NSE secured. We are now awaiting approval from Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench.

Deepening Our Distribution Connect

We strategically focused on maintaining a robust distribution network in India and enhancing outreach. We strengthened our network in existing East and South India markets while capitalising on retail brand recall and target markets in West and North India. As of March 31, 2024, we have 753 distributors as our channel partners, a rise of 8% compared to March 31, 2023. It has significantly improved our capacity to serve more customers through more MBOs while simultaneously boosting visibility and sales.

New Product Launches

We continued to introduce new products with different price points, driving growth across our division. We also revamped our portfolio with improved designs to enhance product appeal, customer satisfaction and improve sales.

Optimising Operational Efficiency

To optimise capacity utilisation in our distribution division, we expanded our range of PU and EVA products, improved design and quality and rationalised pricing. Implementation of TOC-based stock management was undertaken to reduce overall inventory apart from merchandising and design

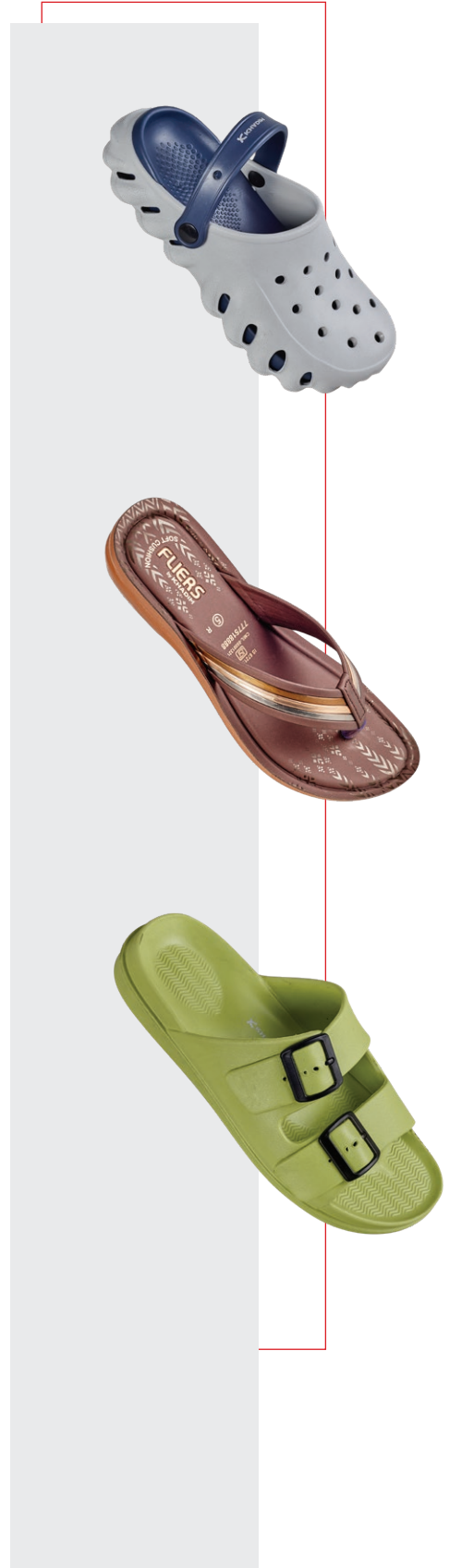
including value engineering. These measures have collectively enhanced our operational efficiency and optimised distribution capabilities.

Few Entry Price Points

We offer a wide product range across various categories and price points. To maintain a strategic equilibrium between our product offerings and pricing strategies, we have worked to maintain very few entry price point products across categories. This approach has effectively curtailed pairage degrowth across various merchandise categories.

Robust Collection Mechanism

To ensure a robust collection mechanism, we implemented stringent credit rules and emphasised cash sales during the fiscal year. We also introduced various measures to accelerate the realisation of outstanding payments.



Marketing

Elevating Engagement and Strengthening Brand Recall

Khadim, the home-grown footwear brand, is committed to affordable fashion that strikes a chord with every Indian. To achieve this, we build strong, lasting customer connections through focused and innovative marketing strategies that enhance engagement and reflect our brand image.

During FY 2023-24, we undertook various marketing initiatives to boost brand visibility and reach nationwide.

New Brand Ambassadors

New Brand Slogan: "Cholche Khadim, Cholbe Khadim"

British Walker Hero Product Relaunch

Durga Puja Campaign

Diwali and Wedding Campaign

Loyalty Campaign

Voucher Integrations Program

Sponsoring the Statesman Vintage & Classic Car Rally 2024

Amazon Pay Integration



New Brand Ambassadors

To amplify our brand presence in the east and north east region of India, we onboarded Abir Chatterjee and Ishaa Saha, renowned Bengali Actor and Actress as our brand ambassadors during the fiscal year. This strategic move is expected to boost our brand visibility and customer engagement in these regions.



চলছে খাদিম চলবে খাদিম।

New Brand Slogan: 'Cholche Khadim, Cholbe Khadim'

Our new brand slogan, "Cholche Khadim, Cholbe Khadim", was launched with an extensive campaign across West Bengal.



Darjeeling Toy Train Branding

The UNESCO heritage toy train featured Khadim branding and served as a moving billboard to captivate tourists and locals alike.



Bus Wraps and Hoardings

Eye-catching bus wraps and strategically placed hoardings ensured our message reached every corner of the region.



Roadblock at ABP Live

Partnered with ABP Live to utilise L branding to amplify our slogan's reach.



Bus Wrap & OOH

Our Campaign was supported by Bus Wraps in Kolkata and OOH in North Bengal.

British Walker Hero Product Relaunch

We reintroduced the iconic British Walker in the market with the nationwide campaign, 'Royal Comfort Once Again'. This comprehensive relaunch featured stylish store decor, a bulk WhatsApp campaign and PR promotions, showcasing the blend of classic elegance and modern comfort of British Walker shoes, to appeal to discerning customers across India.



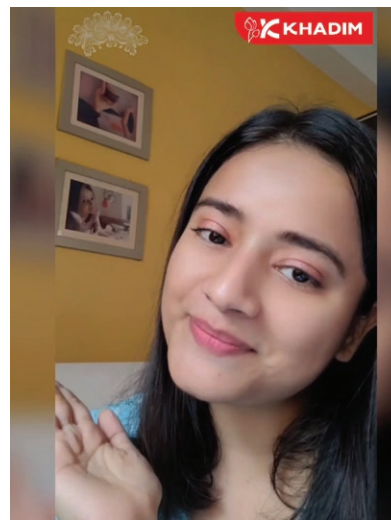
Durga Puja Campaign

Durga Puja is the biggest festival in Eastern India, especially in West Bengal – our largest market. We rolled out a comprehensive campaign for the grand celebration of Durga Puja in FY 2023-24. Our campaign included

Product Catalogue Promotions by featuring in prominent newspapers like Ananda Bazaar Patrika, Telegraph, Bartaman, Asamiya Pratidin, Dainik Sambad, Sambad, Dainak Jugasanka, and Prameya

Collaboration with 20 Influencers such as RJ Priyanka, Bitkel Bengali, Aratrika Maity, Srijla Guha, Bong Princess and Alexandra Taylor, among others, to amplify our social media reach and engagement

Google P-Max Campaign to leverage the power of digital media with our Google P-Max campaign promoting exclusive Durga Puja offers, driving traffic to our stores and online platforms



Launched a series of television commercials (TVCs) on popular channels such as ABP Ananda, News18 Bangla, R-Bangla, 24 Ghanta, and TV9 Bangla to connect with a larger audience, highlighting our diverse portfolio and seasonal offers



Consumer Exchange Programme, in collaboration with Bazar Kolkata. This initiative allows customers to use gift vouchers interchangeably at Khadim and Bazar Kolkata outlets, enhancing convenience and value. Through this innovative partnership, we aim to harness our strengths to enrich the shopping experience and strengthen customer relationships.

Diwali and Wedding Campaigns

During the festive and wedding seasons, we launched an extensive hoarding campaign to target Bihar and Uttar Pradesh markets, positioning our festive collections as the go-to choice for celebrants. The campaign covered cities including Bhagalpur, Buxar, Darbhanga, Gorakhpur, Lucknow, Motihari, Muzaffarpur, Patna, Prayagraj, Purnia and Varanasi.

ROI Driven LOYALTY Campaigns

Khadim's targeted LOYALTY campaigns demonstrate the effectiveness of our customer relationship management strategy. The results of the campaigns underline our strategic focus on customer engagement and personalised marketing, reinforcing our commitment to enhancing customer experiences and driving business growth.

6

Targeted LOYALTY Campaigns in FY 2023-24

6.8 Million

Customers Reach

Voucher Integrations Programme

To expand our reach and offer greater value to customers, we formed strategic alliances with leading Indian banks and corporates, including SBI Card Rewards, Edenred Rewards and Ferrero Rewards. These partnerships promoted Khadim gift vouchers, helping us access their vast customer base and drive more traffic to our collections. By blending targeted local advertising with nationwide corporate partnerships, we ensured our festive collections were the top choice for celebrations.

The Statesman Vintage & Classic Car Rally 2024

The 53rd Statesman Vintage and Classic Car Rally 2024 showcased timeless beauty and captured the essence of Kolkata's nostalgic charm. The Statesman Vintage & Classic Car Rally, an annual vintage car rally performed at New Delhi and Kolkata is the oldest, continuously-run such event in India and the sub-continent. It



started in 1964 in New Delhi and was brought to Kolkata in 1968 as The Statesman Vintage Car Rally. The main organiser for the event is The Statesman. Khadim India Limited was one of the sponsors of this prestigious event. Major event attractions include a stunning assembly of vintage and classic cars, followed by a drive through the city where cars are assessed for originality.

Amazon Pay Integration

To enhance customer convenience, we have partnered with Amazon Pay for QR payments across our retail stores. This integration simplifies the payment process, providing a seamless shopping experience.

Through dynamic and comprehensive marketing initiatives, Khadim strides forward, blending tradition with innovation to meet the evolving needs of our customers across India.

Our Employees

Advancing Workforce Excellence

Our employees are the cornerstone of our success. We foster an inclusive and empowering environment, through dedicated engagement programmes, to help both our people and business thrive.

In FY 2023-24, we continued to invest in our employees, providing them with opportunities to realise their full potential, upgrade skills and enhance their overall well-being. Additionally, we focused on recruiting the right talent to align our work environment and culture.



Promoting Well-being

Ensuring employee welfare is a core focus of our Human Resource (HR) management philosophy. In FY 2023-24, we scaled up our wellness initiatives through partnerships with various external experts. We organised a range of activities including a headache management session, cardiology camp, random blood sugar and blood pressure tests, ECGs, nutrition & lifestyle consultations, exclusive complimentary check-ups and awareness programmes on breast cancer and eye screening, among others.

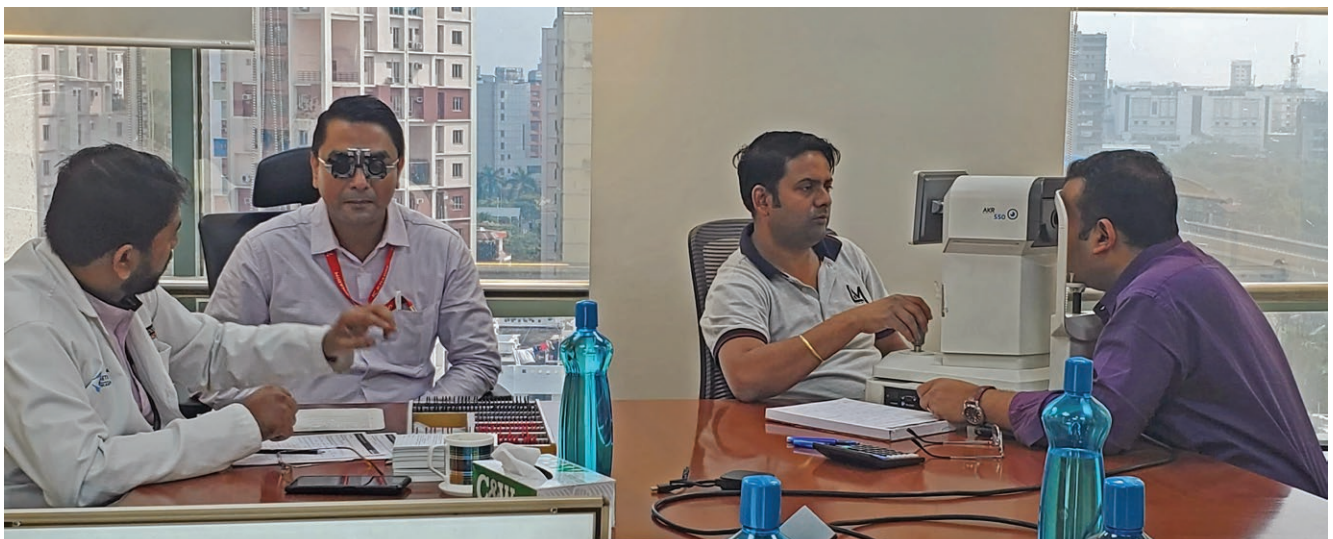
Facilitating Learning & Development

Our diverse training initiatives focused on upgrading employee skills for current roles while preparing them for future growth.

During the fiscal, we organised specialised leadership development programmes and internal training sessions to enhance the professional development of our teams. Additionally, training initiatives on planning and prioritising, communication, leadership, GST and TDS were conducted to upgrade the skills of our employees.

Promoting Health & Safety
Health Checkup Camps

In coordination with Narayana Speciality & ASC Eye Hospital, Health and Eye Checkup were organised at our registered office.



Fostering Employee Engagement

We strive to foster strong employee connections to build a culture of belonging, enhancing creativity and driving innovation and growth. Celebrating festivals such as New Year, Durga Puja, Diwali, and Women's Day at our offices helped to boost cross-team engagement and cohesion. Additionally, we organised a World Photography Day event to recognise employees' artistic / photography talents and a picnic and cricket tournament to rejuvenate staff and strengthen team bonds.



Corporate Social Responsibility

Fostering Holistic Community Development

As a responsible entity, we remain dedicated to bring about a positive and meaningful change in society. Through our collaboration with Udayan Care, we aimed to uplift individuals from socio-economically weaker sections of society.

During FY 2023-24, our continued CSR activities with Udayan Care centered on Academic Excellence and Personality Development, aimed at transforming deserving girls from socio-economically disadvantaged backgrounds 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 over 41 years of experience in the footwear industry. He is at the helm of 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.

Prior to his appointment as a Whole-time Director, he held various roles within the organisation for a tenure of three years. Notably, he served as the Head -Merchandising & New Initiatives, overseeing the long-term strategy of the organisation and driving new ventures and initiatives. His diverse experience across different departments has provided him with a comprehensive understanding of the business.

He holds a Bachelor's Degree in Commerce from the University of Calcutta. 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 2017.

Prior to joining our Company, she was associated as Vice Chancellor with the 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 the 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 with a rich experience of over 26 years in the Indian Capital Markets. As the driving force behind, Churiwala Securities Private Limited (CSPL), his focus and vision enabled the company to establish itself as a prominent and respected player in the industry. He has been instrumental in starting the CDSL and NSE operations of the Churiwala Group. He also played a key role for the CSPL's tie up with Larsen & Toubro and Trade.com for their Internet venture (Lttrade.com).

He holds a Bachelor's Degree for the Commerce from H.R. College of Commerce & Economics, Mumbai. He also holds a Diploma in Securities Law from the Government Law College, Mumbai and he has completed executive learning programmes from IIM, Ahmedabad & Indian School of Business, Hyderabad.



Mr. Ritoban Roy Burman
Non-Executive, Non-Independent Director

He was appointed as a Non-Executive, Non-Independent Director of the Company in December 2017.

He joined the Company in 2013 as Manager-Marketing and served in this capacity till November 2017. During this period, he gained good exposure in various aspects of footwear marketing. Since then he has been an integral part of our organisation, contributing his valuable expertise across different facets of the business.

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

Leadership Team

**Mr. Indrajit Chaudhuri**

Chief Financial Officer

He joined the Company in May 2007.

He has an experience of over 23 years in finance & accounts, taxation and strategic planning. He is responsible for finance, accounts, taxation, treasury management and overall financial control. Additionally, he is also responsible for the Legal & Secretarial, HRM 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 over 23 years of experience in secretarial and legal affairs and is responsible for the overall secretarial and legal functions of the Company.

Before joining the Company, he was associated with MCPI Private Limited (Formerly, Mitsubishi Chemical Corp. PTA India 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 holds over 28 years of experience in strategic planning, accounts, IT, business development and sales.

He is responsible for the retail (COCO / FRM) business of the Company. Additionally, he oversees the Information Technology, Learning and Development verticals.

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

**Mr. Aranya Ray**

General Manager - Supply Chain Management

He joined the Company in August 2005 and possesses an overall experience of 24 years 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 joined the Company in March 2007 and holds around 20 years of experience in the field of retail sales & marketing within the footwear domain.

He leads the Franchise (EBO / BO) Retail vertical as well as the E-commerce business of the Company.

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

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

Management Discussion & Analysis

Industry Structure and Developments

The global footwear market is progressing at a compound annual growth rate (CAGR) of more than 4% between 2023 and 2028¹. The global footwear market is changing rapidly due to shifts in consumer preferences worldwide, driven by fashion and design. The footwear is gradually evolving into a lifestyle purchase with increase in demand for comfortable and stylish products.

The future of the footwear industry in India is being shaped by various market players and emerging trends, highlighting its diverse and ever-evolving nature. The market is further stimulated by the entry of international brands and e-commerce developments. Additionally, government initiatives backing the leather and footwear sector contribute to production capacities and boost exports.

India's footwear revolution is rapidly advancing towards USD 90 billion milestone by 2030². India accounts for more than 9% of global footwear production and ranks second worldwide in both production and consumption. The footwear industry in India has the potential to create upto 425 jobs for every 1,000 pairs manufactured and sold per day across varied fields like manufacturing, allied industries and retail³. Factors like rapid urbanisation, rising disposable incomes and an expanding fashion-conscious demographic are driving the growth in the footwear segment. Conclusively, the Indian footwear market is thriving, powered by a growing middle-class, Millennials & Gen-Z and increase in online shopping.



1. Footwear Market Analysis - US, China, Japan, Germany, UK - Size and Forecast 2024-2028 (technavio.com)

2. <https://gtri.co.in/DisplayFlagshipReports.aspx?ID=28>

3. Leather and Footwear Industry in India: Invest India

Management Discussion & Analysis

Company Overview

Khadim India Limited (also referred to as 'Khadim' or 'Company'), trading under the brand name 'Khadim', is a distinguished footwear Company with legacy of more than six decades in the Indian footwear sector. Based in Kolkata, West Bengal, the Company ranks as the second-largest footwear retailer in India, with a strong foothold in Eastern and Southern India.

The Company operates under two distinct business models - Retail and Distribution. The retail business targets middle and upper-middle income consumers via exclusive retail stores (Company Owned Outlets and Franchisees) in Metros and Tier I - Tier III cities, who primarily shop in high street stores and malls while the distribution business caters to lower and middle-income consumers through a network of distributors in Metros and Tier I - Tier III cities, who supply to Multi-Brand Outlets (MBOs) across India.

The Company remains committed to designing products that reflect contemporary fashion trends through continuous research and development. It has expanded its reach and continues to grow through 868 Khadim's branded retail stores across 27 States and 5 Union Territories as on March 31, 2024. Additionally, the Company has established a wide network of 753 distributors, catering to MBOs nationwide as on March 31, 2024.

A "Scheme of Arrangement" between the Company and KSR Footwear Limited ("Resulting Company") and their respective shareholders and creditors ("Scheme"), has been approved by the Board, which inter alia provides for the demerger, transfer and vesting of the entire Distribution Business of the Company into the Resulting Company, on a going concern basis, subject to necessary statutory and regulatory approvals.

The retail and the distribution business address different market segments with divergic dynamics in terms of business strategy, customer set and distinct capital requirements. The Demerger will enable both the Company and the Resulting Company to focus on their activities in the respective segments and shall enable them to move forward independently, with specialisation building on their respective capabilities.

Further, the segregation will enable unlocking value of each vertical thereby paving the way for focused growth with a view to create significant stakeholder value. The demerger process is well underway, with approvals expected to establish a more robust and focused business structure.

Khadim, renowned for its affordable fashion, caters to the entire family for every occasion. With a strong presence in malls and high streets, the brand has now extended its reach to transit locations like airports and railway stations. They offer a diverse range of high-quality yet reasonably priced footwear suitable for all age groups from kids to seniors, easily accessible across urban and semi-urban areas as well as small towns.



Management Discussion & Analysis



Operational & Financial Highlights

In the financial year 2023-24, the net sales for the Company decreased to ₹ 6,149.04 million as against ₹ 6,602.64 million in the previous year, marking a fall of 6.87%. The operating EBITDA decreased to ₹ 709.78 million as against ₹ 725.24 million in the previous year, down by 2.13%. The operating EBITDA margin increased to 11.54% of net sales as against 10.98% in FY 2022-23.

Profit before Tax was ₹ 82.56 million as against Profit before Tax of ₹ 225.71 million in the previous year, down by 63.42%. The Profit after Tax for FY 2023-24 was ₹ 63.16 million as against Profit after Tax of ₹ 175.07 million in the previous year, down by 63.93%.

Gross margin for 2023-24 stood at 45.4%, up by 350 basis points year-on-year. The gross margin for retail and distribution was 56.1% and 38.5%, respectively. The segment share percentages for 2023 and 2024 indicate an increase in the retail segment from 63.0% to 65.4%, while the distribution segment experienced a decrease from 33.8% to 30.9%.

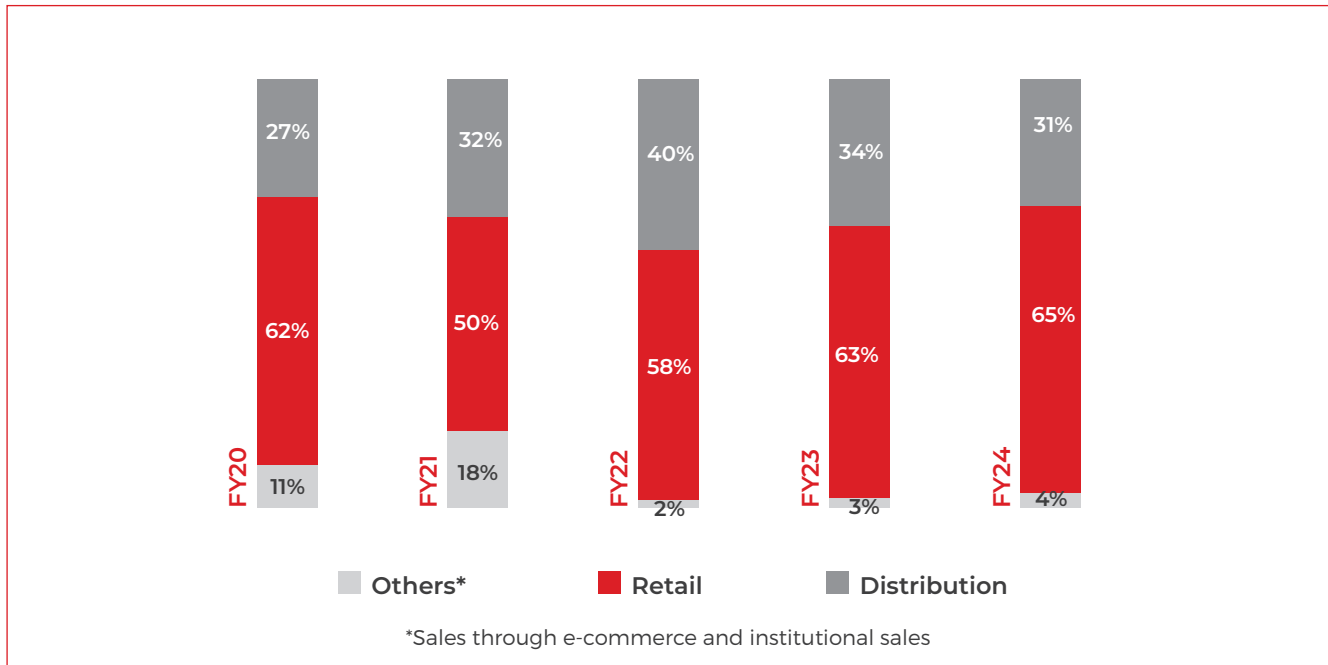
The Shoe Protection Programme, introduced by the Company across 100+ retail stores, marks a revolutionary step in the retail shoe industry. This programme provides customers with excellent post-sale benefits, guaranteeing an excellent shopping experience and long-term satisfaction with their purchase.

Following an asset-light approach, the Company focuses on expanding its store network throughout the country while prioritising premiumisation and maximising operational capacity for sustainable growth. The Company primarily operates its retail segment, accounting for 74% of its presence in franchising, while also outsourcing 90% of its product requirements to improve operational efficiency. In the distribution sector, the Company employs a highly scalable model, utilising both in-house and contract manufacturing to effectively meet market demands.



Management Discussion & Analysis

Segment-wise Revenue Bifurcation



Retail Business

The Company has significantly expanded its retail footprint by opening 94 retail stores in FY 2023-24, reaching a total of 868 branded retail outlets across 27 states and 5 union territories. These include Company Owned Company Operated stores (COCO) and Franchisees (in various forms). This growth adheres to the Company's asset-light model, with 74% of its retail locations being franchises and 90% of its products outsourced.

The Company's product range is extensive. It includes leather and non-leather sandals, slippers, boots, ballerinas, stilettos, moccasins, sports shoes and accessories (socks, shoe polishes, brushes, leather belts, wallets and laptop bags, etc.) with price points ranging between ₹ 105 to ₹ 4,199. The range includes the main brand "Khadim" along with sub-brands like 'British Walkers', 'Lazard', 'Pro', 'Softouch', 'Sharon' 'Cleo', 'Turk', 'Adrianna' and 'Bonito'. Through the mother brand and sub-brands, the Company offers varied options to consumers of different age groups expending an affordable amount.

A WOW pair
for every
member!

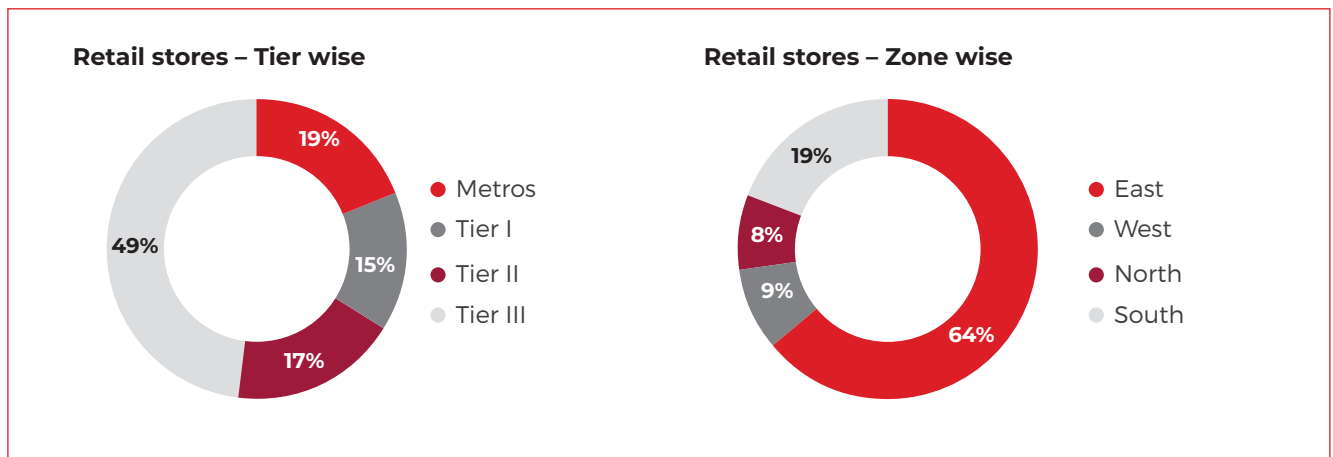


Management Discussion & Analysis

The Company adopted a trinity approach in the retail segment. This strategy includes offering a trendy yet vibrant product range, redesigning the in-store experience and maintaining affordable price points to enhance the overall retail experience for customers. The Company's retail business targets middle and upper-middle-income consumers in metropolitan areas as well as Tier I to Tier III cities through exclusive retail stores. These stores include both COCO outlets and Franchises, mainly located in high street stores and malls.

The Company has its largest geographical presence in the East, which accounts for 64% of its retail network. Additionally, the Company is diversifying its market base by expanding into South & West India and Uttar Pradesh in North India, by opening new COCO stores and enhancing its Franchise presence.

The Company's strategy optimises market reach and growth potential by strategically placing its retail stores across various tiers and zones. There is a strong presence in Tier III cities constituting nearly half of their retail locations, enabling the Company to tap into emerging markets while attracting a broader customer base. The remaining stores are located in Metros and Tier I-II cities, focusing on areas with higher purchasing power.



Distribution Business

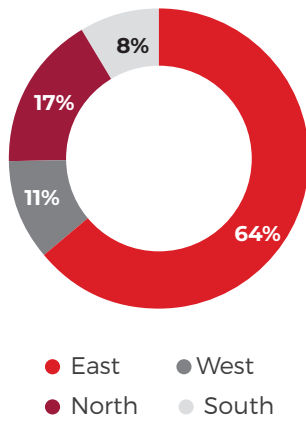
The distribution segment is a volume-based business primarily focusing on offering branded and affordable footwear within the mass footwear market. The Company's distribution business operates through an extensive network of distributors, catering to lower and middle-income consumers in Metros and Tier I to Tier III cities, who primarily shop in MBOs.

During the financial year under review, the distribution network saw remarkable expansion, reaching a total of 753 distributors. This extensive reach ensures a robust presence across India. The distribution segment offers products priced between ₹ 75 and ₹ 999, including EVA, basic and premium Hawaii, PVC, PVC DIP, PU, Stuck On products, etc. under the main brand "Khadim" along with sub-brands such as Kalypso, Wash n Wear, Fliers, FitNxt, Dunford and Pugo, each catering to different user needs. Following an asset-light model for products growth, the Company employs a combination of in-house and contract manufacturing to maintain efficiency and scalability.

Geographically, the distribution segment has a stronghold in the Eastern region, followed by significant presence in the North, with some presence in the Western and Southern regions.

Management Discussion & Analysis

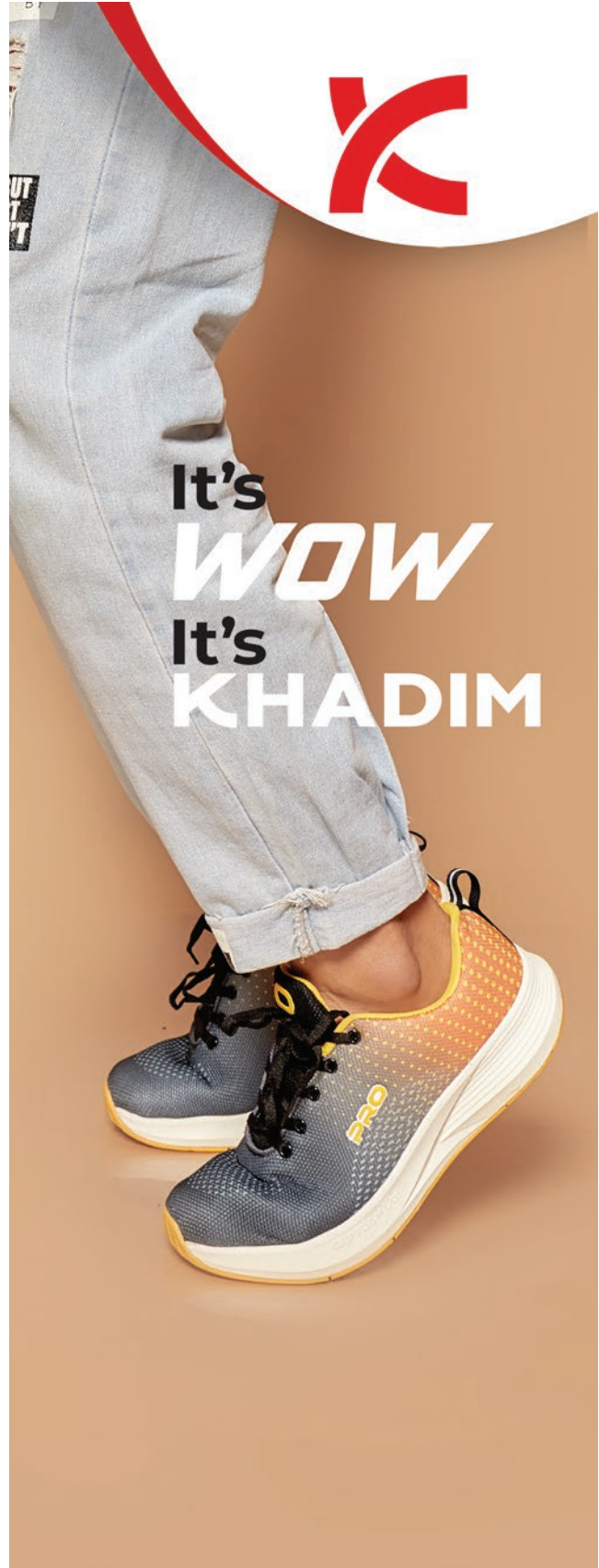
Distributors – Zone wise



Marketing and Branding

Khadim, the home grown footwear brand, believes in affordable fashion for everyone and has shaped up its journey to be in step of every Indian. Khadim as a brand is undergoing a significant transformation. It is consistently launching new shoe styles that align with current fashion trends, particularly to younger demographics like Millennials & Gen-Z. Strategic marketing, coupled with continuous product improvements and better margins while staying updated with the latest fashion trends and evolving brand campaign, have collectively enhanced the Company's recognition. To achieve its mission and vision, the Company continues to reinforce its consumer connect approach through various focused marketing initiatives that aid in consumer engagement and resonates with brand image. During the FY 2023-24, the Company launched several exciting marketing and branding campaigns to stay connected with customers and make the brand more visible.

The Company launched a festive campaign, "Cholche Khadim Cholbe Khadim", to showcase its over six decade long legacy of offering "affordable fashion" footwear. This campaign involved branding the famous Darjeeling Toy Train with Khadim logo, transforming it into a moving billboard. Wrapping buses with Khadim's designs and installing large hoardings (billboards) throughout the region to ensure widespread visibility. This campaign was initiated in regional languages to connect with consumers of all ages during Durga



Management Discussion & Analysis

Puja in West Bengal, Assam and Tripura. It promoted festive collections from Khadim and its sub-brands. In-store incentives were provided for purchases of ₹ 1,000 and above, which were promoted across various channels including Above The Line (ATL), Below The Line (BTL) & digital media. To further increase the slogans visibility, the Company partnered with ABP Live, utilising L branding to reach a wider audience.

The iconic British Walker 888540 was reintroduced to the market with a nationwide campaign, "Royal Comfort Once Again". This comprehensive relaunch included retail store decor, a bulk WhatsApp campaign and PR promotions to highlight the classic elegance and contemporary comfort of British Walker shoes. These efforts were aimed at catering to discerning customers across India.

The Company launched extensive campaigns for both Durga Puja and Diwali. For Durga Puja, the Company executed a comprehensive campaign that included product catalogue promotions in leading newspapers like Ananda Bazaar Patrika, Telegraph etc. We collaborated with 20 influencers, such as RJ Priyanka and Bong Princess, to enhance social media presence. The Google P-Max campaign highlighted exclusive Durga Puja offers, driving traffic to stores and online platforms. Additionally, TV commercials were aired on channels such as ABP Ananda, News18 Bangla, R-Bangla, 24 Ghanta and TV9 Bangla to highlight our diverse product range and seasonal offers. We have partnered with Bazar Kolkata for a consumer exchange program, enabling gift vouchers to be used interchangeably at the outlets of both Company and Bazar Kolkata, enhancing convenience and value.

For Diwali and wedding seasons, the Company targeted Bihar and Uttar Pradesh with a large hoarding campaign across cities including Bhagalpur, Buxar, Patna, Prayagraj, Lucknow etc., to ensure that the Company's festive collections were the go-to choice for the celebrants.

In FY 2023-24 the Company launched 6 targeted LOYALTY campaigns, reaching 6.8 million customers and generating substantial incremental sales, highlighting the Company's strategic focus on customer engagement and personalised marketing.

The Company also collaborated with top Indian banks and corporates to introduce SBI Card Rewards, Edenred Rewards, Ferrero Rewards and many more thereby promoting gift vouchers to attract more customers. By combining targeted local advertising with nationwide corporate partnerships, the Company successfully made its festive collections the preferred choice for celebrations.

The Company was one of the sponsors of the 53rd Statesman Vintage & Classic Car Rally 2024 held in Kolkata to further enhance its reach to the consumers.

The Company has introduced Amazon Pay as a QR payment partner in its retail stores, thereby simplifying the payment process and ensuring a seamless shopping experience for its customers. By strengthening its e-commerce capabilities to meet growing demand, the Company ensures seamless shopping experience across multiple platforms which is Amazon, Flipkart,



Management Discussion & Analysis

Ajio, Myntra, Snapdeal, Limeroad, Tata Cliq and its own website. Furthermore, the Company invests in digital marketing by curating content that resonates with young audiences and maintaining an active presence on social media channels. Collaborations with YouTube influencers and local celebrities ensure widespread marketing reach, while the transition to WhatsApp marketing enhances direct consumer communication.

The Company has also onboarded Abir Chatterjee and Ishaa Saha, renowned Bengali Actor and Actress as its Brand Ambassador to leverage their popularity and target young consumers. This strategy boosts long-term consumer relationships, driving organic traffic to e-commerce platforms including Company's website at www.khadims.com.

In conclusion, the Company continues to strengthen its position as a leading footwear brand by staying true to its core principles of offering affordable fashion. Through strategic marketing initiatives, collaborations with influencers and significant investments in digital and traditional media, the Company effectively connects with a diverse consumer base. Launching innovative product ranges while deeply understanding market trends and customer preferences has allowed Khadim to resonate strongly with Millennials and Gen-Z audiences today. With these dynamic and comprehensive marketing initiatives, Khadim continues to stride forward, blending tradition with innovation to meet the evolving needs of our customers across India.

OUTLOOK

Khadim, a well-regarded brand in the footwear industry, has a long-term vision of becoming the one-stop destination for stylish yet affordable fashion for every member of the family. Keeping a sharp eye on market trends, the Company continuously evolves through innovation and robust marketing strategies. The Company aims to further strengthen its position in the market.

The demerger of Khadim's retail and distribution segments represents a strategic move with potentially significant impacts on the Company's outlook. The separation of the distribution business into KSR Footwear Limited (KFL), will facilitate the allocation of resources necessary for each business to concentrate on its expanding operations. This will also aid in attracting suitable talent and offering enhanced growth prospects to existing talent, aligning with a more targeted strategic focus for each business segment within distinct entities.



Management Discussion & Analysis

Government initiatives supporting the leather and footwear industry further strengthen the Company's growth prospects. The Company's focus remains on customer satisfaction and product excellence, aiming to maintain its leadership position and connect with consumers across generations.

Looking ahead, the Company is committed to both customer satisfaction and product excellence. By aligning with market trends and broadening its reach, the Company is prepared to maintain leadership in the footwear sector while connecting with people of all age groups. Expansion plans involve entering new COCO stores and Franchises, with a focus on Eastern and Southern India and exploring opportunities in Western and Northern India.

At its core, the Company believes that fashion should be inclusive and accessible to all. Moreover, the Company is strategically positioning itself to enhance its presence in the competitive footwear market by prioritising product innovation, increasing retail reach and strategic marketing efforts. With a vision to be a part of every Indian's journey, the Company aims to influence the future of the industry.

Key Ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company complies with the requirement to provide details of key financial ratios along with detailed explanations thereon in case of a change of 25% or more compared to the previous financial year. The key financial ratios are depicted below:

Sl. No.	Ratios	FY 2024	FY 2023	Change (YoY)	Reason
1	Debtors Turnover Ratio	0.30	0.28	5.74%	NA
2	Inventory Turnover Ratio	0.31	0.27	15.24%	NA
3	Interest Coverage Ratio	1.26	1.78	-28.87%	The decrease was mainly on account of lower profits earned during the year.
4	Current Ratio	1.43	1.35	5.54%	NA
5	Debt Equity Ratio	0.51	0.53	-3.61%	NA
6	Operating Profit Margin	11.54%	10.98%	5.09%	NA
7	Net Profit Margin	1.03%	2.65%	-61.27%	The decrease was mainly on account of lower profits earned during the year.
8	Return on Net Worth	2.92%	8.66%	-66.33%	The decrease was mainly on account of lower profits earned during the year.

Management Discussion & Analysis



Opportunities

The footwear industry in India offers significant growth opportunities for the Company.

The government's plan to extend its Production Linked Incentive Scheme (PLI) to include footwear and leather goods, aiming to boost domestic manufacturing, stimulate investment, create jobs and reduce import dependence⁴. Additionally, initiative such as 'Make in India', further strengthens the industry's growth. This supportive environment is ideal for expanding operations and growing the Company's market share.

The Indian footwear market is expanding on the back up of rise in income and purchasing power. Further, technological advancements, including virtual try-on and augmented reality (AR) technologies, digital payments are reshaping online shopping experiences. By taking advantage of these trends, the Company has the potential to attract a wider customer base and higher sales.

Key consumer trends include a shift towards branded and premium footwear, driven by the growth of online shopping. Additionally, there's a rising preference for athletic and athleisure shoes. These trends align perfectly with the Company's strategic initiatives, including enhancing in-store experiences, renovating

4. <https://www.financialexpress.com/budget/interim-budget-2024-rs-6000-crore-for-pli-for-footwear-toys-3382214/>

product portfolios, focus on branded athletic footwear and strengthening e-commerce capabilities, which promise high margins and increased profitability.

Overall, India's booming footwear market offers significant opportunities for our Company. With a strong presence in the domestic market, the Company is well positioned to leverage the projected market growth. Furthermore, the Company is committed to exploring every opportunity, from improving product offerings and customer experiences to adopting innovative technologies and seeking government support.

Risk, Threats, Concerns and Mitigation

The Company has in place a proper risk management framework which forms an integral part of the strategy and planning process. The Company time to time identifies and undertakes appropriate mitigation measures for various types of risks, as stated below:

a. Market Competition

Risk: Highly competitive market and stiff competition from unorganised retailers and organised players who have similar product lines leads to pressure on margins. The situation is further aggravated by the competition from national and international organised retailers.

Mitigation: The Company's strength is its wide range of family-oriented products. The Company is expanding its market presence by growing its retail, distribution and franchise networks. Strategic marketing and partnerships are key to increasing brand value and customer base.



Management Discussion & Analysis

b. Higher inflation and subdued demand

Risk: Increasing inflation coupled with higher living costs impact purchasing power of the people and thereby impact spend on non-essential stuff which includes footwear.

Mitigation: The Company maintains a diverse product range, from premium and affordable options, ensuring accessibility and affordability to different consumer segments, thereby reaching a broader audience.

c. Fast-changing trends

Risk: Consumer preferences are rapidly changing, with a rising interest in sustainable and stylish footwear. Keeping pace with these changes and the inability to respond to customer expectations can adversely impact the business.

Mitigation: The Company continuously monitors market trends and consumer feedback to adapt its product offerings. The Company consistently upgrades its products with new designs based on extensive research and focus on digital campaigns to build the brand and attract customers.

d. GST Rate hike

Risk: Changes in government policies, trade regulations and tax structures can impact operational costs and profitability. The distribution business faced pressure due to the GST hike from 5% to 12% on footwear below an MRP of ₹ 1,000. This change has negatively impacted the profitability of distribution business, making it a financial drag.

Mitigation: To address the impact of the GST hike, the Company restructured its distribution business to minimise financial strain. The Company focuses on optimising its operations to drive growth and profitability while keeping an eye on policies to comply with regulations.

e. Technological Advancements

Risk: Rapid technological advancements can render existing processes and products obsolete, needing continuous innovation.

Mitigation: The Company invests in R&D to stay ahead in technological trends. Moreover, the Company successfully implemented omni-channel services, linking stores with advanced technology platforms for better customer services.

f. Regulatory Compliance

Risk: Adhering to stringent regulatory standards and compliance requirements, including quality control norms and labor laws, adds complexity & costs for the Company. The Central Government's mandate for the footwear industry to comply with Bureau of Indian Standards (BIS) quality norms demands strict adherence to quality standards, posing significant operational challenges.

Mitigation: The Company has adopted measures to comply with the regulatory shift. The Company is diligently monitoring the situation and taking necessary steps to ensure full compliance with the orders.

Management Discussion & Analysis

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. Efficient management of the workforce is crucial for reaching transformational objectives. This involves aiding managers in their day-to-day responsibilities, spanning from hiring and employee growth to offering valuable insights to senior leadership. These efforts further bolster strategic planning and decision-making by providing a solid foundation of data and knowledge. Ultimately, effective workforce management is a key to organisational success and progress towards overarching goals.

The Company places a strong focus on nurturing its human capital through comprehensive training programs that aim to systematically enhance employees' knowledge, skills, attitudes and teamwork abilities. These training initiatives are strategically crafted to improve personal competencies essential for current job performance while also equipping employees with the necessary skills for future career growth. Moreover, the recruitment processes within the Company are consistently aligned with established procedures and business needs. Various measures and programs have been implemented to boost employee engagement and foster a deeper sense of commitment among the workforce.



The Company is implementing targeted strategies aimed at attracting, retaining and nurturing top talent, irrespective of factors such as race, gender, religion, age, culture, sexual orientation, disability, or background. The Company is committed to support young individuals in securing apprenticeships that provide them with practical skills essential for overcoming everyday workplace obstacles in the corporate realm.

As of March 31, 2024, there were 780 permanent employees (including 19 female employees) on the rolls of the Company.

Internal Control Systems and Their Adequacy

The Company has an Internal Financial Controls ('IFC') framework which commensurate with the size, scale and complexity of the Company's operations. The Company has laid down Standard Operating Procedures (SoP) and policies which governs the business operations of the Company.

The scope and authority of the Internal Audit function is defined in the Internal Audit Charter which is approved by the Audit Committee of the Company. The Internal Auditor reports to the Audit Committee and develops an audit plan for the Company, which covers, inter alia, corporate, core business operations, as well as support functions. The Audit Committee reviews the annual internal audit plan.

Management Discussion & Analysis

Significant audit observations are presented to the Audit Committee, together with the status of the management actions and the progress of the implementation of the recommendations. The Audit Committee also reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations.

Through this process, the Company continuously strengthens the internal controls, ensuring transparency, accountability and compliance across all operations.

Cautionary Statement

Statements in the Management Discussion and Analysis report describing the Company's objectives, projections, estimates and expectations may be "forward-looking statements" within the meaning of applicable laws and regulations and futuristic in nature. These 'forward-looking statements' by their very nature involve assumptions from the Company and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to put undue reliance on forward-looking statements as multiple factors could lead to assumptions, actual future outcomes and events to differ materially from those expressed in the forward-looking statements. Hence, this document is subject to the disclaimer and qualified in its entirety by the assumptions, limitations and risk factors included in the Management Discussion and Analysis of Annual Report of the Company for FY 2023-24. Investors, therefore, are requested to make their own independent judgments before taking any investment decisions.

Board's Report

The Directors are pleased to present the 43rd 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, 2024.

Financial Highlights

The Financial Highlights are set out below:

Particulars	In ₹ million			
	Consolidated		Standalone	
	2023-24	2022-23	2023-24	2022-23
Revenue from Operations	6,149.04	6,602.64	6,149.04	6,602.64
Other Income	90.24	174.76	90.24	174.75
Total Income	6,239.28	6,777.40	6,239.28	6,777.39
Less: Expenditure	5,439.63	5,877.70	5,439.26	5,877.40
Profit before Depreciation, Interest and Tax	799.65	899.70	800.02	899.99
Depreciation	404.44	383.71	404.44	383.71
Interest	313.02	290.57	313.02	290.57
Profit before Tax	82.19	225.42	82.56	225.71
Provision for Taxation				
- Current and deferred Tax	19.41	50.64	19.40	50.64
Profit for the year after Tax	62.78	174.78	63.16	175.07

Dividend

Considering the inadequacy of profits during the financial year ended March 31, 2024, 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, 2024.

Operations and State of Company's Affairs

On a standalone basis, the revenue generated from operations for the financial year 2023-24 stood at ₹ 6,149.04 million, which was lower by 6.87% compared to the previous financial year 2022-23. The profit after tax for the year is ₹ 63.16 million in comparison to profit after tax of ₹ 175.07 million for the previous financial year.

The details of Company's affairs have 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 Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are available in the Notes to the Financial Statements.

Board's Report

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 (Firm Registration No. S2004WB868500), Secretarial Auditor of the Company, with respect to the implementation of the Company's ESOP 2017 and ESOP 2021 would be available for inspection by the shareholders during the ensuing Annual General Meeting. A copy of the same will also be available for inspection at the registered office of the Company.

Fully Convertible Equity Share Warrants

In accordance with the provisions of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (SEBI ICDR Regulations), the Board of Directors of the Company in its meeting held on November 24, 2023 had approved the issuance of 4,08,768 Fully Convertible Equity Share Warrants ('Warrants') [i.e., one fully paid up Equity Share upon conversion of every one Warrant held] of the face value of ₹ 10/- (Rupees Ten Only) each of the Company, at an exercise price of ₹ 365/- (including a premium of ₹ 355/-), aggregating upto ₹ 149.20 million for cash, on preferential basis to the persons belonging to Promoter / Promoter Group and Non - Promoter category.

Upon receipt of approval by the shareholders of the Company vide Extra-Ordinary General Meeting held on December 23, 2023 and on receipt of in-principle approvals from the Stock Exchanges, such Warrants were allotted on February 02, 2024 post receipt of an aggregate consideration of ₹ 37.30 million from the said allottees, towards minimum 25% of the total consideration of the Warrants.

Subsequently, on receipt of balance 75% of the total consideration of the Warrants, the Board of Directors of the Company had allotted 1,64,384 Equity Shares on March 22, 2024 pursuant to conversion of equivalent number of Warrants allotted to one of the Promoters of the Company on preferential basis, as aforesaid, out of total 4,08,768 Warrants.

There was no deviation or variation in the utilisation of proceeds raised through issuance of Warrants on preferential basis, by the Company as on the date of this Report.

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 ₹ 18,13,39,980/- divided into 1,81,33,998 Equity Shares of face value of ₹ 10/- each.

Changes in Share Capital, if any

Consequent to allotment of 1,64,384 Equity Shares on March 22, 2024 pursuant to conversion of equal number of Warrants allotted to one of the Promoters of the Company on preferential basis as aforesaid, the Issued, Subscribed and Paid-up Share Capital of the Company increased from ₹ 17,96,96,140/- divided into 1,79,69,614 Equity Shares of face value of ₹ 10/- each to ₹ 18,13,39,980/- divided into 1,81,33,998 Equity Shares of face value of ₹ 10/- each.

The Equity Shares so allotted rank pari-passu with the existing fully paid-up Equity Shares of the Company including dividend and voting rights, etc.

Except as stated herein, there was no other change in the share capital of the Company as on the date of this Report.

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.

Board's Report

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.

Scheme of Arrangement

A Scheme of Arrangement between Khadim India Limited (the "Company" or "Demerged Company") and KSR Footwear Limited ("Resulting Company" or "KFL") and their respective shareholders and creditor under Sections 230 to 232 read with other applicable provisions of the Companies Act, 2013 ("Scheme"), was approved by the Board of Directors of the Company and KFL at their respective meetings held on September 29, 2023. The Scheme, inter alia, provides for the demerger, transfer and vesting of the Demerged Undertaking (as defined in the Scheme) of the Company into the Resulting Company, on a going concern basis.

In consideration, KFL, to issue its equity shares to the equity shareholders of the Company, in the ratio of 1 (One) equity share of KFL of the face value of ₹ 10/- each fully paid-up for every 1 (One) equity share of the face value of ₹ 10/- each fully paid-up held in the Company as on the record date.

Further, upon the Scheme becoming effective, the equity shares held by the Company in KFL shall be reduced and cancelled and the shareholders of the Company are and will upon demerger, be the ultimate economic beneficial owners of KFL in the same proportion as they hold shares in the Company. Accordingly, the shares of KFL would also be listed on the stock exchanges i.e., BSE Limited and National Stock Exchange of India Limited, where the shares of Khadim India Limited are presently listed.

While the Stock Exchanges have given their respective No Objections on April 30, 2024, the Scheme is subject to other requisite approvals including approval of the National Company Law Tribunal, Kolkata Bench.

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, 2024.

Subsidiaries, Joint Ventures and Associate Companies

The Company has a Wholly-owned subsidiary in Bangladesh in the name of Khadim Shoe Bangladesh Limited.

Further, during the year under review, the Company has incorporated a company as its Wholly-owned Subsidiary company namely, KSR Footwear Limited, on August 22, 2023, solely for the purpose of Demerger of its distribution business, as stated above.

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.

Board's Report

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 companies, are available on the website of the Company 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, 2024.

Corporate Social Responsibility

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.

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, the Company did not fall under the purview of undertaking CSR activities during the financial year 2023-24, as the average net profit of the three immediately preceding financial years was negative.

The Annual Report on CSR for the financial year ended March 31, 2024 along with the composition of CSR Committee is marked as Annexure - I and forms part of this Report.

Risk Management

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.

Board's Report

Following re-appointment of Directors had been made during the year:

- i. Pursuant to Section 152(6) of the Companies Act, 2013, Mr. Ritoban Roy Burman (DIN: 08020765), Non - Executive Non-Independent Director, retired by rotation and re-appointed at the AGM held on September 21, 2023.
- ii. The Members of the Company at the AGM held on September 21, 2023 has also approved the re-appointment of Mr. Siddhartha Roy Burman (DIN: 00043715) as "Chairman & Managing Director" of the Company for a further period of 3 (Three) consecutive years, commencing from April 01, 2024 till March 31, 2027.

Mr. Siddhartha Roy Burman (DIN: 00043715), Chairman & Managing Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offered himself for re-appointment. Your Directors recommend his re-appointment at the ensuing Annual General Meeting.

The brief profile of Mr. Siddhartha 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 would be provided in the Notice convening Annual General Meeting.

Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2024 are:

- a) Mr. Siddhartha Roy Burman, Chairman & Managing Director;
- b) Mr. Rittick Roy Burman, Whole-time Director;
- c) Mr. Indrajit Chaudhuri, Chief Financial Officer; and
- d) 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 September 29, 2023; November 10, 2023 and March 29, 2024 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 the Listing Regulations. The objectives and key features of this Policy are:

Board's Report

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;
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 and is available at the link <https://www.khadims.com/policy-on-nomination-remuneration-committee/>.

Meetings of the Board

During the year, 7 (Seven) meetings of the Board were held. The details of meetings of the Board held during the financial year 2023-24 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, 2024 is available on the Company's website www.khadims.com at <https://www.khadims.com/mgt-9>.

Board's Report

Particulars of contracts and arrangement with Related Parties

All transactions entered by the Company with Related Parties during the financial year 2023-24 as defined under Section 2(76) of the Companies Act, 2013 read with the Companies (Specification of Definitions Details) Rules, 2014 were held 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 2023-24, which were in conflict with the interest of the Company. Suitable disclosures as required under Ind AS-24 have been made in the Notes to the financial statements.

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

Secretarial 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, 2024, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) the Directors had selected such accounting policies and applied them consistently and made judgements 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, 2024 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, 2024.

Reporting of Fraud by Auditors

During the year under review, the Statutory Auditors, Secretarial Auditors and Cost 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

M/s. Ray & Ray, Chartered Accountants (Firm Registration No.: 301072E) was appointed by the Members of the Company at the 40th Annual General Meeting as Statutory Auditors of the Company for a term of 5 (Five) consecutive years commencing from the conclusion of the Annual General Meeting held on September 28, 2021 till the conclusion of the 45th Annual General Meeting to be held in the financial year 2026-27.

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.

Board's Report

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with relevant Rules made thereunder, the Company had re-appointed M/s. BKG & Company, Company Secretaries, represented by its Partner, Mr. Binod Kumar Gupta (ACS No. 12965, C. P. No. 3242), to conduct the Secretarial Audit for the financial year 2024-25.

The Secretarial Audit Report for the financial year ended March 31, 2024 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

Although the Company is not covered under the purview of compulsory cost audit as per the Companies Act, 2013, your Company would avail the services of the Cost Auditor for the financial year 2024-25.

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 2023-24, the Company has not made any investment, has not given any loans, has not provided any guarantees, has not provided any security in connection with any loan, has not acquired securities by way of subscription, purchase or otherwise, in excess of the thresholds provided in Section 186 of the Companies Act, 2013.

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

The information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are given in Annexure-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 endeavour of the management of the Company to create and provide an environment to all its employees that is free from discrimination and harassment including sexual harassment. The Company has adopted a policy on Prevention of Sexual Harassment at Workplace. An Internal Complaint Committee (ICC) with requisite number of representatives is in place 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 on the website of the Company at www.khadims.com.

No complaints relating to the sexual harassment had been received during the year under report.

Board's 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 a 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 are thankful for all the guidance, support and assistance 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 cooperation received from all the esteemed investors and shareholders and the confidence reposed by them.

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

For and on behalf of the Board of Directors

Place: Kolkata
Date: May 24, 2024

Siddhartha Roy Burman
Chairman & Managing Director
DIN: 00043715

Annexure – I

Annual Report on Corporate Social Responsibility (CSR) Activities for the financial year ended March 31, 2024

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

1. Brief outline on CSR Policy of the Company:

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 2023-24 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(s) 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	https://www.khadims.com/corporate-social-responsibility-committee
CSR Policy	https://www.khadims.com/policy-on-csr
CSR projects	https://www.khadims.com/corporate-social-responsibility

4. Provide the executive summary along with web-link(s) 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: Not Applicable

5. a. Average net profit of the company as per Section 135(5) : ₹ -69.30 million
- b. Two percent of average net profit of the Company as per Section 135(5) : Nil*
- c. Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil
- d. Amount required to be set off for the financial year, if any : Nil
- e. Total CSR obligation for the financial year (b + c - d) : Nil

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

6. a. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : Nil
- b. Amount spent in Administrative overheads : Nil
- c. Amount spent on Impact Assessment, if applicable : Nil
- d. Total amount spent for the financial year (a+b+c) : Nil

Annexure – I

e. 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
Nil	Not applicable		Not applicable		

f. 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	Nil
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NA
(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**

*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 ₹ 0.41 million i.e. carried forward amount of the financial year 2021-22.

7. 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 ₹)	Balance Amount in Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the financial year (in ₹)	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5), if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
Not Applicable								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes / No

If yes, enter the number of Capital assets created / acquired: NA

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the financial year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity / Authority / beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

Annexure – I

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office / Municipal Corporation / Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. **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

Place: Kolkata
Date: May 24, 2024

Siddhartha Roy Burman
Chairman & Managing Director
DIN: 00043715

Surabhi Banerjee
Chairperson, CSR Committee
DIN: 07829304

Annexure – II

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

[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, 2024, 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 March 31, 2024 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;
- 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, 2018;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

Annexure – II

- 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;
 - f) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021- *(Not applicable to the Company during the Audit Period)*;
 - g) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 - *(Not applicable to the Company during the Audit Period)*;
- 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, the following Quality Control Orders (QCOs) related to the footwear sector issued by the Department for Promotion of Industry & Internal Trade (DPIIT), Ministry of Commerce & Industry, Government of India are being applicable to Company:
- a) Personal Protective Equipment - Footwear (Quality Control) Order, 2020 read with Personal Protective Equipment - Footwear (Quality Control) Amendment Order, 2021.
 - b) The "Footwear made from Leather and other materials (Quality Control) Order, 2022" and the "Footwear made from all - Rubber and all Polymeric material and its components (Quality Control) Order, 2022", which were to become applicable from July 01, 2023 - superseded, by Orders dated March 15, 2024.
 - c) Orders dated March 15, 2024, called as the "Footwear Made from Leather and Other Materials (Quality Control) Order, 2024" and the "Footwear made from all Rubber and all Polymeric material and its components (Quality Control) Order, 2024" which are effective from August 01, 2024.

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

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

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.

Annexure – II

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

1. The Members of the Company at the Annual General Meeting held on September 21, 2023 approved the re-appointment of Mr. Siddhartha Roy Burman (DIN: 00043715), as a Chairman & Managing Director (also as a Whole-time Key Managerial Personnel) of the Company, for a further period of 3 (Three) years with effect from April 01, 2024 till March 31, 2027 (both days inclusive) at such Remuneration [including remuneration to be paid in the event of loss or inadequacy of profits in any financial year(s) during the tenure of his re-appointment] subject to the applicable provisions of the Companies Act, 2013 read with rules made thereunder.
2. The Board of Directors of the Company at its meeting held on September 29, 2023, subject to necessary approvals, considered and approved the Demerger of the Distribution Business of the Company, as a going concern into KSR Footwear Limited, a Wholly-owned Subsidiary of Khadim India Limited on the terms and conditions as set out in the Scheme of Arrangement between Khadim India Limited and KSR Footwear Limited and their respective shareholders and creditors under Sections 230 to 232 read with the other applicable provisions of the Companies Act, 2013.

The said Scheme is subject to approval of the various authorities including the Members of the Company.

3. The Members of the Company at the Extra-Ordinary General Meeting held on December 23, 2023 through VC/OAVM mechanism passed Special Resolution for issuance and allotment of 4,08,768 (Four Lakh Eight Thousand Seven Hundred Sixty Eight) Fully Convertible Equity Share Warrants ('Warrants') on Preferential basis at an exercise price of ₹ 365 (Rupees Three Hundred Sixty Five Only) per Equity Shares of the face value of ₹ 10/- (Rupees Ten Only) each with a premium of ₹ 355/- (Rupees Three Hundred Fifty Five Only) to the persons belonging to Promoter / Promoter Group and Non – Promoter Category.

Upon receipt of approval by the shareholders of the Company vide Extra-Ordinary General Meeting held on December 23, 2023 and on receipt of in-principle approvals from the Stock Exchanges, the Board of Directors of the Company vide circular resolution passed on February 02, 2024 had allotted 4,08,768 Warrants, post receipt of an aggregate consideration of ₹ 37.30 million from the said allottees, towards minimum 25% of the total consideration of the Warrants.

Subsequently, on receipt of balance 75% of the total consideration of the Warrants, the Board of Directors of the Company had allotted 1,64,384 Equity Shares on March 22, 2024 pursuant to conversion of equivalent number of Warrants allotted to one of the Promoters of the Company on preferential basis, as aforesaid, out of total 4,08,768 Warrants.

Accordingly, the Issued, Subscribed and Paid-up Share Capital of the Company increased from ₹ 17,96,96,140/- divided into 1,79,69,614 Equity Shares of face value of ₹ 10/- each to ₹ 18,13,39,980/- divided into 1,81,33,998 Equity Shares of face value of ₹ 10/- each.

The Equity Shares so allotted rank pari-passu with the existing fully paid-up Equity Shares of the Company including dividend and voting rights, etc.

For **B K G & COMPANY**
Company Secretaries
(Firm's Registration No. – S2004WB868500)

(BINOD KUMAR GUPTA)
Partner
(ACS-12965, C. P. No.- 3242)
UDIN: A012965F000451117
Peer Review Certificate No.: 2598/2022

Place: Kolkata
Date: 24/05/2024

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
7th 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
(Firm's Registration No. – S2004WB868500)

(BINOD KUMAR GUPTA)
Partner
(ACS-12965, C. P. No.- 3242)
UDIN: A012965F000451117
Peer Review Certificate No.: 2598/2022

Place: Kolkata
Date: 24/05/2024

Annexure – III

Information under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 (as amended) and forming part of the Directors Report for the year ended March 31, 2024

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) Installation of 1000 kVAr heavy duty capacitor banks at Serampore Factory to maintain power factor at 0.99 on an average to obtain maximum utilization of active power (KW) in respect of apparent power (KVA) and also maintaining the same in bulk supply areas to get rebate from the supply authority.
- b) Installation of energy efficiency lighting solution such as Light Emitting Diode (LED) in place of conventional higher energy consuming lights.
- c) Use of Translucent sheets along with natural air driven turbo vents on roof of the working shop to utilize daylight as well as natural air circulation in shop floor area.
- d) Use of Variable Frequency Drive (VFD) in motor operated conveyor for saving energy.
- e) Use of recycled water for cooling tower application at Serampore Factory. Also, modification of the raw water supply line layout at Panpur unit to minimize the wastage and use of ground water.
- f) Installed wide range of energy efficient Air compressors for low, medium and high pressure application.
- g) Usage of high efficiency Infrared Heater (NR Lamp) at PU Section through conveyor to reduce consumption of electricity and operation time.
- h) Usage of Ridge Vent shed to utilize day light as well as natural air circulation in the floor area of Panpur factory.
- i) Campaign for awareness of energy saving at retail outlets and warehouses.

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

Operation of "Roof top solar power Plant" at Panpur Factory in OPEX model for generation of 850 kWp "Solar Energy" to operate renewable source of energy as well as saving per unit electricity cost.

3. The capital investment on energy conservation equipment:

Amount spent on energy efficient LED Lights was ₹ 4 million during the financial year 2023-24.

B. TECHNOLOGY ABSORPTION:

1. Efforts made towards technology absorption	2. Benefits derived like product improvement, cost reduction, product development or import substitution
a. Automation of supply of required flow of water to the jacket of the equipment (i.e., Kneaders) for cooling of Kneaders (Panpur Plant).	a. i. This is to facilitate the process parameter of the equipment during operation (to maintain cooling temperature during mixing time of Kneaders). Thus, the quality of mixing of raw material at individual equipment is maintained properly. Previously, the water supplied was controlled through manual valve, by the operators. ii. Reduction of rejection. iii. Increased productivity. iv. Cost saving.

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 2023-24 was ₹ 2.87 million.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the financial year 2023-24, the foreign exchange earnings of the Company was ₹ 0.83 million as against ₹ 3.32 million in the previous year. The expenditure in foreign exchange during the financial year 2023-24 was ₹ 233.55 million as compared to ₹ 471.79 million in the previous year.

For and on behalf of the Board of Directors

Place: Kolkata
Date: May 24, 2024

Siddhartha Roy Burman
Chairman & Managing Director
DIN: 00043715

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 (as amended)

1. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2023-24:

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	34.67	111.84
Mr. Rittick Roy Burman	Whole - time Director	6.06	19.55

Notes:

- a. Median remuneration for the financial year 2023-24 is ₹ 0.31 million per annum.
- b. The remuneration to the Chairman & Managing Director and Whole-time Director is within the overall limits approved by the shareholders of the Company.
- c. The Non-Executive Directors are entitled to commission and / or sitting fees 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 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.
2. The percentage increase / decrease in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager during the financial year 2023-24:

Name of Director(s) / Key Managerial Personnel(s)	Designation	Remuneration (in ₹ million)		Increase / Decrease in Percentage
		2023-24	2022 -23	
Mr. Siddhartha Roy Burman	Chairman & Managing Director	34.67	34.77	(0.29) %
Mr. Rittick Roy Burman	Whole - time Director	6.06	2.97	104.04 %
Mr. Indrajit Chaudhuri	Chief Financial Officer	5.35	4.50	18.89 %
Mr. Abhijit Dan	Company Secretary & Head - Legal	3.14	2.76	13.77 %

3. The Percentage increase in the median remuneration of the employees in the financial year 2023-24:

Median remuneration of employees per annum	Remuneration (in ₹ million)		Increase / Decrease in Percentage
	2023-24	2022-23	
	0.31	0.31	0

4. There were 780 permanent employees on the rolls of the Company as on March 31, 2024.
5. The Average percentile increase already made in the salaries of employees of the Company other than the managerial personnel in the last financial year was 4% whereas the increase in managerial remuneration was 7%.
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, 2024, were as per the Nomination and Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Place: Kolkata
Date: May 24, 2024

Siddhartha Roy Burman
Chairman & Managing Director
DIN: 00043715

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, 2024

Top 10 Employees including employees employed throughout the financial year 2023-24 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 and Managing Director	B.Com	41	34.67	Contractual	25-09-1990	62	N.A	8.9861	Father of Mr. Ritoban Roy Burman (Non -Executive, Non-Independent Director) and Mr. Rittick Roy Burman (Whole-time Director)
2	Rittick Roy Burman	Whole-time Director	B.Com, Management Graduate	13	6.06	Contractual	23-09-2010	32	N.A.	0.0262	Son of Mr. Siddhartha Roy Burman (Chairman & Managing Director) and brother of Mr. Ritoban Roy Burman (Non -Executive, Non-Independent Director)
3	Aranya Ray	GM - Supply Chain Management	M.sc, MBA	24	5.94	Permanent	13-08-2005	50	ITC Limited	0.0452	-
4	Indrajit Chaudhuri	Chief Financial Officer	M.Com, CA	23	5.35	Permanent	26-05-2007	50	P. G. Shah and Co.	0.2040	-
5	Tapas Ghosh	GM - Sales and Business Development	B.Com	28	5.02	Permanent	01-04-1997	53	N.A.	0.0418	-
6	Roshan Jaiswal	DGM - Internal Audit & Risk Management	B.Com, CA	14	4.10	Permanent	19-04-2022	40	Shyam Steel Industries Ltd.	-	-
7	Rajib Banerjee	DGM - Retail Operations & Business Development	B.Com, PGDM	27	3.56	Permanent	09-12-1999	49	IFB Finance Ltd.	0.0014	-
8	Kaliprasad Majumder	DGM - Systems	B.Sc. (Hons), MCA, MBA	31	3.29	Permanent	01-06-2002	54	Matrix Infosystems Ltd.	-	-
9	Vikram Jeet Sharma	DGM - Accounts	B.Com, CA	22	3.20	Permanent	16-01-2006	48	Liberty Marine Pvt. Ltd.	0.0034	-
10	Abhijit Dan	Company Secretary & Head-Legal	CS, LLB	23	3.14	Permanent	04-05-2015	51	MCC PTA India Corp. Pvt. Ltd.	-	-

For and on behalf of the Board of Directors

Siddhartha Roy Burman
Chairman & Managing Director
DIN: 00043715

Place: Kolkata
Date: May 24, 2024

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 fulfil 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	-	-	-	√	-	-

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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/ Chairpersonship 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 / Chairpersonship 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.

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The Board of Directors met 7 (Seven) times during the year under review. The date of the Board Meetings and attendance thereat are furnished hereunder:

Sl. No.	Date of Board Meeting	No. of Directors Present
i.	May 23, 2023	6
ii.	August 10, 2023	6
iii.	September 29, 2023	6
iv.	November 10, 2023	6
v.	November 24, 2023	6
vi.	February 12, 2024	4
vii.	March 29, 2024	6

In accordance with the relaxations granted by MCA and SEBI, all Board Meetings in the financial year 2023-24 were held through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM').

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 21, 2023
Mr. Siddhartha Roy Burman	6	Yes
Mr. Rittick Roy Burman	7	Yes
Dr. Indra Nath Chatterjee	7	Yes
Prof. (Dr.) Surabhi Banerjee	7	Yes
Mr. Alok Chauthmal Churiwala	7	Yes
Mr. Ritoban Roy Burman	6	Yes

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

As on March 31, 2024, none of the Non-Executive Directors hold any Share / Convertible instruments in the Company.

Independent Directors:

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

All the Independent Directors have given declaration of independence as per the requirements of the Companies Act, 2013 and the Listing Regulations. The draft letter of appointment of Independent Directors is available on the website of the Company www.khadims.com and is available at the link <https://www.khadims.com/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 September 29, 2023, November 10, 2023 and March 29, 2024.

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 2023- 24, are uploaded on the website of the Company and can be accessed through web-link <https://www.khadims.com/familiarization-programme-independent-director>.

Annexure – VI

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, all Statutory Committee Meetings in the financial year 2023-24 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;
- 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, 2024, 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;

Annexure – VI

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

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- 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 6 (Six) times during the financial year ended March 31, 2024 viz. May 23, 2023; August 10, 2023; September 29, 2023; November 10, 2023, February 12, 2024 and March 29, 2024.

The following table presents the details of attendance at the Audit Committee meetings held during the year ended March 31, 2024:

Members	Designation & Category	No. of Meetings Attended
Dr. Indra Nath Chatterjee	Chairman, Non-Executive - Independent Director	6
Prof. (Dr.) Surabhi Banerjee	Member, Non-Executive - Independent Director	6
Mr. Alok Chauthmal Churiwala	Member, Non-Executive - Independent Director	6

Notes:

The 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 21, 2023 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.

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II. Nomination and Remuneration Committee

The Composition of the Nomination and Remuneration Committee as on March 31, 2024, 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 and Sweat Equity) Regulations, 2021;
- 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;
- 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;

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- m. Recommend to the Board, all remuneration, in whatever form, payable to senior management; and
- 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 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 formulated 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 1 (One) time during the financial year ended March 31, 2024 viz. May 23, 2023.

The following table presents the details of attendance at the Nomination & Remuneration Committee meetings held during the year ended March 31, 2024:

Members	Designation & Category	No. of Meetings Attended
Dr. Indra Nath Chatterjee	Chairman, Non-Executive - Independent Director	1
Prof. (Dr.) Surabhi Banerjee	Member, Non-Executive - Independent Director	1
Mr. Alok Chauthmal Churiwala	Member, Non-Executive - Independent Director	1

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 2023-24:

The Non-Executive Directors of your Company are paid remuneration by way of sitting fees and Commission. Your Company paid Sitting Fees of ₹ 40,000 per meeting for attending meetings of the Board, Audit

Annexure – VI

Committee and Nomination & Remuneration Committee, ₹ 30,000 per meeting for attending meetings of Independent Directors and ₹ 15,000 per meeting for attending meetings of the Stakeholders' Relationship Committee and Risk Management Committee.

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

The criteria of making payment to Non-Executive Directors are also placed on the website of the Company viz. www.khadims.com.

Details of remuneration paid / payable to the Non-Executive Directors for the financial year 2023-24 are as follows:

In ₹ million

Members	Designation & Category	Salary	Commission	Sitting Fees	Total
Dr. Indra Nath Chatterjee	Non-Executive - Independent Director	-	0.30	0.65	0.95
Prof. (Dr.) Surabhi Banerjee	Non-Executive - Independent Director	-	0.30	0.67	0.97
Mr. Alok Chauthmal Churiwala	Non-Executive - Independent Director	-	0.30	0.65	0.95
Mr. Ritoban Roy Burman	Non-Executive, Non-Independent Director	-	-	0.26	0.26

Notes:

The remuneration paid to Non-Executive Directors includes commission and sitting fees paid towards attending the Board Meeting, Audit Committee Meeting, Nomination and Remuneration Committee Meetings and other Committee Meetings held during the year. Payment to any Non-Executive Director does not exceed more than fifty percent of the total payment made to all the Non-Executive Directors in aggregate.

The commission of ₹ 0.30 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.

The members of the Company by way of Postal Ballot on May 07, 2021 had 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 Directors

The remuneration of Executive Director(s) is decided by the Board of Directors on 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 2023 - 24 is ₹ 34.67 million inclusive of perquisites amounting to ₹ 1.41 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 2023-24 is ₹ 6.06 million. There is no separate provision for payment of severance fees.

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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, 2024, 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 27, 2024. 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 21, 2023.

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; and
- 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, as on March 31, 2024, 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.

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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 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. Particulars of Senior Management

The particulars of Senior Management as per Regulation 16(1)(d) of the Listing Regulations including the changes during the financial year 2023-24 are as follows:

Sl. No.	Name	Designation
1.	Mr. Indrajit Chaudhuri	Chief Financial Officer
2.	Mr. Abhijit Dan	Company Secretary & Head - Legal
3.	Mr. Tapas Ghosh	General Manager - Sales & Business Development
4.	Mr. Aranya Ray	General Manager - Supply Chain Management
5.	Mr. Saibal Banerjee	General Manager - Administration
6.	Mr. Kaliprasad Majumder	DGM - Systems
7.	Mr. Kaushik Dutta	AGM - Sales
8.	Mr. Roshan Jaiswal	Head - Internal Audit & Risk Management

There is no change in the Senior Management during the year under review.

5. SEBI Complaints Redressal 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.

Annexure – VI

However, SEBI vide its Circular No. SEBI/HO/OIAE/IGRD/P/CIR/2022/0150 dated November 07, 2022 has mandated the investors to first take up their grievances for redressal with the Company, through their designated persons / officials who handle issues relating to compliance and redressal of investor grievances. In case, the Company fails to redress the complaint within the statutory timeline, the investor may then file his / her complaint in SCORES.

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

There were no shareholder complaints / requests pending at the beginning of the year. Also, no shareholder complaints / requests have been received during the year.

Exclusive e-mail id for Investor Grievances: compliance@khadims.com.

Online Dispute Resolution (ODR) Portal

SEBI, by consolidating its Circular having No. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, read with the corrigendum cum amendment Circular having No. SEBI/HO/OIAE/OIAE_IAD 1/P/CIR/2023/135 dated August 4, 2023 and amendment Circular having No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/191 dated December 20, 2023 has issued a Master Circular having No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated December 28, 2023 on "Online Resolution of Disputes in the Indian Securities Market".

Through the said Circulars, SEBI has established a common ODR Portal to harness online conciliation and arbitration for resolution of disputes in the Indian Securities Market.

Post exhausting the option to resolve grievances with the RTA / Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>) and the same can also be accessed through the Company's website <https://www.khadims.com/investor-grievance>.

6. General Body meetings

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

Year	Venue	Date	Time	Special Resolutions passed
2022-23	Meeting held through VC/OAVM pursuant to various MCA Circulars	September 21, 2023	11:30 a.m. IST	i. Revision in remuneration of Mr. Rittick Roy Burman (DIN: 08537366), Whole-time Director of the Company with effect from April 01, 2023 for the remaining period of his tenure ending November 07, 2025. ii. Re-appointment of Mr. Siddhartha Roy Burman (DIN: 00043715) as a Chairman & Managing Director (also as a "Whole-time Key Managerial Personnel") of the Company for a further period of 3 (Three) years with effect from April 01, 2024 till March 31, 2027 (both days inclusive).
2021-22	Meeting held through VC/OAVM pursuant to various MCA Circulars	September 23, 2022	11:30 a.m. IST	i. 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). ii. Re-appointment of Mr. Alok Chauthmal Churiwala (DIN: 02043221) as an Independent Director of the Company for second term of 5 (Five) consecutive years.

Annexure – VI

Year	Venue	Date	Time	Special Resolutions passed
2020-21	Meeting held through VC/OAVM pursuant to various MCA Circulars	September 28, 2021	11:30 a.m. IST	i. 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 (both days inclusive). 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.

ii. Details of Extra-Ordinary General Meeting held during the year:

Venue	Date	Time	Special Resolution passed
Meeting held through VC/OAVM pursuant to various MCA Circulars	December 23, 2023	11:30 a.m. IST	Issuance of upto 4,08,768 Fully Convertible Equity Share Warrants on preferential basis to the persons belonging to Promoter / Promoter Group and Non - Promoter category.

iii. Details of special resolution passed through postal ballot:

There was no special resolution passed through postal ballot during the financial year 2023-24. Also, as at date, no Special Resolution is proposed to be passed through Postal Ballot.

7. 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 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.

iii) Subsidiary

The Company has two Wholly-owned subsidiaries i.e., Khadim Shoe Bangladesh Limited, in Bangladesh and KSR Footwear Limited. The said Wholly-owned subsidiaries are not material subsidiaries as per Regulation 16 (c) and 24 of the Listing Regulations.

The financial statements and minutes of the said Wholly-owned subsidiaries 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 and can be accessed at web link: <https://www.khadims.com/policy-on-material-subsiadiary>.

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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 have 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>.

8. Compliance with Mandatory and Non-Mandatory Requirements

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

Non-Mandatory Requirements

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

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

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

10. 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.

Annexure – VI

11. In accordance with Regulation 26(6) of the Listing Regulations, 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.

12. 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.

13. Model Code of Conduct for Directors and Senior Management Team

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

All the Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct of the Company for the year ended March 31, 2024.

Declaration by the Whole-time Director on Code of Conduct as required by Schedule V of the Listing Regulations

As required under Regulation 34(3) read with Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Directors of the Board and Senior Management Personnel of Khadim India Limited (the 'Company') have affirmed, compliance with provisions of the applicable Code of Conduct of the Company during the financial year ended 31st March, 2024.

For **Khadim India Limited**

Sd/-

Rittick Roy Burman

Whole-time Director

14. Joint Certification on financial statements

In terms of requirement of Regulation 17(8) of the Listing Regulations, Mr. Rittick Roy Burman, Whole-time Director 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 24, 2024.

15. 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 2023-24 has been reviewed by the Audit Committee at its meeting held on May 24, 2024.

16. 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.

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17. 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.

18. 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.

19. 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 ₹ 2.39 million on a consolidated basis to:

- i. M/s. Ray & Ray, Chartered Accountants (Firm Registration No. 301072E), Statutory Auditors of the Company;
- ii. Nurul Faruk Hasan & Co. (Deloitte Bangladesh, FRC Enlistment Number: CAF-001-139), Chartered Accountants, Statutory Auditors of Khadim Shoe Bangladesh Limited, a Wholly-owned Subsidiary company; and
- iii. M/s. Agarwal & Associates (Firm Registration No-323210E), Chartered Accountants, Statutory Auditors of KSR Footwear Limited, a Wholly-owned Subsidiary company.

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

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

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

Pursuant to the Shareholders' approval received at Extra-ordinary General Meeting held on December 23, 2023, the Company has raised ₹ 37.30 million (being 25% of the issue price from Promoter Category and Non-Promoter Category) upon issue and allotment of 4,08,768 Fully Convertible Equity Share Warrants ('Warrants') at a price of ₹ 365 per Warrant, each convertible into, or exchangeable for, 1 (One) fully paid-up equity share of the Company of face value of ₹ 10/- each, to one of the Promoters and Non-Promoter Category on preferential basis for an aggregate consideration of up to ₹ 149.20 million.

Further, the Company has received ₹ 45.00 million i.e., remaining 75% of the total consideration from Promoter Category, i.e., Mr. Siddhartha Roy Burman, for conversion of entire 1,64,384 warrants allotted to him out of total 4,08,768 warrants as aforesaid.

Accordingly, 1,64,384 Equity Shares were allotted to Mr. Siddhartha Roy Burman on March 22, 2024, pursuant to conversion of 1,64,384 Warrants.

As on March 31, 2024, out of total funds received on account of preferential allotment, no fund has been utilized.

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22. 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.

23. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries

Not Applicable, as the Company does not have any material subsidiary.

24. Means of Communication

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

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

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

Uploading on NSE Electronic Application Processing System (NEAPS) & BSE Listing Centre:

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

25. General Shareholder's information:

a. Annual General Meeting	
Date, time and venue	The 43 rd Annual General Meeting (AGM) of the Company will be held on Tuesday, September 24, 2024 at 11:30 a.m. IST.
b. Financial Year	
Financial Year is April 01 to March 31 of the following year.	
Quarterly results will be declared as per the following tentative schedule:	
Financial reporting for the quarter ending June 30, 2024	First fortnight of August, 2024
Financial reporting for the half year ending September 30, 2024	First fortnight of November, 2024
Financial reporting for the quarter ending December 31, 2024	First fortnight of February, 2025
Financial reporting for the year ending March 31, 2025	By the end of May, 2025
c. Dates of Book Closure	
Wednesday, September 18, 2024 till Tuesday, September 24, 2024	
d. Record date for Dividend	
N.A.	
e. Dividend Payment Date	
N.A.	

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f. Listing on Stock Exchanges & Payment of Listing Fees	Your Company's shares are listed on: BSE Limited (BSE) Floor 27, P. J. Towers, Dalal Street, Mumbai - 400 001 National Stock Exchange of India Limited Exchange Plaza, Bandra- Kurla Complex, Bandra (E), Mumbai - 400 051 Your Company has paid the annual listing fee to both the exchanges
g. Stock Code	BSE Security Code: 540775; NSE: KHADIM; ISIN: INE834I01025
h. Registrars and Transfer Agents	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (W) Mumbai - 400083 Tel: +91 22 49186000 F: +91 22 49186060
i. Share Transfer System	In terms of Regulation 40(1) of the Listing Regulations, as amended, transfer of securities has been effected only in dematerialized form with effect from January 24, 2022. 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 https://www.khadims.com/information-for-holders-of-physical-securities . However, there is no member holding shares in physical form as on the date of this report. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.
j. Address for Correspondence	Mr. Abhijit Dan Company Secretary and Compliance Officer Khadim India Limited 7th 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: compliance@khadims.com
k. Dematerialization of Shares and Liquidity	100% shares of your Company are held in the electronic mode as on March 31, 2024.

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l. Electronic Clearing Service (ECS)	Members are requested to update their bank account details with their respective depository participants (for shares held in the electronic form) or write to the Company's Registrars and Transfer Agents M/s. Link Intime India Private Limited (for shares held in the physical form, if any).
m. Investor Complaints to be addressed to	Registrars and Transfer Agents or Mr. Abhijit Dan, Company Secretary, at the addresses mentioned earlier
n. Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, Conversion Date and likely impact on equity	2,44,384 Fully Convertible Equity Share Warrants issued on Preferential Basis are outstanding as on March 31, 2024.
o. Plant Locations	<p>Panpur Factory Khadim India Limited 25/1, 25/2 & 25/3, Panpur Road, Mouza-Madral, P.O.- Narayanpur, P.S. Jagatdal, Dist.- 24 Parganas (N)-743126</p> <p>Serampore Factory Plot No. 154, 157 & 158 at Delhi Road, Mouza Belumilki, JI No. 11, P.O. Belumilki, P.S. Sreerampore, Hooghly, West Bengal - 712223</p>
p. Details of Suspension of Securities from trading, if any	Not applicable
q. Commodity price risk or foreign exchange risk and hedging activities	<p>The Company does not have commodity price risk.</p> <p>The details of foreign exchange exposures and hedging activities are provided in the Notes to the Financial Statements.</p>
r. List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad	Not applicable, as the Company did not issue any debt instruments or any fixed deposit programme or any scheme or proposal involving mobilization of funds, in India or abroad.
s. Disclosure of certain type of agreements binding listed entities as per clause 5A of paragraph A of Part A of Schedule III of the Listing regulations	There are no agreement impacting management or control of the Company or imposing any restriction or create any liability upon the Company.

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t. Market Price Data: High and Low from April 01, 2023 to March 31, 2024 is mentioned below:

[All prices in ₹]

Month	BSE		NSE	
	High	Low	High	Low
April, 2023	251.70	184.90	252.00	184.85
May, 2023	240.50	205.20	241.30	220.00
June, 2023	246.10	216.20	245.90	221.00
July, 2023	256.00	214.05	256.95	213.90
August, 2023	289.80	222.35	326.35	262.10
September, 2023	325.90	263.00	326.35	262.10
October, 2023	424.30	312.45	424.85	308.30
November, 2023	416.50	330.70	417.00	332.00
December, 2023	406.15	343.00	402.00	348.60
January, 2024	399.95	331.25	401.00	338.45
February, 2024	415.00	332.50	418.00	333.00
March, 2024	375.00	289.60	364.90	289.85

u. Summary of Shareholding Pattern as on March 31, 2024

Category of Shareholder	Number of Shareholders	Number of Shares held	Percentage of Shareholding
Promoter & Promoter Group	4	1,09,95,167	60.6329
Public	35,365	71,38,831	39.3671
Total	35,369	1,81,33,998	100.00

v. Distribution of Shareholding as on March 31, 2024

Category of Shareholder	Number of Shareholders	Number of Shares held	Percentage of Shareholding
1 - 500	33,899	13,67,676	7.54
501 - 1000	912	6,70,515	3.70
1001 - 2000	304	4,40,835	2.43
2001 - 3000	105	2,67,422	1.47
3001 - 4000	38	1,34,885	0.74
4001 - 5000	31	1,44,142	0.79
5001 - 10000	40	2,85,088	1.57
10001 and Above	40	1,48,23,435	81.71
Total	35,369	1,81,33,998	100.00

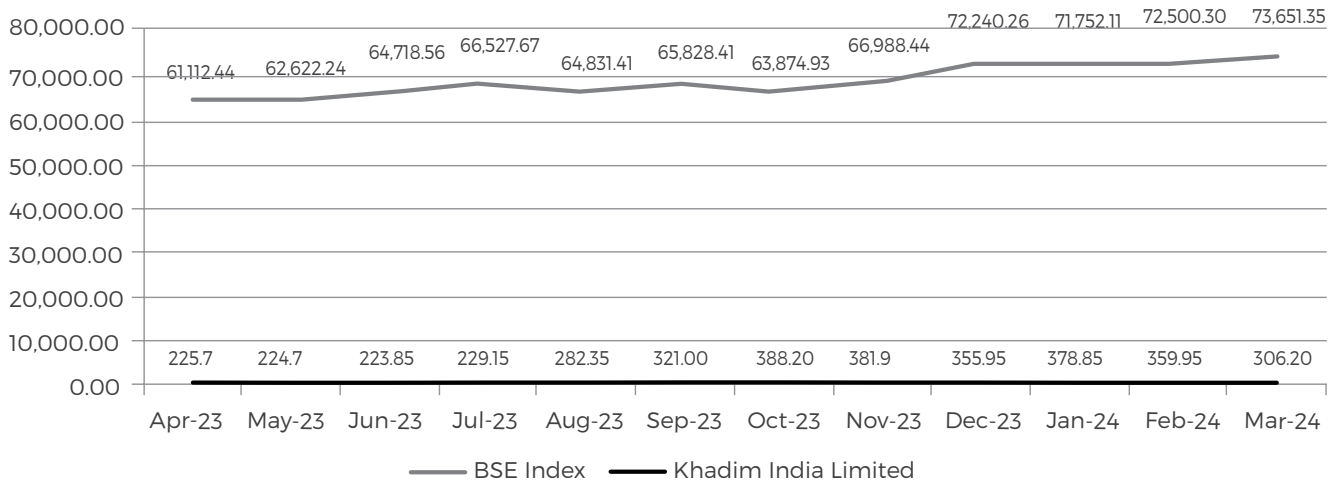
Annexure – VI

w. Bifurcation of shares held in physical and demat form as on March 31, 2024

Particulars	No. of Shares	Percentage (%)
Physical Shares (I)	NIL	N.A.
Sub-Total	NIL	N.A.
Demat Shares (II)		
NSDL (A)	1,42,37,648	79.23
CDSL (B)	37,31,966	20.77
Sub-Total (A+B)	1,79,69,614	100.00
Total (I+II)	1,79,69,614*	100.00

*Listing application for 1,64,384 Equity Shares of ₹ 10/- each allotted on March 22, 2024, post conversion of 1,64,384 Fully Convertible Equity Share Warrants ("Warrants"), had been filed with the Stock Exchanges on April 10, 2024 and the approval for the same was awaited. Accordingly, these 1,64,384 Equity Shares were yet to be credited to the allottee's demat account as on March 31, 2024.

x. PERFORMANCE IN COMPARISON TO BSE SENSEX



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, if any, 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.

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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 aforesaid 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, SEBI/HO/CFD/CMD2/CIR/P/2022/62, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated May 12, 2020; January 15, 2021; May 13, 2022; January 05, 2023 and October 07, 2023 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, if any, to ensure that the Annual Report and other documents reach you on your preferred email.

For and on behalf of the Board of Directors

Place: Kolkata
Date: May 24, 2024

Siddhartha Roy Burman
Chairman & Managing Director
DIN: 00043715

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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
7th 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] 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, 2024 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
(Firm's Registration No. - S2004WB868500)

Place: Kolkata
Date: 24/05/2024

(BINOD KUMAR GUPTA)
Partner
(ACS-12965, C. P. No.- 3242)
UDIN: A012965F000451139
Peer Review Certificate No.: 2598/2022

Annexure – VI

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Khadim India Limited

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter dated 11th March, 2024.
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, 2024, 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, 2024.
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 Chowdhury)
Partner

(Membership No. 056060)
UDIN:24056060BKFSNP1378

Place: Kolkata
Date: 24th May, 2024

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 standalone Balance Sheet as at March 31, 2024, the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of Changes in Equity and the standalone Cash Flow Statement for the year then ended, notes to the standalone financial statements including material accounting policies and other explanatory information (hereinafter referred to as "standalone 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 March 31, 2024, its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of standalone financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. 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 (the '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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us 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.	Key Audit Matter	Auditor's Response
1.	<p>Revenue Recognition</p> <p>Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the 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>Principal Audit Procedures</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"> 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.

Independent Auditor's Report

Sr.	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 - Material Accounting Policies.</p>	<ul style="list-style-type: none"> ● Evaluating the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls. ● 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. ● Testing the effectiveness of such controls over the timing of recognition of revenue at the year end. ● Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the correct period. ● Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.

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

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including annexures to the Board's Report but does not include the standalone financial statements and consolidated financial statements and our auditor's reports 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 standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Responsibilities of Management and Those Charged with Governance 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

Independent Auditor's Report

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.

In preparing the standalone financial statements, management and Board of Directors are 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 intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The Company's Board of Directors is 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 with reference to standalone financial statements 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 in preparation of standalone financial statements 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

Independent Auditor's Report

financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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 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 March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in Note No. 35

Independent Auditor's Report

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 March 31, 2024.
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (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 ('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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the year ended March 31, 2024.
 - vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of accounts for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.
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: 24056060BKFSNN9694

Place : Kolkata
Date : 24.05.2024

Annexure “A” to Independent Auditors’ 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) In respect of the Company’s property, plant and equipment:
 - A. The Company has maintained proper records showing full particulars including quantitative details and situation thereof.
 - 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 there under.
- 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 March 31, 2024 has been filed on 24th May, 2024 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 Act. 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.

Annexure “A” to Independent Auditors’ Report

- vi. The Central Government has not prescribed maintenance of cost records under section 148 (1) of the Act in respect of 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, Goods and Services Tax, Central Sales Tax and Value Added Tax which have not been deposited as on March 31, 2024 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 (₹ in Millions)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax Appeals	2017- 2018	0.44
GST Act, 2017	GST	Deputy Commissioner, West Bengal	2022 - 2023	0.85
Bihar Value Added Tax, 2003	Sales Tax	Deputy Commissioner, Special Circle, Patna	2015 - 2016	0.31
Central Sales Tax Act, 1956	Sales Tax	Assistant Commissioner ST, Pondy Bazar Assessment Circle	2016 - 2017	5.67
GST Act, 2017	GST	Commissioner of CGST & CX (Appeals)	2017 - 2018	5.92

- 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 subsidiaries, Khadim Shoe Bangladesh Limited and KSR Footwear Limited.
- (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 subsidiaries. Accordingly, reporting under this sub-clause is not applicable to the Company.

Annexure “A” to Independent Auditors’ Report

- 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) The Company has made preferential allotment of 1,64,384 equity shares by conversion of equivalent number of fully convertible equity share warrants within March 31, 2024. The Company has complied with the requirements of Sections 42 and 62 of the Act and the funds so raised have been used for the intended purposes.
- 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. Accordingly, 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 standalone 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, provisions of Section 192 of the Act are 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.

Annexure “A” to Independent Auditors’ Report

- 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. There has been no resignation of statutory auditors of the Company during the financial year 2023-2024.
- xix. 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 the 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. Hence, reporting under Clause 3 (xx) (a) and (b) are not applicable to the Company.
- xxi. The consolidated financial statements of the Company for the year ended 31.03.2024 includes audited accounts of Khadim India Limited (the Parent) and two subsidiary companies, namely, KSR Footwear Limited and Khadim Shoe Bangladesh Limited (foreign subsidiary). The reporting requirements under CARO, 2020 is not applicable to the foreign subsidiary. There is no qualification or adverse remark in the Companies (Auditor’s Report) Order (CARO) reports of Khadim India Limited (the Parent company) and the subsidiary company, KSR Footwear Limited included in the consolidated financial statements. Accordingly, reporting requirements under clause 3 (xxi) 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: 24056060BKFSNN9694

Place : Kolkata
Date : 24.05.2024

Annexure “B” to Independent Auditors’ Report

Independent Auditors Report on the internal financial controls under Clause (i) of Sub-section 3 of Section 143 of 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 March 31, 2024, in conjunction with our audit of the standalone 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 with reference to standalone financial statements 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 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 Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting with reference to standalone financial statements 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 with reference to standalone financial statements. 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 with respect to standalone financial statements 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 standalone 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 with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company’s internal financial controls over financial reporting with reference to standalone financial statements 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

Annexure “B” to Independent Auditors’ Report

have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls were operating effectively as at March 31, 2024, based on the criteria for internal financial control with respect to standalone financial statements 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 ICAI.

For RAY & RAY

Chartered Accountants
Firm Registration No. 301072E

(Amitava Chowdhury)

Partner
(Membership No. 056060)
UDIN: 24056060BKFSNN9694

Place : Kolkata
Date : 24.05.2024

Standalone Balance Sheet

 as at 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

Particulars	Note No.	As at 31 st March 2024	As at 31 st March 2023
ASSETS			
1 Non - current assets			
(a) Property, Plant and Equipment	4A	774.41	830.13
(b) Capital work - in - progress	4B	1.49	4.38
(c) Right of Use Asset	4C	1,652.15	1,603.28
(d) Intangible assets	4D	8.96	2.25
(e) Intangible assets under development	4E	-	3.20
(f) Financial Assets			
(i) Investments	5	1.49	1.39
(ii) Others	6	190.70	212.68
(g) Deferred tax assets (net)	7	116.88	135.97
(h) Income tax assets (net)	8	31.45	20.53
(i) Other non-current assets	9	103.44	93.52
2 Current assets			
(a) Inventories	10	1,936.37	1,804.22
(b) Financial Assets			
(i) Trade receivables	11	1,847.02	1,875.53
(ii) Cash and cash equivalents	12	55.28	63.87
(iii) Other Bank balances	13	116.39	78.96
(iv) Others	14	85.87	92.38
(c) Other current assets	15	394.59	528.94
Total Assets		7,316.49	7,351.23
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	16	181.34	179.70
(b) Other Equity		2,216.44	2,073.85
LIABILITIES			
1 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	62.45	118.48
(ii) Lease liabilities	18	1,741.69	1,684.57
(b) Provisions	19	0.97	0.60
(c) Other non-current liabilities	20	6.07	8.16
2 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	1,160.51	1,073.93
(ii) Lease liabilities	18	241.10	220.72
(iii) Trade payables	22	-	-
Total outstanding dues of micro enterprises and small enterprises		2.10	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,556.35	1,808.43
(iv) Other financial liabilities	23	104.78	128.09
(b) Other current liabilities	24	41.54	53.68
(c) Provisions	25	1.15	1.02
Total Equity and Liabilities		7,316.49	7,351.23

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

Siddhartha Roy Burman
Chairman & Managing Director
DIN: 00043715

Rittick Roy Burman
Wholetime Director
DIN: 08537366

Amitava Chowdhury
Partner
Membership no.- 056060

Abhijit Dan
Company Secretary & Head - Legal
Membership No.: ACS 21358

Indrajit Chaudhuri
Chief Financial Officer
Membership No.: FCA 61162

Place: Kolkata
Date: 24th May 2024

Statement of Profit and Loss

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

Particulars	Note No.	For the year ended 31 st March 2024	For the year ended 31 st March 2023
I. Revenue From Operations	26	6,149.04	6,602.64
II. Other Income	27	90.24	174.75
III. Total Income (I + II)		6,239.28	6,777.39
IV. Expenses :			
Cost of materials consumed		1,320.73	1,626.62
Purchases of Stock-in-Trade		2,145.51	2,457.38
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	(105.80)	(250.71)
Employee benefits expense	29	721.61	719.06
Finance costs	30	313.02	290.57
Depreciation and amortization expense	4F	404.44	383.71
Other expenses	31	1,357.21	1,325.05
Total expenses		6,156.72	6,551.68
V. Profit before tax (III - IV)		82.56	225.71
VI. Tax expense:	32		
(1) Current tax		(0.10)	3.10
(2) Deferred tax		19.50	47.54
		19.40	50.64
VII. Profit for the year (V - VI)		63.16	175.07
VIII. Other Comprehensive (Loss)/Income			
(i) Items that will not be reclassified to profit or loss			
- Re-measurement (loss)/gains on defined benefit plans	39.2	(1.64)	2.83
(ii) Income tax relating to items that will not be reclassified to profit or loss	32	0.41	(0.71)
Other Comprehensive (Loss)/Income for the year		(1.23)	2.12
IX. Total Comprehensive Income for the year		61.93	177.19
X. Earnings per equity share : [Nominal Value per Share ₹ 10/- (Previous year ₹ 10/-)]	33		
(1) Basic (In ₹)		3.51	9.74
(2) Diluted (In ₹)		3.51	9.74

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

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Chairman & Managing Director
DIN: 00043715

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Membership No.: ACS 21358

Indrajit Chaudhuri
Chief Financial Officer
Membership No.:FCA 61162

Place: Kolkata
Date: 24th May 2024

Statement of Changes in Equity

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

(a) Equity Share Capital

Balance as at 1 st April 2023	Changes in equity share capital due to prior period errors	Restated balance as at 1 st April 2023	Changes in equity share capital during the year	Balance as at 31 st March 2024
179.70	-	179.70	1.64	181.34

Balance as at 1 st April 2022	Changes in equity share capital due to prior period errors	Restated balance as at 1 st April 2022	Changes in equity share capital during the year	Balance as at 31 st March 2023
179.70	-	179.70	-	179.70

(b) Other Equity

Particulars	Reserves and surplus				Money received against share warrants	Total other equity
	Capital reserve -Amalgamation Reserve	Securities premium	Share options outstanding account	Retained earnings		
Balance as at 1st April 2023	231.92	1,221.83	10.70	609.40	-	2,073.85
Profit for the year	-	-	-	63.16	-	63.16
Other comprehensive loss (net of tax)	-	-	-	(1.23)	-	(1.23)
Total comprehensive income	-	-	-	61.93	-	61.93
Proceeds from issue of share warrants on preferential basis (Refer Note 16.4)	-	-	-	-	82.30	82.30
Equity shares issued upon conversion of share warrants (Refer Note 16.4)	-	58.36	-	-	(60.00)	(1.64)
Lapse of Share options outstanding	-	-	(0.74)	0.74	-	-
Balance as at 31st March 2024	231.92	1,280.19	9.96	672.07	22.30	2,216.44
Balance as at 1st April 2022	231.92	1,221.83	10.70	432.21	-	1,896.66
Profit for the year	-	-	-	175.07	-	175.07
Other comprehensive income (net of tax)	-	-	-	2.12	-	2.12
Total comprehensive income	-	-	-	177.19	-	177.19
Balance as at 31st March 2023	231.92	1,221.83	10.70	609.40	-	2,073.85

Loss of ₹ 1.23 millions on remeasurement of defined employee benefit plans (net of tax) is recognised as a part of retained earnings for the year ended 31st March 2024 (Previous year: Gain of ₹ 2.12 millions).

Statement of Changes in Equity

for the year ended 31st March 2024

(All amounts in Rupees millions, 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

Siddhartha Roy Burman

Chairman & Managing Director
DIN: 00043715

Rittick Roy Burman

Wholetime Director
DIN: 08537366

Amitava Chowdhury

Partner
Membership no.- 056060

Abhijit Dan

Company Secretary & Head - Legal
Membership No.: ACS 21358

Indrajit Chaudhuri

Chief Financial Officer
Membership No.:FCA 61162

Place: Kolkata

Date: 24th May 2024

Cash Flow Statement

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax for the year	82.56	225.71
Adjustments for:		
Depreciation and amortization expense	404.44	383.71
Loss/(gain) on disposal of property, plant and equipment (net)	4.62	(26.07)
Gain on lease modification	-	(37.60)
Interest Received	(24.39)	(33.82)
Liabilities/Provisions no longer required written back	(30.55)	(18.07)
Government grant received	(2.55)	(2.75)
Provision for doubtful debts, advances and other assets	4.77	(2.23)
Debts/Advances written off	32.50	15.23
Foreign currency translations and transactions - Net	(0.29)	(0.48)
Finance costs	313.02	290.57
Operating Profit before Working Capital Changes	784.13	794.20
Adjustments for:		
Trade Receivables, Loans and Advances and Other Assets	141.75	(294.84)
Inventories	(132.15)	(124.90)
Trade Payables, Other Liabilities and Provisions	(267.92)	6.65
Cash Generated from Operations	525.81	381.11
Net income tax (paid)/refunds	(10.82)	12.88
Net Cash generated from Operating Activities	514.99	393.99
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, intangible assets	(104.19)	(150.16)
Sale of property, plant and equipment, intangible assets	4.65	247.34
Receipts from lease modifications	-	113.79
Investments in bank deposits	(78.45)	(66.35)
Maturity of bank deposits	74.30	41.06
Investment in Wholly-Owned Subsidiary	(0.10)	(0.54)
Interest Received	8.39	13.05
Net Cash generated from/ (used in) Investing Activities	(95.40)	198.19
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of equity share warrants (Refer note 16.4)	82.30	-
Interest paid	(140.09)	(136.29)
Repayment of lease liability	(398.14)	(344.64)
Payment of initial direct cost recognised as Right of Use Asset	(2.81)	(2.94)
Long term loans taken	66.00	35.00

Cash Flow Statement

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Long term loans repaid	(113.46)	(71.71)
Short term loans taken/(repaid)	1.00	(107.40)
Net Cash used in Financing Activities	(505.20)	(627.98)
Net Decrease in Cash and Cash Equivalents (A+B+C)	(85.61)	(35.80)
Cash and Cash Equivalents at beginning of year	(893.53)	(857.73)
Cash and Cash Equivalents at end of year	(979.14)	(893.53)

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 31st March 2024	For the year ended 31st March 2023
Cash Credit facilities	(1,034.42)	(957.40)
Cash and cash equivalents (Note 12)	55.28	63.87
Cash and cash equivalents as above	(979.14)	(893.53)

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

Siddhartha Roy Burman
Chairman & Managing Director
DIN: 00043715

Rittick Roy Burman
Wholetime Director
DIN: 08537366

Amitava Chowdhury

Partner
Membership no.- 056060

Abhijit Dan
Company Secretary & Head - Legal
Membership No.: ACS 21358

Indrajit Chaudhuri
Chief Financial Officer
Membership No.:FCA 61162

Place: Kolkata
Date: 24th May 2024

Notes to Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

1 Corporate information

Khadim India Limited (the 'Company') is a Public Limited Company engaged in the manufacturing / retail business of footwear and accessories. The Company is incorporated and domiciled in Republic of India. The address of its Registered office is 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. For the year ended 31st March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

3 Material 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.

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

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

Notes to Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

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.

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.

Notes to Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

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 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).

Notes to Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

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 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.

Notes to Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

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

Notes to Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

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 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.

Notes to Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

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 31st March 2024

(All amounts in Rupees millions, 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 31st March 2024

(All amounts in Rupees millions, 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 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

4A PROPERTY, PLANT AND EQUIPMENT

Particulars	GROSS BLOCK						
	As at 1st April 2022	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2023	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2024
Buildings	712.66	3.67	243.72	472.61	1.44	0.12	473.93
Leasehold Improvements	294.97	43.44	16.42	321.99	41.85	29.90	333.94
Plant and equipment	683.93	45.81	49.97	679.77	22.65	35.37	667.05
Furniture and Fixtures	173.23	49.80	22.48	200.55	16.22	7.16	209.61
Vehicles	10.45	-	-	10.45	-	-	10.45
Office Equipment	42.43	3.57	6.36	39.64	1.75	4.33	37.06
Total	1,917.67	146.29	338.95	1,725.01	83.91	76.88	1,732.04
4B Capital work - in - progress	8.47	65.37	69.46	4.38	7.78	10.67	1.49

4A PROPERTY, PLANT AND EQUIPMENT

Particulars	ACCUMULATED DEPRECIATION/AMORTIZATION						NET BLOCK		
	As at 1st April 2022	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2023	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2024	As at 31st March 2024	As at 31st March 2023
Buildings	105.57	17.53	38.23	84.87	13.28	0.12	98.03	375.90	387.74
Leasehold Improvements	209.47	32.50	13.38	228.59	33.02	26.74	234.87	99.07	93.40
Plant and equipment	401.63	71.08	42.32	430.39	63.33	29.84	463.88	203.17	249.38
Furniture and Fixtures	113.69	15.47	17.43	111.73	16.03	6.65	121.11	88.50	88.82
Vehicles	7.06	1.21	-	8.27	1.03	-	9.30	1.15	2.18
Office Equipment	33.25	4.10	6.32	31.03	3.67	4.26	30.44	6.62	8.61
Total	870.67	141.89	117.68	894.88	130.36	67.61	957.63	774.41	830.13
4B Capital work - in - progress								1.49	4.38

Note:

The amount of expenditures recognized in the carrying amount of property, plant and equipment in the course of construction is ₹ 1.44 millions (Previous Year - ₹ 2.39 millions)

4C RIGHT-TO-USE ASSETS

Particulars	GROSS BLOCK		
	Buildings	Land*	Total
Gross Carrying Value as at 31st March 2022	1,267.95	119.81	1,387.76
Additions during the year	956.85	-	956.85
Deletions during the year	(38.27)	(80.08)	(118.35)
Gross Carrying Value as at 31st March 2023	2,186.53	39.73	2,226.26
Additions during the year	358.41	-	358.41
Deletions during the year	(167.94)	-	(167.94)
Gross Carrying Value as at 31st March 2024	2,377.00	39.73	2,416.73

Notes to Financial Statements

 for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

Particulars	ACCUMULATED DEPRECIATION		
	Buildings	Land	Total
Accumulated Depreciation as at 31st March 2022	417.86	6.57	424.43
Depreciation Expenses	238.76	1.95	240.71
Deductions / Adjustments	(38.27)	(3.89)	(42.16)
Accumulated Depreciation as at 31st March 2023	618.35	4.63	622.98
Depreciation Expenses	270.76	1.16	271.92
Deductions / Adjustments	(130.32)	-	(130.32)
Accumulated Depreciation as at 31st March 2024	758.79	5.79	764.58

Particulars	NET CARRYING VALUE		
	Buildings	Land	Total
Net Carrying Value as at 31st March 2023	1,568.18	35.10	1,603.28
Net Carrying Value as at 31st March 2024	1,618.21	33.94	1,652.15

*This includes ₹22.50 millions paid to Kolkata Metropolitan Development Authority (KMDA) as lease premium for a land at Laskarhat, Kolkata having a lease term of 99 years. The Company has received possession for 10.75 cottahs, for which the related lease deed has been executed. Remaining portion of the said land was under litigation before High Court Calcutta and Alipore Court. During the year, both courts have passed judgement in favour of the Company. The Company is following up with KMDA to execute the Lease deed for remaining portion of 34.25 cottahs of Land.

4D INTANGIBLE ASSETS

Particulars	GROSS BLOCK						
	As at 1st April 2022	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2023	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2024
Computer software (acquired)	6.69	-	2.41	4.28	8.87	0.81	12.34

Particulars	ACCUMULATED DEPRECIATION/AMORTIZATION						NET BLOCK		
	As at 1st April 2022	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2023	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2024	As at 31st March 2024	As at 31st March 2023
Computer software (acquired)	3.33	1.11	2.41	2.03	2.16	0.81	3.38	8.96	2.25

4E INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	GROSS BLOCK						
	As at 1st April 2022	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2023	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2024
Computer software (acquired)	0.65	3.20	0.65	3.20	-	3.20	-

Notes to Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

4F DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Tangible Assets	130.36	141.89
Right-to-Use Assets	271.92	240.71
Intangible Assets	2.16	1.11
Total	404.44	383.71

4G Capital work - in - progress ageing

Ageing for Capital work - in - progress as at 31st March 2024

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	1.49	-	-	-	1.49

Ageing for Capital work - in - progress as at 31st March 2023

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	4.07	-	-	0.31	4.38

4H Intangible Assets under development ageing

Ageing for Intangible Assets under development as at 31st March 2024

Intangible Assets under development	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	-	-	-	-	-

Ageing for Intangible Assets under development as at 31st March 2023

Intangible Assets under development	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	3.20	-	-	-	3.20

5 INVESTMENTS - NON-CURRENT

Particulars	As at 31st March 2024	As at 31st March 2023
Investment in Equity Instruments (Unquoted)		
In Subsidiary (at cost)		
Khadim Shoe Bangladesh Limited		
165 (Previous Year - 165) ordinary shares of BDT 10,000 each fully paid up	1.39	1.39

Notes to Financial Statements

 for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

Particulars	As at 31st March 2024	As at 31st March 2023
KSR Footwear Limited		
10,000 (Previous Year - Nil) equity shares of Rs.10 each fully paid up	0.10	-
	1.49	1.39
Aggregate book value of unquoted investments	1.49	1.39

6 OTHER FINANCIAL ASSETS - NON-CURRENT

Particulars	As at 31st March 2024	As at 31st March 2023
Unsecured, Considered Good		
Security and other deposits	180.10	168.45
Bank deposits with more than 12 months maturity		
- Against guarantees and letter of credit	5.43	7.15
- As security with Sales Tax Authorities	0.02	0.26
- Pledged against credit facilities	4.27	35.58
Employee Advances	0.88	1.24
Total	190.70	212.68

7 DEFERRED TAX ASSETS/(LIABILITIES) (NET)

Particulars	As at 31st March 2024	As at 31st March 2023
Deferred tax assets	154.26	181.91
Less: Deferred tax liabilities	37.38	45.93
Total	116.88	135.97

7.1 Movement in deferred tax liabilities/assets balances

2023-24	Opening balance	Recognized in profit or loss	Recognized in OCI	Closing balance
Deferred tax liabilities/assets in relation to:				
On fiscal allowances on property, plant and equipment, etc.	45.93	(8.55)	-	37.38
Total deferred tax liabilities	45.93	(8.55)	-	37.38
On employees' separation and retirement etc.	0.41	(0.28)	0.41	0.54
On right of use asset and lease liabilities	88.63	7.20	-	95.83
On accumulated business loss	59.59	(36.34)	-	23.25
On financial assets measured at fair value	4.53	0.01	-	4.54
On provision for doubtful debts and advances	14.58	1.20	-	15.78
On other assets	1.80	(0.42)	-	1.38
On provision for slow moving inventories	12.36	0.58	-	12.94
Total deferred tax assets	181.91	(28.05)	0.41	154.26
	(135.97)	19.50	(0.41)	(116.88)

Notes to Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

2022-23	Opening balance	Recognized in profit or loss	Recognized in OCI	Closing balance
Deferred tax liabilities/assets in relation to:				
On fiscal allowances on property, plant and equipment, etc.	54.39	(8.46)	-	45.93
Total deferred tax liabilities	54.39	(8.46)	-	45.93
On employees' separation and retirement etc.	1.13	(0.01)	(0.71)	0.41
On right of use asset and lease liabilities	84.31	4.32	-	88.63
On accumulated business loss	115.10	(55.51)	-	59.59
On financial assets measured at fair value	4.45	0.08	-	4.53
On provision for doubtful debts and advances	15.14	(0.56)	-	14.58
On other assets	2.24	(0.44)	-	1.80
On provision for slow moving inventories	16.24	(3.88)	-	12.36
Total deferred tax assets	238.61	(56.00)	(0.71)	181.91
	(184.22)	47.54	0.71	(135.97)

8 INCOME TAX ASSETS

Particulars	As at 31st March 2024	As at 31st March 2023
Advance Income Tax (Net of Provision ₹ 254.78 millions; 31st March 2023: ₹ 257.78 millions)	31.45	20.53
Total	31.45	20.53

9 OTHER NON-CURRENT ASSET

Particulars	As at 31st March 2024	As at 31st March 2023
Unsecured, Considered Good		
Capital Advances	18.02	3.13
Advances other than capital advances:		
Security deposits	7.57	9.29
Prepaid expenses	66.28	69.52
Other advances	0.08	0.09
Government grant receivable	11.49	11.49
Total	103.44	93.52

10 INVENTORIES

Particulars	As at 31st March 2024	As at 31st March 2023
Raw Material (including packing material)	168.13	141.78
Work-in-progress	60.90	126.50
Finished goods (manufactured)	310.09	270.31
Stock-in-trade (goods purchased for resale)	1,397.25	1,265.63
Total	1,936.37	1,804.22

Notes to Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

Notes:

- (i) Cost of inventory recognized as an expense during the year ₹ 3,537.02 millions (Previous Year - ₹ 4,007.63 millions).
- (ii) The cost of inventories recognized as an expense in respect of write-downs of inventory to net realisable value included in (i) above - ₹ 1.32 millions (Previous Year - ₹ 7.49 millions).
- (iii) Refer Note 3.8 for mode of valuation.

11 TRADE RECEIVABLES

Particulars	As at 31st March 2024	As at 31st March 2023
Considered good - Secured	53.58	50.41
Considered good - Unsecured*	1,793.44	1,825.12
Considered doubtful	62.70	57.93
	1,909.72	1,933.46
Less : Allowance for doubtful debts	62.70	57.93
Total	1,847.02	1,875.53

Trade receivables ageing schedule - as at 31st March 2024

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	1,315.56	137.86	23.78	4.57	365.25	1,847.02
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	3.51	24.33	15.85	2.48	11.59	57.76
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	4.94	4.94
Total	1,319.07	162.19	39.63	7.05	381.78	1,909.72
Less : Allowance for doubtful debts						62.70
						1,847.02

Notes to Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

Trade receivables ageing schedule - as at 31st March 2023

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	1,086.14	25.85	7.25	387.30	368.99	1,875.53
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	2.23	4.56	3.41	8.43	33.46	52.09
Disputed Trade receivables – considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	0.01	5.83	5.84
Total	1,088.37	30.41	10.66	395.75	408.27	1,933.46
Less : Allowance for doubtful debts						57.93
						1,875.53

12 CASH AND CASH EQUIVALENTS

Particulars	As at 31st March 2024	As at 31st March 2023
Balances with banks		
On Cash Credit Accounts	0.50	41.51
On Current Accounts	22.36	-
Cheques, drafts on hand	21.21	15.50
Cash on hand	11.21	6.86
Total	55.28	63.87

13 OTHER BANK BALANCES

Particulars	As at 31st March 2024	As at 31st March 2023
Dividend Accounts	0.02	0.02
Fixed Deposits with banks*		
- Against guarantees and letter of credit	18.60	16.69
- As security with Sales Tax Authorities	0.22	0.21
- Pledged against credit facilities	97.55	62.04
Total	116.39	78.96

*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 Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

14 OTHER FINANCIAL ASSETS - CURRENT

Particulars	As at 31st March 2024	As at 31st March 2023
Unsecured, Considered Good		
Assets held for disposal *	58.49	58.49
Interest Receivable	1.92	1.76
Employee Advances	2.88	2.75
Other receivables (Tender deposits, scrap sales etc.)	22.58	29.38
Total	85.87	92.38

*Represents certain property, plant and equipment which are not in active use. A Memorandum of Understanding (MoU) was signed for disposal of the same and an amount of ₹ 5.00 millions was received as advance against sale consideration. During the year, the said advance has been forfeited due to the party being unable to fulfill its commitments pursuant to the MoU.

15 OTHER CURRENT ASSETS

Particulars	As at 31st March 2024	As at 31st March 2023
Unsecured, Considered Good		
Advances other than capital advances:		
Advances to related parties	0.40	0.21
Other advances	28.17	31.57
Prepaid expenses	48.98	49.42
Gratuity (Refer Note 39.2)	3.11	6.83
Advance to Government Authorities	313.93	440.91
Total	394.59	528.94

16 EQUITY SHARE CAPITAL

Particulars	As at 31st March 2024	As at 31st March 2023
Authorised		
6,00,00,000 (31st March 2023: 6,00,00,000) Equity Shares of ₹10/- each	600.00	600.00
Issued, Subscribed and Paid up		
1,81,33,998 (31st March 2023: 1,79,69,614) Equity Shares of ₹10/- each	181.34	179.70
Total	181.34	179.70

16.1 Reconciliation of the number of Equity shares

Particulars	As at 31st March 2024		As at 31st March 2023	
	Number	Amount	Number	Amount
Balance as at the beginning of the year	1,79,69,614	179.70	1,79,69,614	179.70
Equity shares issued upon conversion of share warrants (Refer Note 16.4)	1,64,384	1.64	-	-
Balance as at the end of the year	1,81,33,998	181.34	1,79,69,614	179.70

Notes to Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

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

Name of Shareholder	As at 31st March 2024		As at 31st March 2023	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Khadim Development Company Private Limited (Holding Company)*	92,73,229	51.14	92,73,229	51.61
Siddhartha Roy Burman	16,29,533	8.99	14,65,149	8.15

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

16.4 During the year, the Company has issued 4,08,768 fully convertible equity share warrants at ₹ 365 each on a preferential basis to one Promoter and two Non-Promoters. The said warrants would be convertible into fully paid-up equity shares of ₹ 10 at a premium of ₹ 355 each. Pursuant to the issue, the promoter has paid ₹ 60.00 millions in full towards 1,64,384 share warrants which were then duly converted into an equivalent number of equity shares. Consequently, the issued and paid-up share capital of the Company stands increased to ₹ 181.34 millions as on 31st March, 2024. The remaining 2,44,384 share warrants were issued to two non-promoters who have paid 25% of the issue price amounting to ₹ 22.30 millions. These warrants are outstanding for conversion as on the date of Balance Sheet and are convertible within a period of 18 months from the date of allotment.

16.5 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.

16.6 Disclosure of Shareholding of Promoters

Disclosure of Shareholding of Promoters as at 31st March 2024:

Promoter's name	Shares held by promoters				% change during the year
	As at 31st March 2024		As at 31st March 2023		
	No. of shares	% of total shares	No. of shares	% of total shares	
Siddhartha Roy Burman	16,29,533	8.99%	14,65,149	8.15%	0.84%
Khadim Development Company Private Limited	92,73,229	51.14%	92,73,229	51.61%	-0.47%
Total	1,09,02,762	60.13%	1,07,38,378	59.76%	0.37%

Disclosure of Shareholding of Promoters as at 31st March 2023:

Promoter's name	Shares held by promoters				% change during the year
	As at 31st March 2023		As at 31st March 2022		
	No. of shares	% of total shares	No. of shares	% of total shares	
Siddhartha Roy Burman	14,65,149	8.15%	14,64,149	8.15%	0.00%
Total	14,65,149	8.15%	14,64,149	8.15%	0.00%

The Board of Directors of the Company had approved the re-shuffling of Khadim Development Company Private Limited as 'Promoter' from "Promoter Group" under the main category "Promoter & Promoter Group" w.e.f. January 19, 2024 as per the stock exchange requirement w.r.t Scheme of Arrangement between Khadim India Limited and KSR Footwear Limited (Refer Note 36).

Notes to Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

16.7 Shares reserved for issue under Options

Particulars	As at 31st March 2024	As at 31st March 2023
Equity shares of ₹ 10/- each	32,164	34,560
	32,164	34,560

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

Terms and conditions of Options granted

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

The vesting period for conversion of Options is as follows:

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

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

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

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

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

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

* Refer Note 37

17 BORROWINGS - NON-CURRENT

Particulars	As at 31st March 2024	As at 31st March 2023
SECURED		
Term Loans from Banks		
State Bank of India Term Loan I [Refer Note 1 of 17.2]	16.60	33.81
State Bank of India Term Loan II [Refer Note 1 of 17.2]	27.89	35.00
Union Bank of India Term Loan [Refer Note 2 of 17.2]	17.96	-
HDFC Bank Term Loan [Refer Note 3 of 17.2]	-	46.00
Axis Bank Term Loan [Refer Note 3 of 17.2]	-	3.67
Total	62.45	118.48

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

Name of the Bank	2024-25*	2025-26	2026-27	2027-28	2028-29
State Bank of India Term Loan I	17.15	16.60	-	-	-
State Bank of India Term Loan II	6.56	8.75	8.75	8.75	1.64
Union Bank of India Term Loan	27.38	17.96	-	-	-
Total	51.09	43.31	8.75	8.75	1.64

*Represents 'Current maturities of long term debt' (refer Note 21 - Borrowings - Current)

Notes to Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

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 Serampore, 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 and Gariahat.

2 Primary security - Same as State Bank of India Term loan (Refer Note 1 above).

Collateral security - Equitable mortgage of properties at Serampore, 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 properties at Chandannagar, Rashbehari Avenue and Madhyamgram.

3 Primary security - Same as State Bank of India Term loan (Refer Note 1 above).

Collateral security - Equitable mortgage of properties at Serampore, 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 31st March 2024			As at 31st March 2023		
	Non-Current	Current	Total	Non-Current	Current	Total
Lease Liabilities	1,741.69	241.10	1,982.79	1,684.57	220.72	1,905.29
Total	1,741.69	241.10	1,982.79	1,684.57	220.72	1,905.29

18.1 The details of the contractual maturities of lease liabilities as at 31st March 2024 on an undiscounted basis are as follows:

Particulars	As at 31st March 2024
Less than one year	241.10
One to two years	253.49
Two to three years	259.81
Three to four years	230.71
Four to five years	230.06
More than five years	767.62
Total	1,982.79

18.2 (i) The Company has recognised expenses of ₹ 55.11 millions (Previous year - ₹ 52.74 millions) in relation to short-term leases and recorded as 'Rent expenses' and 'Commission and Discount expenses' of ₹ 54.15 millions and ₹ 0.96 millions respectively for the year ended 31st March 2024 under 'Other Expenses' in Note 31.

18.2 (ii) The Company has recognised expenses of ₹ 3.08 millions (Previous Year - ₹ 3.07 millions) as variable lease payment for commissioned outlets and ₹ 0.36 millions (Previous Year - ₹ 0.92 millions) for leased outlet for the year ended 31st March 2024 and recorded as 'Commission and Discount' under Other Expenses in Note 31.

Notes to Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

The Company has also recognised expenses of ₹ 4.71 millions (Previous Year - ₹ 1.33 millions) as variable lease payment on account of Solar Power generated for the year ended 31st March 2024 and recorded as 'Power & Fuel' 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 ₹ Nil (Previous Year - ₹ 3.68 millions) 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 109:3.1

19 PROVISIONS - NON-CURRENT

Particulars	As at 31st March 2024	As at 31st March 2023
Other long term benefits		
Leave Encashment	0.97	0.60
Total	0.97	0.60

20 OTHER NON-CURRENT LIABILITIES

Particulars	As at 31st March 2024	As at 31st March 2023
Deferred Government Grant	6.07	8.16
Total	6.07	8.16

21 BORROWINGS - CURRENT

Particulars		As at 31st March 2024	As at 31st March 2023
SECURED			
Loans repayable on demand			
Cash Credit / Working Capital Demand Loans from Banks			
State Bank of India Cash Credit	[Refer Note 1 of 21.1]	585.62	482.96
State Bank of India Standby Line of Credit	[Refer Note 1 of 21.1]	40.00	-
Axis Bank Cash Credit	[Refer Note 2 of 21.1]	-	11.25
HDFC Bank Cash Credit	[Refer Note 2 of 21.1]	-	212.20
Bank of India Cash Credit	[Refer Note 3 of 21.1]	-	137.87
Central Bank of India Cash Credit	[Refer Note 4 of 21.1]	63.64	113.13
Union Bank of India Cash Credit	[Refer Note 5 of 21.1]	345.16	-
Axis Bank Demand Loan	[Refer Note 2 of 21.1]	-	24.00
ICICI Bank Demand Loan I	[Refer Note 2 of 21.1]	75.00	50.00
Current maturities of long term debt		51.09	42.52
Total		1,160.51	1,073.93

Notes to Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

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 Serampore, 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 and Gariahat, 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 Serampore, 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 Serampore, 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 Serampore, 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** - Same as State Bank of India Cash Credit (Refer Note 1 above).

Collateral security - Equitable mortgage of properties at Serampore, 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 properties at Chandannagar, Rashbehari Avenue and Madhyamgram, personal guarantee of Managing Director and corporate guarantee of group company.

22 TRADE PAYABLES

Trade payables ageing schedule - as at 31st March 2024

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	2.10	-	-	-	2.10
Others	1,511.74	10.36	6.08	28.17	1,556.35
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Total	1,513.84	10.36	6.08	28.17	1,558.45

Notes to Financial Statements

 for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

Trade payables ageing schedule - as at 31st March 2023

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	1,481.13	288.35	13.65	25.30	1,808.43
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Total	1,481.13	288.35	13.65	25.30	1,808.43

23 OTHER FINANCIAL LIABILITIES - CURRENT

Particulars	As at 31st March 2024	As at 31st March 2023
Interest accrued and due on borrowings	0.45	1.18
Interest accrued but not due on borrowings	-	0.40
Unpaid Dividend [Refer Note 23.1]	0.02	0.02
Deposits from customers	96.50	115.88
Other payables:		
Payables on purchase of property, plant and equipment	7.52	10.13
Others [Reimbursement claims, etc.]	0.29	0.48
Total	104.78	128.09

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.

24 OTHER CURRENT LIABILITIES

Particulars	As at 31st March 2024	As at 31st March 2023
Advance from customers	10.92	21.27
Advance against sale of Assets held for disposal	1.00	5.00
Statutory remittances (GST, Contribution to Provident and Other Funds, Withholding Tax)	26.27	23.97
Deferred Government Grant	1.78	2.24
Others	1.57	1.20
Total	41.54	53.68

25 PROVISIONS - CURRENT

Particulars	As at 31st March 2024	As at 31st March 2023
Other short term benefits		
Leave Encashment	1.15	1.02
Total	1.15	1.02

Notes to Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

26 REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Sale of products * [Refer Note 26.1]	6,048.16	6,494.38
Other operating revenues [Refer Note 26.2]	100.88	108.26
Total	6,149.04	6,602.64

* Net of sales returns

26.1 Details of sale of products

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Footwear and accessories	6,048.16	6,494.38
Total	6,048.16	6,494.38

26.2 Details of other operating revenues

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Sale of ancillaries	73.10	67.58
Scrap sales	27.78	40.68
Total	100.88	108.26

27 OTHER INCOME

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Interest income comprises interest from:		
- Deposits with banks - carried at amortised cost	8.41	5.24
- Other financial assets measured at amortised cost	15.84	20.10
- On Income Tax Refunds	0.14	8.49
Gain on sale/discard of property, plant and equipments - Net	-	26.07
Gain on lease modification	-	37.60
Other non-operating income (Rental income, etc.)	65.85	77.25
Total	90.24	174.75

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

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Inventories at the end of the year		
Work - in - progress	60.90	126.50
Finished goods	310.09	270.31
Stock-in-trade	1,397.25	1,265.63
	1,768.24	1,662.44
Inventories at the beginning of the year		
Work - in - progress	126.50	89.95
Finished goods	270.31	270.46
Stock-in-trade	1,265.63	1,051.32
	1,662.44	1,411.73
Total	(105.80)	(250.71)

Notes to Financial Statements

 for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

29 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Salaries and wages	650.87	642.57
Contribution to Provident and other funds	26.49	25.38
Staff Welfare Expenses	44.25	51.11
Total	721.61	719.06

30 FINANCE COSTS

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Interest expense on financial liabilities measured at amortised cost	138.96	136.16
Interest expense on lease liabilities	174.06	154.41
Total	313.02	290.57

31 OTHER EXPENSES

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Consumption of Stores	13.08	9.90
Power and Fuel	173.12	182.51
Rent [Refer Note 18.2 (i)]	70.03	72.53
Rates and Taxes	17.81	14.77
Bank Charges	27.27	22.45
Insurance	18.49	20.11
Repairs:		
Plant and Machinery	22.81	26.86
Others	120.30	110.87
Travelling and Conveyance Expenses	46.97	52.65
Printing and Stationery	3.29	2.93
Postage, Telephone and other Communication Expenses	11.46	11.70
Advertising, Marketing and Sales Promotion Expenses	153.06	187.13
Freight Charges, Transport and Delivery	163.56	168.74
Jobwork Charges	189.54	194.88
Professional Fees	45.09	35.82
Commission and Discount [Refer Note 18.2 (ii)]	210.74	168.49
Legal Expenses	0.46	0.26
Debts/Advances written off	32.50	15.23
Loss on sale/discard of property, plant and equipments - Net	4.62	-
Provision for doubtful debts, advances and other assets	4.77	-
Security Hire Charges	11.80	10.94
Miscellaneous Expenses (Refer Note 31.1)	16.44	16.28
Total	1,357.21	1,325.05

Notes to Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

31.1 Miscellaneous Expenses include :

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Amount paid /payable to Auditors (excluding tax)		
- Statutory Audit	1.20	1.20
- Tax Audit	0.26	0.26
- Other matters	0.72	0.59
- Out of pocket expenses	0.02	0.01
Total	2.20	2.06

32 INCOME TAX EXPENSES

A Amount recognised in profit or loss

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Current tax		
Income tax for the year		
Current tax	-	2.89
Adjustments/(credits) related to previous years - Net		
Current tax	(0.10)	0.21
Total Current tax	(0.10)	3.10
Deferred tax		
Deferred tax for the year	19.50	47.54
Total	19.40	50.64

B Amount recognised in other comprehensive income

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
The tax charge arising on income and expenses recognised in other comprehensive income is as follows:		
Deferred tax		
On items that will not be reclassified to profit or loss		
Re-measurement (losses)/gains on defined benefit plans	0.41	(0.71)
Total	0.41	(0.71)

C Reconciliation of effective tax rate

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Profit before tax	82.56	225.71
Applicable tax rate	25.168%	25.168%
Income tax expense on above rate	20.78	56.81
Expenses not allowable under tax laws	26.83	14.81
Additional expenses allowable under tax laws	(28.12)	(21.20)
	19.50	50.43
Tax adjustment of prior periods	(0.10)	0.21
Tax as per statement of profit and loss	19.40	50.64

Notes to Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

Note:

The Company has long term capital losses of ₹ 184.07 millions (31st March 2023 - ₹ 184.07 millions) for which no deferred tax assets have been recognised. These losses are due to expire in the following year:

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Assessment year 2026-2027	49.99	49.99
Assessment year 2031-2032	134.08	134.08
Total	184.07	184.07

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

	For the year ended 31st March 2024	For the year ended 31st March 2023
i. Profit after Tax attributable to the Equity Shareholders	63.16	175.07
ii. Weighted average number of equity shares outstanding for the purpose of basic earnings per share	1,79,74,118	1,79,69,614
iii. Weighted average number of equity shares in computing diluted earnings per share	1,79,74,495	1,79,69,614
iv. Earnings per share on profit for the year (Face value ₹ 10/- per share)		
- Basic [(i) / (ii)]	3.51	9.74
- Diluted [(i) / (iii)]	3.51	9.74

34 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 31st March 2024	For the year ended 31st March 2023
Revenue from external customers		
- Within India	6,148.21	6,599.32
- Outside India	0.83	3.32
Total	6,149.04	6,602.64

Particulars	As at 31st March 2024	As at 31st March 2023
Non-current assets*		
- Within India	2,571.90	2,557.29
- Outside India	-	-
Total	2,571.90	2,557.29

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

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

Notes to Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

35 Contingent Liabilities in respect of -

Particulars	As at 31st March 2024	As at 31st March 2023
Claims not acknowledged as debts :		
a. Sales Tax Matters under dispute	12.75	8.48
b. Income Tax Matters under dispute	0.44	1.62
c. Excise duty Matters under dispute	-	100.09

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.

36 The Board of Directors of the Company, at its meeting dated 29th September 2023, has approved a Scheme of Arrangement between Khadim India Limited (KIL) and KSR Footwear Limited (KFL) and their respective shareholders and creditors under sections 230 to 232, 66 and other relevant provisions of the Companies Act, 2013. Pursuant to the Scheme, KIL shall demerge its distribution business, as a going concern, into KFL. Post the Scheme becoming effective, the existing paid up equity share capital i.e., ₹ 1,00,000/- divided into 10,000 equity shares of face value ₹ 10/- each of KFL shall stand reduced and cancelled pursuant to section 66 and other applicable provisions of the Companies Act, 2013 and KFL will issue 1 (one) equity share of face value of ₹ 10/- each fully paid up for every 1 (one) equity share of face value ₹ 10/- each fully paid up held by equity shareholders of KIL. KFL will reflect a mirror shareholding as that of KIL and thereafter it will function as an independent listed Company. The Scheme is subject to approval of the shareholders, secured and unsecured creditors, Hon'ble National Company Law Tribunal (NCLT), the stock exchanges and such other persons or governmental authorities as may be set out in the Scheme of Arrangement. The Scheme has been approved by BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on 30th April, 2024 and the matter is presently pending with the Hon'ble NCLT.

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.

38 Commitments

Particulars	As at 31st March 2024	As at 31st March 2023
Capital Commitment (Net of capital advances - ₹0.95 millions; 31st March 2023 - ₹0.73 millions)	3.57	5.68

39 Employee Benefits

The Company has recognized, in the Statement of Profit and Loss for the year ended 31st March 2024 an amount of ₹ 22.67 millions (Previous Year - ₹ 21.68 millions) as expenses under defined contribution plans (Employer's Contribution to Provident and Other Funds) under note 29.

Notes to Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

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 31st March 2024	For the year ended 31st March 2023
I. Components of Employer Expense		
- recognized in Statement of Profit and loss		
a. Current Service cost	4.34	4.00
b. Net Interest cost	(0.52)	(0.29)
c. Total expense recognized in the Statement of Profit and Loss	3.82	3.71
- Re-measurements recognized in Other Comprehensive Income		
d. Return on plan assets (excluding amounts included in Net interest cost)	1.01	(0.13)
e. Effect of changes in financial assumptions	1.08	(0.55)
f. Effect of experience adjustments	(0.45)	(2.15)
g. Total re-measurement loss/(gain) included in Other Comprehensive Income	1.64	(2.83)
h. Total defined benefit cost recognized in Statement of Profit and Loss and Other Comprehensive Income (c+g)	5.46	0.88

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 remeasurements of the net defined benefit liability are included in Other Comprehensive Income.

Notes to Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
II. Actual Returns	3.25	4.11
III. Changes in Defined Benefit Obligation (DBO)		
a. Present value of DBO at the beginning of the year	51.39	51.98
b. Current Service Cost	4.34	4.00
c. Interest Cost	3.75	3.68
d. Re-measurement gains:		
- Effect of changes in financial assumptions	1.08	(0.55)
- Effect of experience adjustments	(0.45)	(2.15)
e. Benefits paid	(1.31)	(5.58)
f. Present value of DBO at the end of the year	58.80	51.39
IV. Change in the Fair Value of Plan Assets		
a. Plan Assets at the beginning of the year	58.22	58.14
b. Interest income	4.27	3.98
c. Re-measurement (gains)/losses on plan assets	(1.01)	0.13
d. Actual Company contributions	1.74	1.55
e. Benefits paid	(1.31)	(5.58)
f. Plan Assets at the end of the year	61.91	58.22
Particulars	As at 31st March 2024	As at 31st March 2023
V. Net Asset recognized in Balance Sheet		
a. Present value of Defined Benefit Obligation	58.80	51.39
b. Fair value of Plan Assets	61.91	58.22
c. Funded Status [Surplus/(Deficit)]	3.11	6.83
d. Net Asset recognized in Balance Sheet	3.11	6.83
- Current	3.11	6.83
- Non-Current	-	-
VI. Best estimate of Employers' expected contribution for the next year	4.10	3.82
VII. Actuarial Assumptions		
a. Discount Rate (%)	7.10%	7.30%
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 Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

VIII. Major Category of Plan Assets as a % of the Total Plan Assets

Particulars	As at	As at
	31st March 2024	31st March 2023
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 recognized in Balance Sheet (including experience adjustment impact)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Gratuity		
Present value of DBO	58.80	51.39
Fair value of plan assets	61.91	58.22
Funded status [Surplus / (Deficit)]	3.11	6.83
Experience gain / (loss) adjustments on plan liabilities	0.45	2.15
Experience gain / (loss) adjustments on plan assets	(1.01)	0.13

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	
	31st March 2024	31st March 2023
1. Discount rate + 100 basis points	54.65	47.60
2. Discount rate - 100 basis points	63.75	55.94
3. Salary increase rate + 1%	63.58	56.09
4. Salary increase rate - 1%	54.71	47.39

XI. Maturity analysis of the benefit payments

Particulars	Gratuity	
	31st March 2024	31st March 2023
Year 1	3.43	2.62
Year 2	1.73	1.05
Year 3	1.37	1.36
Year 4	2.45	1.56
Year 5	3.47	3.03
Next 5 years	19.36	29.35

Notes to Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

40 Related Party Disclosure as per requirements of Ind AS 24 on “Related Party Disclosures”

A) List of Related Parties

Holding Company	Khadim Development Company Private Limited [Refer Note 37]
Subsidiary Company	Khadim Shoe Bangladesh Limited KSR Footwear Limited (w.e.f 22nd August 2023)
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 (resigned w.e.f. 26 th March 2023) Mr. Indrajit Chaudhuri, Chief Financial Officer Mr. Abhijit Dan, Company Secretary and Head Legal
Enterprises over which KMP and their relatives exercise significant influence	Khadim Enterprises K.M.Khadim & Co. St. Marys' Clinic & Drug Stores Sheila Departmental Stores Private Limited Bee Tee Enterprise Khadim Estate Advisors Private Limited Storoscope Films Private Limited
Relatives of KMP	Mrs. Namita Roy Burman (Mother of Mr.Siddhartha Roy Burman)

B) Particulars of transactions during the year ended 31st March 2024:

Particulars	Year Ended 31st March 2024		Year Ended 31st March 2023	
I) Holding Company #				
a) Rent received from Khadim Development Co. Pvt Ltd		0.03		0.03
II) Subsidiary Company		-		-
III) Key Management Personnel ^				
a) Remuneration				
- Mr. Siddhartha Roy Burman #		34.67		34.77
- Mr. Rittick Roy Burman		6.06		2.97
- Ms. Namrata Ashok Chotrani		-		7.91
- Mr. Indrajit Chaudhuri		5.35		4.50
- Mr. Abhijit Dan		3.14	49.22	2.76
				52.91

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 for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

Particulars	Year Ended 31st March 2024		Year Ended 31st March 2023	
b) Rent paid to Mr. Siddhartha Roy Burman		0.08		0.08
c) Sitting fees				
- Dr. Indranath Chatterjee		0.65		0.45
- Prof. (Dr.) Surabhi Banerjee		0.67		0.47
- Mr. Alok Chauthmal Churiwala		0.65		0.45
- Mr. Ritoban Roy Burman		0.26	2.23	0.20
				1.57
d) Commission				
- Dr. Indranath Chatterjee		0.30		0.30
- Prof. (Dr.) Surabhi Banerjee		0.30		0.30
- Mr. Alok Chauthmal Churiwala		0.30	0.90	0.30
				0.90
IV) Enterprises over which KMP and their relatives exercise significant influence				
a) Commission paid				
- Khadim Enterprises		0.20		0.21
- Bee Tee Enterprises		0.54		0.54
- Sheila Departmental Stores Pvt Ltd		0.54		0.55
- St. Mary's Clinic & Drug Stores		0.11		0.11
- K M Khadim & Co.		0.35	1.74	-
				1.41
b) Rent received				
- K M Khadim & Co.		-		0.01
- Khadim Estate Advisors Pvt Ltd		0.03		0.03
- Sheila Departmental Stores Pvt Ltd		-		0.02
- Storyscope Films Private Limited		0.03	0.06	0.03
				0.09
c) Rent paid to Khadim Estate Advisors Pvt Ltd			0.84	0.84
V) Relatives of Key Management Personnel				
Remuneration				
- Mrs. Namita Roy Burman			1.44	1.44

Particulars	As at 31st March 2024	As at 31st March 2023
Outstanding Balances		
I) Holding Company		
- Khadim Development Co Pvt Ltd	0.17	0.13
II) Key Management Personnel		
- Mr. Rittick Roy Burman	(0.28)	(0.21)
- Dr. Indranath Chatterjee	(0.27)	(0.27)
- Prof. (Dr.) Surabhi Banerjee	(0.27)	(0.27)
- Mr. Alok Chauthmal Churiwala	(0.27)	(0.27)
- Mr. Indrajit Chaudhuri	(0.06)	(0.42)
- Mr. Abhijit Dan	(0.04)	(0.19)

Notes to Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

Particulars	As at 31st March 2024	As at 31st March 2023
III) Enterprises over which KMP and their relatives exercise significant influence		
- Khadim Enterprises	(0.34)	(0.15)
- Bee Tee Enterprises	(0.49)	(0.22)
- Sheila Departmental Stores Pvt Ltd	(1.07)	(0.70)
- St. Mary's Clinic & Drug Stores	0.10	0.21
- Khadim Estate Advisors Pvt Ltd	0.05	0.02
- Storyscope Films Private Limited	0.08	0.05
- K M Khadim & Co.	(0.08)	-

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	17th June 2017
ii. Total number of Options approved under the Scheme	Options equivalent to 1,86,465 equity shares of ₹ 10/- each
iii. Vesting schedule	The vesting period for conversion of Options is as follows: On completion of 12 months from the date of grant of the Options - 15% vests On completion of 24 months from the date of grant of the Options - 15% vests On completion of 36 months from the date of grant of the Options - 30% vests On completion of 48 months from the date of grant of the Options - 40% vests
iv. Pricing formula	Closing market price on the day prior to the date of grant on stock exchange with highest trading volume
v. Maximum term of Options granted	5 years from the date of vesting
vi. Source of shares	Primary issuance
vii. Variation in terms of Options	None
viii. Method used for accounting of share-based payments plans	The employee compensation cost has been calculated using the fair value method of accounting for Options under the Company's Employee Stock Option Scheme. The employee compensation cost as per fair value method for the financial year 2023-24 is ₹ Nil (Previous Year - ₹ Nil).
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.

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for the year ended 31st March 2024

(All amounts in Rupees millions, 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	2,396
d. Options vested and exercisable during the year (net of Options lapsed and exercised)	-
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	32,164
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.
xv. Options granted to	No options were granted during the year.

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for the year ended 31st March 2024

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Name of the Scheme	Khadim Employee Stock Option Plan 2017
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 31st March 2024		As at 31st March 2023	
	Carrying value	Fair value	Carrying value	Fair value
I Financial assets				
a. Measured at amortised cost				
Trade receivables	1,847.02	1,847.02	1,875.53	1,875.53
Cash and cash equivalents	55.28	55.28	63.87	63.87
Other bank balances	116.39	116.39	78.96	78.96
Other financial assets	276.57	276.57	305.06	305.06
Total Financial assets	2,295.26	2,295.26	2,323.42	2,323.42
II Financial liabilities				
a. Measured at amortised cost				
Lease liabilities	1,982.79	1,982.79	1,905.29	1,905.29
Borrowings	1,222.96	1,222.96	1,192.41	1,192.41
Trade payables	1,558.45	1,558.45	1,808.43	1,808.43
Other financial liabilities	104.78	104.78	128.09	128.09
Total Financial liabilities	4,868.98	4,868.98	5,034.22	5,034.22

Note:

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

C Financial risk management objectives

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

Notes to Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

Interest rate risk

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

Price risk

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

Liquidity Risk

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

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

As at 31st March 2024	Carrying value	Less than 1 year	Between 1 to 5 years	Beyond 5 years	Total
Lease liabilities	1,982.79	241.10	974.07	767.62	1,982.79
Borrowings	1,222.96	1,160.51	62.45	-	1,222.96
Trade payables	1,558.45	1,558.45	-	-	1,558.45
Other financial liabilities	104.78	104.78	-	-	104.78
Total	4,868.98	3,064.84	1,036.52	767.62	4,868.98

As at 31st March 2023	Carrying value	Less than 1 year	Between 1 to 5 years	Beyond 5 years	Total
Lease liabilities	1,905.29	220.72	931.12	753.45	1,905.29
Borrowings	1,192.41	1,073.93	118.48	-	1,192.41
Trade payables	1,808.43	1,808.43	-	-	1,808.43
Other financial liabilities	128.09	128.09	-	-	128.09
Total	5,034.22	3,231.17	1,049.60	753.45	5,034.22

Credit Risk

The Company's customer base is diverse limiting the risk arising out of credit concentration. Further, credit is extended in business interest in accordance with guidelines issued centrally and business-specific credit policies. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. Loss allowances and impairment 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.

Notes to Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

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 31st March 2024	As at 31st March 2023
Opening Balance	57.93	60.16
Add: Provisions made (net)	4.77	-
Less: Provisions reversed (net)	-	2.23
Closing Balance	62.70	57.93

Of the trade receivables balance at the end of the year, no dues from any one customer exceeded 20 per cent of gross financial assets. 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 31st March 2024	As at 31st March 2023
	USD	USD
Financial assets	1.86	1.86
Financial liabilities	44.14	29.74

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

	Currency	Cross Currency	Buy
As at 31st March 2024	USD	Rupees	0.53
As at 31st March 2023	USD	Rupees	0.36

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.

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.

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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 31st March 2024	As at 31st March 2023
I Financial assets			
a. Measured at amortised cost			
Other financial assets - Non-Current	3	190.70	212.68
Total Financial assets		190.70	212.68
II Financial liabilities			
a. Measured at amortised cost			
Borrowings - Non-Current	3	62.45	118.48
Total Financial liabilities		62.45	118.48

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

Sl. No.	Particulars	31st March 2024	31st March 2023
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
	Principal	2.10	Nil
	Interest	...*	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

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for the year ended 31st March 2024

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Sl. No.	Particulars	31st March 2024	31st March 2023
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
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

* Represents ₹ 3,439/-

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	1.43	1.35	-
Debt-Equity Ratio (times)	Total debt	Equity	0.51	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	1.20	1.54	-
Return on Equity Ratio (%)	Net profit after taxes	Average Shareholder's equity	2.72%	8.09%	The reduction is largely due to sales degrowth and decrease in non-recurring other income earned during the previous year
Inventory Turnover Ratio (times)	Revenue from operations	Average inventory	3.29	3.79	-
Trade Receivables Turnover Ratio (times)	Revenue from operations	Average trade receivables	3.30	4.12	-
Trade Payables Turnover Ratio (times)	Purchases of Stock-in-Trade and raw materials	Average trade payables	2.07	2.19	-

Notes to Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

Ratio	Numerator	Denominator	Current year	Previous year	Notes
Net Capital Turnover Ratio (times)	Revenue from operations	Average working capital (i.e. Current assets - Current liabilities)	4.95	7.04	The reduction is largely due to sales degrowth
Net Profit Ratio (%)	Net profit after taxes	Revenue from operations	1.03%	2.65%	The reduction is largely due to sales degrowth and decrease in non-recurring other income earned during the previous year
Return on Capital Employed (%)	Earnings before interest and taxes	Capital employed = Total equity + Borrowings	10.93%	14.98%	Lower profits during the year resulted in lower return on capital employed
Return on Investment (%)	Net profit after taxes	Equity share capital + Securities premium	4.32%	12.49%	Lower profits during the year resulted in lower return on investment

47 The financial statements were approved for issue by the Board of Directors on 24th May 2024.

For and on behalf of Board of Directors

Siddhartha Roy Burman
Chairman and Managing Director
DIN: 00043715

Rittick Roy Burman
Wholetime Director
DIN: 08537366

Abhijit Dan
Company Secretary & Head - Legal
Membership No.: ACS 21358

Indrajit Chaudhuri
Chief Financial Officer
Membership No.:FCA 61162

Place: Kolkata
Date: 24th May 2024

Form AOC-1

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

Name of the Subsidiary Company	KSR Footwear Limited	Khadim Shoe Bangladesh Limited
Date since subsidiary was acquired	22nd August 2023	5th September 2019
Financial Year ending on	31st March 2024	31st March 2024
Reporting Currency	Indian Rupee	Bangladesh taka
Exchange rate as on 31st March 2024	Not applicable	0.76 Indian Rupee
Share Capital	1,00,000	16,50,000
Reserves and Surplus	(1,53,723)	(18,65,420)
Total Assets	89,083	1,43,754
Total Liabilities	89,083	1,43,754
Investments (excluding Investments made in subsidiaries)	Nil	Nil
Turnover	Nil	Nil
Loss before tax	(1,53,723)	(2,93,810)
Provision for tax	Nil	3,009
Loss after tax	(1,53,723)	(2,96,819)
Proposed Dividend	Nil	Nil
% of shareholding	100.00%	100.00%
Country	India	Bangladesh

For and on behalf of Board of Directors

Siddhartha Roy Burman

Chairman and Managing Director
DIN: 00043715

Rittick Roy Burman

Wholetime Director
DIN: 08537366

Abhijit Dan

Company Secretary & Head - Legal
Membership No.: ACS 21358

Indrajit Chaudhuri

Chief Financial Officer
Membership No.:FCA 61162

Place: Kolkata

Date: 24th May 2024

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 subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and notes to the financial statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

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 ('Ind AS') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows 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 (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities 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 (the "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. We do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr.	Key Audit Matter	Auditor's Response
1.	Revenue Recognition Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the Parent performs its obligation to its customers, the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition is when the control over the same is transferred to the customer, which is upon delivery.	Principal Audit Procedures 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: - Our audit approach was a combination of test of internal controls and substantive procedures including:

Independent Auditor's Report

Sr.	Key Audit Matter	Auditor's Response
	<p>The timing of revenue recognition is relevant to the reported performance of the Parent. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.</p> <p>The Parent operates through two different revenue streams – 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 - Material accounting policies.</p>	<ul style="list-style-type: none"> ● Assessing the appropriateness of the Parent's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof. ● Evaluating the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls. ● Evaluating the design and implementation of Parent's controls in respect of revenue recognition and testing the effectiveness of such controls over the timing of recognition of revenue at the year-end. ● Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the correct period. ● Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including annexures to the Board'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 Subsidiaries 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 Subsidiaries is traced from their 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 changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting

Independent Auditor's Report

principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent, as aforesaid.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than from 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 and one of its subsidiary companies incorporated in India (KSR Footwear Limited) have adequate internal financial controls system with respect to Consolidated Financial Statements 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.

Independent Auditor's Report

- 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 financial control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow 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 written representations received from the directors of the Group as on March 31, 2024 taken on record by the Board of Directors of the Parent, none of the directors of the Parent are disqualified as on that date from being appointed as a director in terms of Section 164 (2) of the Act.

Independent Auditor's Report

- f) With respect to the adequacy of the internal financial control with respect to Consolidated Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's report of the Parent and its subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and effectiveness of internal financial controls with reference to Consolidated Financial Statements of the Parent.
- g) With respect to other matters to be included in the Auditor's Report in accordance with the requirements of Section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group in Note No. 34 of the Consolidated Financial Statements.
 - ii. The Group 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 Group during the year ended March 31, 2024.
 - iv.
 - a) The respective managements of the Parent and one of its subsidiary companies, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to or in any other person (s) or entity (ies), outside the Group, including foreign entity (ies) ('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 Parent or any of such subsidiaries ("the Ultimate Beneficiaries") or provide any guarantee, security or the like, on behalf of the Ultimate Beneficiaries;
 - b) The respective managements of the Parent and one of its subsidiary companies, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief that no funds (which are material either individually or in the aggregate) have been received by the Parent or any of such subsidiary from any person (s) or entity (ies), including foreign entities ('Funding Parties') with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiary 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 by us as considered reasonable and appropriate in the circumstances, on the Parent and after taking into consideration the audit report of one of its subsidiary company, KSR Footwear Limited which is a Company incorporated in India whose financial statements have been audited under the Act, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

Independent Auditor's Report

- v. As per the books of account of the Parent audited by us and as per the audited financial statements of the subsidiary companies considered in the Consolidated Financial Statements, no dividend has been declared or paid during the year ended March 31, 2024.
- vi. Based on our examination which included test checks on the Parent and having taken the Indian subsidiary company's (KSR Footwear Limited) audit report into consideration, both companies have used accounting software for maintaining their books of accounts for the financial year ended March 31, 2024 which have features of recording audit trail (edit log) facility and the same have operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, no instances of the audit trail feature being tampered with, were noticed.

The financial statements of the subsidiary company, Khadim Shoe Bangladesh Limited has not been audited under the provisions of the Act as it is a company not incorporated in India. Thus, the reporting requirements under Rule 11 (g) are not applicable to such foreign subsidiary company.

For RAY & RAY

Chartered Accountants
Firm Registration No. 301072E

(Amitava Chowdhury)

Partner
(Membership No. 056060)
UDIN: 24056060BKFSN06853

Place : Kolkata
Date : 24.05.2024

Annexure “A” to Independent Auditors’ 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 Sub-section 3 of Section 143 of the Companies Act, 2013.

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting of **Khadim India Limited** (hereinafter referred to as the “Parent”).

Management’s Responsibility for Internal Financial Controls

The respective Boards of Directors of the Parent and its subsidiary company KSR Footwear Limited, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies 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. 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 their respective business, including adherence to those companies’ policies, the safeguarding of their respective 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.

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements of the Parent based on our audit and on one of its subsidiary companies, KSR Footwear Limited, being a company incorporated in India, based on their independent auditor’s report. 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 with reference to Consolidated Financial Statements. 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 with respect to Consolidated Financial Statements 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 with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, 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 standalone 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 with reference to Consolidated Financial Statements of the Parent and its subsidiary company, which is a company incorporated in India.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company’s internal financial controls over financial reporting with reference to Consolidated Financial Statements 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 with reference to Consolidated Financial Statements 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

Annexure “A” to Independent Auditors’ Report

with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, 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 with respect to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements 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 and its subsidiary company, which is a company incorporated in India have, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to Consolidated Financial Statements established by the respective companies 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: 24056060BKFSN06853

Place : Kolkata
Date : 24.05.2024

Consolidated Balance Sheet

as at 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

Particulars	Note No.	As at 31 st March 2024	As at 31 st March 2023
ASSETS			
1 Non - current assets			
(a) Property, Plant and Equipment	4A	774.41	830.13
(b) Capital work - in - progress	4B	1.49	4.38
(c) Right of Use Asset	4C	1,652.15	1,603.28
(d) Intangible assets	4D	8.96	2.25
(e) Intangible assets under development	4E	-	3.20
(f) Financial Assets			
Others	5	190.70	212.68
(g) Deferred tax assets (net)	6	116.88	135.97
(h) Income tax assets (net)	7	31.45	20.53
(i) Other non-current assets	8	103.44	93.52
2 Current assets			
(a) Inventories	9	1,936.37	1,804.22
(b) Financial Assets			
(i) Trade receivables	10	1,847.02	1,875.53
(ii) Cash and cash equivalents	11	55.48	64.30
(iii) Other Bank balances	12	116.39	78.96
(iv) Others	13	85.87	92.38
(c) Other current assets	14	394.59	528.94
Total Assets		7,315.20	7,350.27
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	15	181.34	179.70
(b) Other Equity		2,214.73	2,072.52
LIABILITIES			
1 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	62.45	118.48
(ii) Lease liabilities	17	1,741.69	1,684.57
(b) Provisions	18	0.97	0.60
(c) Other non-current liabilities	19	6.07	8.16
2 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	1,160.61	1,073.93
(ii) Lease liabilities	17	241.10	220.72
(iii) Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises		2.10	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,556.67	1,808.75
(iv) Other financial liabilities	22	104.78	128.09
(b) Other current liabilities	23	41.54	53.73
(c) Provisions	24	1.15	1.02
Total Equity and Liabilities		7,315.20	7,350.27

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

Place: Kolkata
Date: 24th May 2024

Siddhartha Roy Burman

Chairman & Managing Director
DIN: 00043715

Abhijit Dan

Company Secretary & Head - Legal
Membership No.: ACS 21358

Rittick Roy Burman

Wholetime Director
DIN: 08537366

Indrajit Chaudhuri

Chief Financial Officer
Membership No.: FCA 61162

Consolidated Statement of Profit and Loss

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

Particulars	Note No.	For the year ended 31 st March 2024	For the year ended 31 st March 2023
I. Revenue From Operations	25	6,149.04	6,602.64
II. Other Income	26	90.24	174.76
III. Total Income (I + II)		6,239.28	6,777.40
IV. Expenses :			
Cost of materials consumed		1,320.73	1,626.62
Purchases of Stock-in-Trade		2,145.51	2,457.38
Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	(105.80)	(250.71)
Employee benefits expense	28	721.61	719.06
Finance costs	29	313.02	290.57
Depreciation and amortization expense	4F	404.44	383.71
Other expenses	30	1,357.58	1,325.35
Total expenses		6,157.09	6,551.98
V Profit before tax (III - IV)		82.19	225.42
VI Tax expense:	31		
(1) Current tax		(0.09)	3.10
(2) Deferred tax		19.50	47.54
		19.41	50.64
VII. Profit for the year (V - VI)		62.78	174.78
VIII. Other Comprehensive (Loss)/Income			
(i) Items that will not be reclassified to profit or loss			
- Re-measurement (loss)/gains on defined benefit plans	38.2	(1.64)	2.83
(ii) Income tax relating to items that will not be reclassified to profit or loss	31	0.41	(0.71)
(iii) Items that will be reclassified to profit or loss			
- Exchange differences in translating the financial statements of foreign operations		-	(0.01)
Other Comprehensive (Loss)/Income for the year		(1.23)	2.11
IX Total Comprehensive Income for the year		61.55	176.89
Profit for the year attributable to:			
Owners of the parent		62.78	174.78
Non-controlling interests		-	-
Total Comprehensive Income for the year attributable to:			
Owners of the parent		61.55	176.89
Non-controlling interests		-	-
X. Earnings per equity share: [Nominal Value per Share ₹10/-]	32		
(Previous year ₹ 10/-)]			
(1) Basic (In ₹)		3.49	9.73
(2) Diluted (In ₹)		3.49	9.73

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

Place: Kolkata
Date: 24th May 2024

Siddhartha Roy Burman
Chairman & Managing Director
DIN: 00043715

Abhijit Dan
Company Secretary & Head - Legal
Membership No.: ACS 21358

Rittick Roy Burman
Wholetime Director
DIN: 08537366

Indrajit Chaudhuri
Chief Financial Officer
Membership No.:FCA 61162

Consolidated Statement of Changes in Equity

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

(a) Equity Share Capital

Balance as at 1 st April 2023	Changes in equity share capital due to prior period errors	Restated balance as at 1 st April 2023	Changes in equity share capital during the year	Balance as at 31 st March 2024
179.70	-	179.70	1.64	181.34

Balance as at 1 st April 2022	Changes in equity share capital due to prior period errors	Restated balance as at 1 st April 2022	Changes in equity share capital during the year	Balance as at 31 st March 2023
179.70	-	179.70	-	179.70

(b) Other Equity

Particular	Reserves and surplus				Money received against share warrants	Items of other comprehensive income Exchange differences in translating the financial statements of foreign operations	Attributable to owners of the parent	Non-controlling interests	Total other equity
	Capital reserve -Amalgamation Reserve	Securities premium	Share options outstanding account	Retained earnings					
Balance as at 1st April 2023	231.92	1,221.83	10.70	608.06	-	0.01	2,072.52	-	2,072.52
Profit for the year	-	-	-	62.78	-	-	62.78	-	62.78
Other comprehensive loss (net of tax)	-	-	-	(1.23)	-	-	(1.23)	-	(1.23)
Total comprehensive income	-	-	-	61.55	-	-	61.55	-	61.55
Proceeds from issue of share warrants on preferential basis (Refer Note 15.4)	-	-	-	-	82.30	-	82.30	-	82.30
Equity shares issued upon conversion of share warrants (Refer Note 15.4)	-	58.36	-	-	(60.00)	-	(1.64)	-	(1.64)
Lapse of Share options outstanding	-	-	(0.74)	0.74	-	-	-	-	-
Balance as at 31st March 2024	231.92	1,280.19	9.96	670.35	22.30	0.01	2,214.73	-	2,214.73
Balance as at 1st April 2022	231.92	1,221.83	10.70	431.17	-	0.02	1,895.64	-	1,895.64
Profit for the year	-	-	-	174.78	-	-	174.78	-	174.78
Other comprehensive income (net of tax)	-	-	-	2.11	-	(0.01)	2.10	-	2.10
Total comprehensive income	-	-	-	176.89	-	(0.01)	176.88	-	176.88
Balance as at 31st March 2023	231.92	1,221.83	10.70	608.06	-	0.01	2,072.52	-	2,072.52

Loss of ₹ 1.23 millions on remeasurement of defined employee benefit plans (net of tax) is recognised as a part of retained earnings for the year ended 31st March 2024 (Previous year: Gain of ₹ 2.12 millions).

Consolidated Statement of Changes in Equity

for the year ended 31st March 2024

(All amounts in Rupees millions, 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

Siddhartha Roy Burman
Chairman & Managing Director
DIN: 00043715

Rittick Roy Burman
Wholetime Director
DIN: 08537366

Amitava Chowdhury
Partner
Membership no.- 056060

Abhijit Dan
Company Secretary & Head - Legal
Membership No.: ACS 21358

Indrajit Chaudhuri
Chief Financial Officer
Membership No.:FCA 61162

Place: Kolkata
Date: 24th May 2024

Consolidated Cash Flow Statement

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax for the year	82.19	225.42
Adjustments for:		
Depreciation and amortization expense	404.44	383.71
Loss/(gain) on disposal of property, plant and equipment (net)	4.62	(26.07)
Gain on lease modification	-	(37.60)
Interest Received	(24.39)	(33.82)
Liabilities/Provisions no longer required written back	(30.55)	(18.07)
Government grant received	(2.55)	(2.75)
Provision for doubtful debts, advances and other assets	4.77	(2.23)
Debts/Advances written off	32.50	15.23
Foreign currency translations and transactions - Net	(0.29)	(0.48)
Finance costs	313.02	290.57
Operating Profit before Working Capital Changes	783.76	793.91
Adjustments for:		
Trade Receivables, Loans and Advances and Other Assets	141.75	(294.84)
Inventories	(132.15)	(124.90)
Trade Payables, Other Liabilities and Provisions	(267.97)	6.72
Cash Generated from Operations	525.39	380.89
Net income tax (paid)/refunds	(10.83)	12.88
Net Cash generated from Operating Activities	514.56	393.77
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, intangible assets	(104.19)	(150.16)
Sale of property, plant and equipment, intangible assets	4.65	247.34
Receipts from lease modifications	-	113.79
Investments in bank deposits	(78.45)	(66.35)
Maturity of bank deposits	74.30	41.06
Interest Received	8.39	13.05
Net Cash (used in)/generated from Investing Activities	(95.30)	198.73
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of equity share warrants (Refer note 15.4)	82.30	-
Interest paid	(140.09)	(136.29)
Repayment of lease liability	(398.14)	(344.64)
Payment of initial direct cost recognised as Right of Use Asset	(2.81)	(2.94)
Long term loans taken	66.00	35.00
Long term loans repaid	(113.46)	(71.71)

Consolidated Cash Flow Statement

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Short term loans taken/(repaid)	1.10	(107.40)
Net Cash used in Financing Activities	(505.10)	(627.98)
Net Decrease in Cash and Cash Equivalents (A+B+C)	(85.84)	(35.48)
Cash and Cash Equivalents at beginning of year	(893.10)	(857.62)
Cash and Cash Equivalents at end of year	(978.94)	(893.10)

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 31st March 2024	For the year ended 31st March 2023
Cash Credit facilities	(1,034.42)	(957.40)
Cash and cash equivalents (Note 11)	55.48	64.30
Cash and cash equivalents as above	(978.94)	(893.10)

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

Place: Kolkata
Date: 24th May 2024

Siddhartha Roy Burman

Chairman & Managing Director
DIN: 00043715

Abhijit Dan

Company Secretary & Head - Legal
Membership No.: ACS 21358

Rittick Roy Burman

Wholetime Director
DIN: 08537366

Indrajit Chaudhuri

Chief Financial Officer
Membership No.:FCA 61162

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

1 Corporate information

Khadim India Limited (the 'Group') is a Public Limited Group engaged in the manufacturing / retail business of footwear and accessories. The Group is incorporated and domiciled in Republic of India. The address of its Registered office is 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. For the year ended 31st March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

3 Material 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 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.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

3.3 Basis of Consolidation

- A) The consolidated financial statements relate to Khadim India Limited (the "Group"), its subsidiaries Khadim Shoe Bangladesh Limited and KSR Footwear 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 subsidiaries 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 subsidiaries, 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 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.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

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 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.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

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.
- 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.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

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 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.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

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 operating leases are recognized in the Consolidated Statement of Profit and Loss on a straight-line basis over the term of the lease.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

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 31st March 2024

(All amounts in Rupees millions, 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.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

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

Impairment

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

Reclassification

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

Derecognition

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

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

Income Recognition

Interest income is recognized in the 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.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

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 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.

4A PROPERTY, PLANT AND EQUIPMENT

Particulars	GROSS BLOCK						
	As at 1st April 2022	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2023	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2024
Buildings	712.66	3.67	243.72	472.61	1.44	0.12	473.93
Leasehold Improvements	294.97	43.44	16.42	321.99	41.85	29.90	333.94
Plant and equipment	683.93	45.81	49.97	679.77	22.65	35.37	667.05
Furniture and Fixtures	173.23	49.80	22.48	200.55	16.22	7.16	209.61
Vehicles	10.45	-	-	10.45	-	-	10.45
Office Equipment	42.43	3.57	6.36	39.64	1.75	4.33	37.06
Total	1,917.67	146.29	338.95	1,725.01	83.91	76.88	1,732.04
4B Capital work - in - progress	8.47	65.37	69.46	4.38	7.78	10.67	1.49

Notes to Consolidated Financial Statements

 for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

4A PROPERTY, PLANT AND EQUIPMENT

Particulars	ACCUMULATED DEPRECIATION/AMORTIZATION						NET BLOCK		
	As at 1st April 2022	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2023	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2024	As at 31st March 2024	As at 31st March 2023
Buildings	105.57	17.53	38.23	84.87	13.28	0.12	98.03	375.90	387.74
Leasehold Improvements	209.47	32.50	13.38	228.59	33.02	26.74	234.87	99.07	93.40
Plant and equipment	401.63	71.08	42.32	430.39	63.33	29.84	463.88	203.17	249.38
Furniture and Fixtures	113.69	15.47	17.43	111.73	16.03	6.65	121.11	88.50	88.82
Vehicles	7.06	1.21	-	8.27	1.03	-	9.30	1.15	2.18
Office Equipment	33.25	4.10	6.32	31.03	3.67	4.26	30.44	6.62	8.61
Total	870.67	141.89	117.68	894.88	130.36	67.61	957.63	774.41	830.13
4B CAPITAL WORK - IN - PROGRESS								1.49	4.38

Note:

The amount of expenditures recognized in the carrying amount of property, plant and equipment in the course of construction is ₹ 1.44 millions (Previous Year - ₹ 2.39 millions).

4C RIGHT-TO-USE ASSETS

Particulars	GROSS BLOCK		
	Buildings	Land*	Total
Gross Carrying Value as at 31st March 2022	1,267.95	119.81	1,387.76
Additions during the year	956.85	-	956.85
Deletions during the year	(38.27)	(80.08)	(118.35)
Gross Carrying Value as at 31st March 2023	2,186.53	39.73	2,226.26
Additions during the year	358.41	-	358.41
Deletions during the year	(167.94)	-	(167.94)
Gross Carrying Value as at 31st March 2024	2,377.00	39.73	2,416.73
Particulars	ACCUMULATED DEPRECIATION		
	Buildings	Land	Total
Accumulated Depreciation as at 31st March 2022	417.86	6.57	424.43
Depreciation Expenses	238.76	1.95	240.71
Deductions / Adjustments	(38.27)	(3.89)	(42.16)
Accumulated Depreciation as at 31st March 2023	618.35	4.63	622.98
Depreciation Expenses	270.76	1.16	271.92
Deductions / Adjustments	(130.32)	-	(130.32)
Accumulated Depreciation as at 31st March 2024	758.79	5.79	764.58
Particulars	NET CARRYING VALUE		
	Buildings	Land	Total
Net Carrying Value as at 31st March 2023	1,568.18	35.10	1,603.28
Net Carrying Value as at 31st March 2024	1,618.21	33.94	1,652.15

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

*This includes ₹ 22.50 millions paid to Kolkata Metropolitan Development Authority (KMDA) as lease premium for a land at Laskarhat, Kolkata having a lease term of 99 years. The Group has received possession for 10.75 cottahs, for which the related lease deed has been executed. Remaining portion of the said land was under litigation before High Court Calcutta and Alipore Court. During the year, both courts have passed judgement in favour of the Group. The Group is following up with KMDA to execute the Lease deed for remaining portion of 34.25 cottahs of Land.

4D INTANGIBLE ASSETS

Particulars	GROSS BLOCK						
	As at 1st April 2022	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2023	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2024
Computer software (acquired)	6.69	-	2.41	4.28	8.87	0.81	12.34

Particulars	ACCUMULATED DEPRECIATION/AMORTIZATION						NET BLOCK		
	As at 1st April 2022	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2023	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2024	As at 31st March 2024	As at 31st March 2023
Computer software (acquired)	3.33	1.11	2.41	2.03	2.16	0.81	3.38	8.96	2.25

4E INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	GROSS BLOCK						
	As at 1st April 2022	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2023	Additions during the year	Disposal/ adjustment during the year	As at 31st March 2024
Computer software (acquired)	0.65	3.20	0.65	3.20	-	3.20	-

4F DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Tangible Assets	130.36	141.89
Right-to-Use Assets	271.92	240.71
Intangible Assets	2.16	1.11
Total	404.44	383.71

4G Capital work - in - progress ageing

Ageing for Capital work - in - progress as at 31st March 2024

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	1.49	-	-	-	1.49

Ageing for Capital work - in - progress as at 31st March 2023

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

Notes to Consolidated Financial Statements

 for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

Projects in progress	4.07	-	-	0.31	4.38
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4H Intangible Assets under development ageing

 Ageing for Intangible Assets under development as at 31st March 2024

Intangible Assets under development	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	-	-	-	-	-

 Ageing for Intangible Assets under development as at 31st March 2023

Intangible Assets under development	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	3.20	-	-	-	3.20

5 OTHER FINANCIAL ASSETS - NON-CURRENT

Particulars	As at 31st March 2024	As at 31st March 2023
Unsecured, Considered Good		
Security and other deposits	180.10	168.45
Bank deposits with more than 12 months maturity		
- Against guarantees and letter of credit	5.43	7.15
- As security with Sales Tax Authorities	0.02	0.26
- Pledged against credit facilities	4.27	35.58
Employee Advances	0.88	1.24
Total	190.70	212.68

6 DEFERRED TAX ASSETS/(LIABILITIES) (NET)

Particulars	As at 31st March 2024	As at 31st March 2023
Deferred tax assets	154.26	181.91
Less: Deferred tax liabilities	37.38	45.93
Total	116.88	135.97

6.1 Movement in deferred tax liabilities/assets balances

2023-24	Opening balance	Recognized in profit or loss	Recognized in OCI	Closing balance
Deferred tax liabilities/assets in relation to:				
On fiscal allowances on property, plant and equipment, etc.	45.93	(8.55)	-	37.38
Total deferred tax liabilities	45.93	(8.55)	-	37.38
On employees' separation and retirement etc.	0.41	(0.28)	0.41	0.54
On right of use asset and lease liabilities	88.63	7.20	-	95.83
On accumulated business loss	59.59	(36.34)	-	23.25
On financial assets measured at fair value	4.53	0.01	-	4.54
On provision for doubtful debts and advances	14.58	1.20	-	15.78
On other assets	1.80	(0.42)	-	1.38
On provision for slow moving inventories	12.36	0.58	-	12.94

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

Total deferred tax assets	181.91	(28.05)	0.41	154.26
	(135.97)	19.50	(0.41)	(116.88)
2022-23	Opening balance	Recognized in profit or loss	Recognized in OCI	Closing balance
Deferred tax liabilities/assets in relation to:				
On fiscal allowances on property, plant and equipment, etc.	54.39	(8.46)	-	45.93
Total deferred tax liabilities	54.39	(8.46)	-	45.93
On employees' separation and retirement etc.	1.13	(0.01)	(0.71)	0.41
On right of use asset and lease liabilities	84.31	4.32	-	88.63
On accumulated business loss	115.10	(55.51)	-	59.59
On financial assets measured at fair value	4.45	0.08	-	4.53
On provision for doubtful debts and advances	15.14	(0.56)	-	14.58
On other assets	2.24	(0.44)	-	1.80
On provision for slow moving inventories	16.24	(3.88)	-	12.36
Total deferred tax assets	238.61	(56.00)	(0.71)	181.91
	(184.22)	47.54	0.71	(135.97)

7 INCOME TAX ASSETS

Particulars	As at 31st March 2024	As at 31st March 2023
Advance Income Tax (Net of Provision ₹ 254.78 millions; 31st March 2023: ₹257.78 millions)	31.45	20.53
Total	31.45	20.53

8 OTHER NON-CURRENT ASSETS

Particulars	As at 31st March 2024	As at 31st March 2023
Unsecured, Considered Good		
Capital Advances	18.02	3.13
Advances other than capital advances:		
Security deposits	7.57	9.29
Prepaid expenses	66.28	69.52
Other advances	0.08	0.09
Government grant receivable	11.49	11.49
Total	103.44	93.52

9 INVENTORIES

Particulars	As at 31st March 2024	As at 31st March 2023
Raw Material (including packing material)	168.13	141.78
Work-in-progress	60.90	126.50
Finished goods (manufactured)	310.09	270.31
Stock-in-trade (goods purchased for resale)	1,397.25	1,265.63
Total	1,936.37	1,804.22

Notes:

- (i) Cost of inventory recognized as an expense during the year ₹ 3,537.02 millions (Previous Year - ₹ 4,007.63 millions).

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

(ii) The cost of inventories recognized as an expense in respect of write-downs of inventory to net realisable value included in (i) above - ₹ 1.32 millions (Previous Year - ₹ 7.49 millions).

(iii) Refer Note 3.9 for mode of valuation.

10 TRADE RECEIVABLES

Particulars	As at 31st March 2024	As at 31st March 2023
Considered good - Secured	53.58	50.41
Considered good - Unsecured*	1,793.44	1,825.12
Considered doubtful	62.70	57.93
	1,909.72	1,933.46
Less : Allowance for doubtful debts	62.70	57.93
Total	1,847.02	1,875.53

Trade receivables ageing schedule - as at 31st March 2024

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	1,315.56	137.86	23.78	4.57	365.25	1,847.02
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	3.51	24.33	15.85	2.48	11.59	57.76
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	4.94	4.94
Total	1,319.07	162.19	39.63	7.05	381.78	1,909.72
Less : Allowance for doubtful debts						62.70
						1,847.02

Trade receivables ageing schedule - as at 31st March 2023

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	1,086.14	25.85	7.25	387.30	368.99	1,875.53
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	2.23	4.56	3.41	8.43	33.46	52.09
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	0.01	5.83	5.84
Total	1,088.37	30.41	10.66	395.75	408.27	1,933.46
Less : Allowance for doubtful debts						57.93
						1,875.53

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

11 CASH AND CASH EQUIVALENTS

Particulars	As at 31st March 2024	As at 31st March 2023
Balances with banks		
On Cash Credit Accounts	0.50	41.51
On Current Accounts	22.56	0.43
Cheques, drafts on hand	21.21	15.50
Cash on hand	11.21	6.86
Total	55.48	64.30

12 OTHER BANK BALANCES

Particulars	As at 31st March 2024	As at 31st March 2023
Dividend Accounts	0.02	0.02
Fixed Deposits with banks*		
- Against guarantees and letter of credit	18.60	16.69
- As security with Sales Tax Authorities	0.22	0.21
- Pledged against credit facilities	97.55	62.04
Total	116.39	78.96

*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.

13 OTHER FINANCIAL ASSETS - CURRENT

Particulars	As at 31st March 2024	As at 31st March 2023
Unsecured, Considered Good		
Assets held for disposal *	58.49	58.49
Interest Receivable	1.92	1.76
Employee Advances	2.88	2.75
Other receivables (Tender deposits, scrap sales etc.)	22.58	29.38
Total	85.87	92.38

*Represents certain property, plant and equipment which are not in active use. A Memorandum of Understanding (MoU) was signed for disposal of the same and an amount of ₹ 5.00 millions was received as advance against sale consideration. During the year, the said advance has been forfeited due to the party being unable to fulfill its commitments pursuant to the MoU.

14 OTHER CURRENT ASSETS

Particulars	As at 31st March 2024	As at 31st March 2023
Unsecured, Considered Good		
Advances other than capital advances:		
Advances to related parties	0.40	0.21
Other advances	28.17	31.57
Prepaid expenses	48.98	49.42
Gratuity (Refer Note 38.2)	3.11	6.83
Advance to Government Authorities	313.93	440.91
Total	394.59	528.94

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

15 EQUITY SHARE CAPITAL

Particulars	As at	
	31st March 2024	31st March 2023
Authorised		
6,00,00,000 (31st March 2023: 6,00,00,000) Equity Shares of ₹ 10/- each	600.00	600.00
Issued, Subscribed and Paid up		
1,81,33,998 (31st March 2023: 1,79,69,614) Equity Shares of ₹ 10/- each	181.34	179.70
Total	181.34	179.70

15.1 Reconciliation of the number of Equity shares

Particulars	As at 31st March 2024		As at 31st March 2023	
	Number	Amount	Number	Amount
Balance as at the beginning of the year	1,79,69,614	179.70	1,79,69,614	179.70
Equity shares issued upon conversion of share warrants (Refer Note 15.4)	1,64,384	1.64	-	-
Balance as at the end of the year	1,81,33,998	181.34	1,79,69,614	179.70

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

Particulars	As at 31st March 2024		As at 31st March 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Khadim Development Company Private Limited (Holding Company)*	92,73,229	51.14	92,73,229	51.61
Siddhartha Roy Burman	16,29,533	8.99	14,65,149	8.15

15.3 During the year ended 31st March 2019, the Company had issued 4,417 equity shares of ₹ 10 each on exercise of employee stock options. For details refer Note 40.

15.4 During the year, the Company has issued 4,08,768 fully convertible equity share warrants at ₹ 365 each on a preferential basis to one Promoter and two Non-Promoters. The said warrants would be convertible into fully paid-up equity shares of ₹ 10 at a premium of ₹ 355 each. Pursuant to the issue, the promoter has paid ₹ 60.00 millions in full towards 1,64,384 share warrants which were then duly converted into an equivalent number of equity shares. Consequently, the issued and paid-up share capital of the Company stands increased to ₹ 181.34 millions as on 31st March, 2024. The remaining 2,44,384 share warrants were issued to two non-promoters who have paid 25% of the issue price amounting to ₹ 22.30 millions. These warrants are outstanding for conversion as on the date of Balance Sheet and are convertible within a period of 18 months from the date of allotment.

15.5 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.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

15.6 Disclosure of Shareholding of Promoters

Disclosure of Shareholding of Promoters as at 31st March 2024:

Promoter's name	Shares held by promoters				% change during the year
	As at 31st March 2024		As at 31st March 2023		
	No. of shares	% of total shares	No. of shares	% of total shares	
Siddhartha Roy Burman	16,29,533	8.99%	14,65,149	8.15%	0.84%
Khadim Development Company Private Limited	92,73,229	51.14%	92,73,229	51.61%	-0.47%
Total	1,09,02,762	60.13%	1,07,38,378	59.76%	0.37%

Disclosure of Shareholding of Promoters as at 31st March 2023:

Promoter's name	Shares held by promoters				% change during the year
	As at 31st March 2023		As at 31st March 2022		
	No. of shares	% of total shares	No. of shares	% of total shares	
Siddhartha Roy Burman	14,65,149	8.15%	14,64,149	8.15%	0.00%
Total	14,65,149	8.15%	14,64,149	8.15%	0.00%

The Board of Directors of the Company had approved the re-shuffling of Khadim Development Company Private Limited as 'Promoter' from 'Promoter Group' under the main category 'Promoter & Promoter Group' w.e.f. January 19, 2024 as per the stock exchange requirement w.r.t Scheme of Arrangement between Khadim India Limited and KSR Footwear Limited (Refer Note 35).

15.7 Shares reserved for issue under Options

Particulars	As at 31st March 2024	As at 31st March 2023
Equity shares of ₹ 10/- each	32,164	34,560
	32,164	34,560

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

Terms and conditions of Options granted

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

The vesting period for conversion of Options is as follows:

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

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

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

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

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

Further details of 'Khadim Employee Stock Option Plan 2017' are provided in Note 40.

* Refer Note 36

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

16 BORROWINGS - NON-CURRENT

Particulars		As at 31st March 2024	As at 31st March 2023
SECURED			
Term Loans from Banks			
State Bank of India Term Loan I	[Refer Note 1 of 16.2]	16.60	33.81
State Bank of India Term Loan II	[Refer Note 1 of 16.2]	27.89	35.00
Union Bank of India Term Loan	[Refer Note 2 of 16.2]	17.96	-
HDFC Bank Term Loan	[Refer Note 3 of 16.2]	-	46.00
Axis Bank Term Loan	[Refer Note 3 of 16.2]	-	3.67
Total		62.45	118.48

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

Name of the Bank	2024-25*	2025-26	2026-27	2027-28	2028-29
State Bank of India Term Loan I	17.15	16.60	-	-	-
State Bank of India Term Loan II	6.56	8.75	8.75	8.75	1.64
Union Bank of India Term Loan	27.38	17.96	-	-	-
Total	51.09	43.31	8.75	8.75	1.64

*Represents 'Current maturities of long term debt' (refer Note 20 - Borrowings - Current)

16.2 Nature of Security of Term Loans from Banks

- 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 Serampore, 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 and Gariahat.

- Primary security** - Same as State Bank of India Term loan (Refer Note 1 above).

Collateral security - Equitable mortgage of properties at Serampore, 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 properties at Chandannagar, Rashbehari Avenue and Madhyamgram.

- Primary security** - Same as State Bank of India Term loan (Refer Note 1 above).

Collateral security - Equitable mortgage of properties at Serampore, 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 31st March 2024			As at 31st March 2023		
	Non-Current	Current	Total	Non-Current	Current	Total
Lease Liabilities	1,741.69	241.10	1,982.79	1,684.57	220.72	1,905.29
Total	1,741.69	241.10	1,982.79	1,684.57	220.72	1,905.29

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

17.1 The details of the contractual maturities of lease liabilities as at 31st March 2024 on an undiscounted basis are as follows:

Particulars	As at 31st March 2024
Less than one year	241.10
One to two years	253.49
Two to three years	259.81
Three to four years	230.71
Four to five years	230.06
More than five years	767.62
Total	1,982.79

17.2 (i) The Group has recognised expenses of ₹ 55.11 millions (Previous year - ₹ 52.74 millions) in relation to short-term leases and recorded as 'Rent expenses' and 'Commission and Discount expenses' of ₹ 54.15 millions and ₹ 0.96 millions respectively for the year ended 31st March 2024 under 'Other Expenses' in Note 30.

17.2 (ii) The Group has recognised expenses of ₹ 3.08 millions (Previous Year - ₹ 3.07 millions) as variable lease payment for commissioned outlets and ₹ 0.36 millions (Previous Year - ₹ 0.92 millions) for leased outlet for the year ended 31st March 2024 and recorded as 'Commission and Discount' under Other Expenses in Note 30.

The Group has also recognised expenses of ₹ 4.71 millions (Previous Year - ₹ 1.33 millions) as variable lease payment on account of Solar Power generated for the year ended 31st March 2024 and recorded as 'Power & Fuel' 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 ₹ Nil (Previous Year - ₹ 3.68 millions) 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

18 PROVISIONS - NON-CURRENT

Particulars	As at 31st March 2024	As at 31st March 2023
Other long term benefits		
Leave Encashment	0.97	0.60
Total	0.97	0.60

19 OTHER NON-CURRENT LIABILITIES

Particulars	As at 31st March 2024	As at 31st March 2023
Deferred Government Grant	6.07	8.16
Total	6.07	8.16

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

20 BORROWINGS - CURRENT

Particulars		As at 31st March 2024	As at 31st March 2023
SECURED			
Loans repayable on demand			
Cash Credit / Working Capital Demand Loans from Banks			
State Bank of India Cash Credit	[Refer Note 1 of 20.1]	585.62	482.96
State Bank of India Standby Line of Credit	[Refer Note 1 of 20.1]	40.00	-
Axis Bank Cash Credit	[Refer Note 2 of 20.1]	-	11.25
HDFC Bank Cash Credit	[Refer Note 2 of 20.1]	-	212.20
Bank of India Cash Credit	[Refer Note 3 of 20.1]	-	137.87
Central Bank of India Cash Credit	[Refer Note 4 of 20.1]	63.64	113.13
Union Bank of India Cash Credit	[Refer Note 5 of 20.1]	345.16	-
Axis Bank Demand Loan	[Refer Note 2 of 20.1]	-	24.00
ICICI Bank Demand Loan I	[Refer Note 2 of 20.1]	75.00	50.00
UNSECURED			
Loans repayable on demand			
From Related parties	[Refer Note 20.2]	0.10	-
Current maturities of long term debt		51.09	42.52
Total		1,160.61	1,073.93

20.1 Nature of Security of Cash Credit and Working Capital Demand Loans from Banks

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

Collateral security - Equitable mortgage of properties at Serampore, 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 and Gariahat, personal guarantee of Managing Director and corporate guarantee of group company.
- Primary security** - Same as State Bank of India Cash Credit (Refer Note 1 above).

Collateral security - Equitable mortgage of properties at Serampore, 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.
- Primary security** - Same as State Bank of India Cash Credit (Refer Note 1 above).

Collateral security - Equitable mortgage of properties at Serampore, 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.
- Primary security** - Same as State Bank of India Cash Credit (Refer Note 1 above).

Collateral security - Equitable mortgage of properties at Serampore, 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.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

5 Primary security - Same as State Bank of India Cash Credit (Refer Note 1 above).

Collateral security - Equitable mortgage of properties at Serampore, 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 properties at Chandannagar, Rashbehari Avenue and Madhyamgram, personal guarantee of Managing Director and corporate guarantee of group company.

20.2 The group has taken an interest-free unsecured loan of ₹ 0.10 millions from a Director.

21 TRADE PAYABLES

Trade payables ageing schedule - as at 31st March 2024

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	2.10	-	-	-	2.10
Others	1,512.06	10.36	6.08	28.17	1,556.67
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Total	1,514.16	10.36	6.08	28.17	1,558.77

Trade payables ageing schedule - as at 31st March 2023

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	1,481.45	288.35	13.65	25.30	1,808.75
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Total	1,481.45	288.35	13.65	25.30	1,808.75

22 OTHER FINANCIAL LIABILITIES - CURRENT

Particulars	As at 31st March 2024	As at 31st March 2023
Interest accrued and due on borrowings	0.45	1.18
Interest accrued but not due on borrowings	-	0.40
Unpaid Dividend [Refer Note 22.1]	0.02	0.02
Deposits from customers	96.50	115.88
Other payables:		
Payables on purchase of property, plant and equipment	7.52	10.13
Others [Reimbursement claims, etc.]	0.29	0.48
Total	104.78	128.09

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.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

23 OTHER CURRENT LIABILITIES

Particulars	As at 31st March 2024	As at 31st March 2023
Advance from customers	10.92	21.27
Advance against sale of Assets held for disposal	1.00	5.00
Statutory remittances (GST, Contribution to Provident and Other Funds, Withholding Tax)	26.27	24.02
Deferred Government Grant	1.78	2.24
Others	1.57	1.20
Total	41.54	53.73

24 PROVISIONS - CURRENT

Particulars	As at 31st March 2024	As at 31st March 2023
Other short term benefits		
Leave Encashment	1.15	1.02
Total	1.15	1.02

25 REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Sale of products * [Refer Note 25.1]	6,048.16	6,494.38
Other operating revenues [Refer Note 25.2]	100.88	108.26
Total	6,149.04	6,602.64

* Net of sales returns

25.1 Details of sale of products

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Footwear and accessories	6,048.16	6,494.38
Total	6,048.16	6,494.38

25.2 Details of other operating revenues

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Sale of ancillaries	73.10	67.58
Scrap sales	27.78	40.68
Total	100.88	108.26

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

26 OTHER INCOME

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Interest income comprises interest from:		
- Deposits with banks - carried at amortised cost	8.41	5.24
- Other financial assets measured at amortised cost	15.84	20.10
- On Income Tax Refunds	0.14	8.49
Gain on sale/discard of property, plant and equipments - Net	-	26.07
Gain on lease modification	-	37.60
Other non-operating income (Rental income, etc.)	65.85	77.26
Total	90.24	174.76

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

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Inventories at the end of the year		
Work - in - progress	60.90	126.50
Finished goods	310.09	270.31
Stock-in-trade	1,397.25	1,265.63
	1,768.24	1,662.44
Inventories at the beginning of the year		
Work - in - progress	126.50	89.95
Finished goods	270.31	270.46
Stock-in-trade	1,265.63	1,051.32
	1,662.44	1,411.73
Total	(105.80)	(250.71)

28 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Salaries and wages	650.87	642.57
Contribution to Provident and other funds	26.49	25.38
Staff Welfare Expenses	44.25	51.11
Total	721.61	719.06

29 FINANCE COSTS

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Interest expense on financial liabilities measured at amortised cost	138.96	136.16
Interest expense on lease liabilities	174.06	154.41
Total	313.02	290.57

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

30 OTHER EXPENSES

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Consumption of Stores	13.08	9.90
Power and Fuel	173.12	182.51
Rent [Refer Note 17.2 (i)]	70.09	72.57
Rates and Taxes	17.88	14.78
Bank Charges	27.27	22.45
Insurance	18.49	20.11
Repairs:		
Plant and Machinery	22.81	26.86
Others	120.30	110.87
Travelling and Conveyance Expenses	46.97	52.65
Printing and Stationery	3.29	2.93
Postage, Telephone and other Communication Expenses	11.47	11.70
Advertising, Marketing and Sales Promotion Expenses	153.06	187.13
Freight Charges, Transport and Delivery	163.56	168.74
Jobwork Charges	189.54	194.88
Professional Fees	45.14	35.85
Commission and Discount [Refer Note 17.2 (ii)]	210.74	168.49
Legal Expenses	0.46	0.26
Debts/Advances written off	32.50	15.23
Loss on sale/discard of property, plant and equipments - Net	4.62	-
Provision for doubtful debts, advances and other assets	4.77	-
Security Hire Charges	11.80	10.94
Miscellaneous Expenses (Refer Note 30.1)	16.62	16.50
Total	1,357.58	1,325.35

30.1 Miscellaneous Expenses include :

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Amount paid /payable to Auditors (excluding tax)		
- Statutory Audit	1.39	1.38
- Tax Audit	0.26	0.26
- Other matters	0.72	0.63
- Out of pocket expenses	0.02	0.02
Total	2.39	2.29

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

31 INCOME TAX EXPENSES

A Amount recognised in profit or loss

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Current tax		
Income tax for the year		
Current tax	-	2.89
Adjustments/(credits) related to previous years - Net		
Current tax	(0.09)	0.21
Total Current tax	(0.09)	3.10
Deferred tax		
Deferred tax for the year	19.50	47.54
Total	19.41	50.64

B Amount recognised in other comprehensive income

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
The tax charge arising on income and expenses recognised in other comprehensive income is as follows:		
Deferred tax		
On items that will not be reclassified to profit or loss		
Re-measurement (losses)/gains on defined benefit plans	0.41	(0.71)
Total	0.41	(0.71)

C Reconciliation of effective tax rate

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Profit before tax	82.19	225.42
Applicable tax rate	25.168%	25.168%
Income tax expense on above rate	20.69	56.73
Effect of unused tax loss not recognised as deferred tax assets	0.09	0.09
Expenses not allowable under tax laws	26.83	14.81
Additional expenses allowable under tax laws	(28.12)	(21.20)
	19.50	50.43
Tax adjustment of prior periods	(0.09)	0.21
Tax as per statement of profit and loss	19.41	50.64

Note:

The Group has long term capital losses of ₹ 184.07 millions (31st March 2023 - ₹ 184.07 millions) for which no deferred tax assets have been recognised. These losses are due to expire in the following year:

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Assessment year 2026-2027	49.99	49.99
Assessment year 2031-2032	134.08	134.08
Total	184.07	184.07

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

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

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
i. Profit after Tax attributable to the Equity Shareholders	62.78	174.78
ii. Weighted average number of equity shares outstanding for the purpose of basic earnings per share	1,79,74,118	1,79,69,614
iii. Weighted average number of equity shares in computing diluted earnings per share	1,79,74,495	1,79,69,614
iv. Earnings per share on profit for the year (Face value ₹ 10/- per share)		
- Basic [(i) / (ii)]	3.49	9.73
- Diluted [(i) / (iii)]	3.49	9.73

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

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

Geographical information

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Revenue from external customers		
- Within India	6,148.21	6,599.32
- Outside India	0.83	3.32
Total	6,149.04	6,602.64

Particulars	As at 31st March 2024	As at 31st March 2023
Non-current assets*		
- Within India	2,571.90	2,557.29
- Outside India	-	-
Total	2,571.90	2,557.29

* 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.

34 Contingent Liabilities in respect of :

Particulars	As at 31st March 2024	As at 31st March 2023
Claims not acknowledged as debts		
a. Sales Tax Matters under dispute	12.75	8.48
b. Income Tax Matters under dispute	0.44	1.62
c. Excise duty Matters under dispute	-	100.09

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.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

- 35** The Board of Directors of the Company, at its meeting dated 29th September 2023, has approved a Scheme of Arrangement between Khadim India Limited (KIL) and KSR Footwear Limited (KFL) and their respective shareholders and creditors under sections 230 to 232, 66 and other relevant provisions of the Companies Act, 2013. Pursuant to the Scheme, KIL shall demerge its distribution business, as a going concern, into KFL. Post the Scheme becoming effective, the existing paid up equity share capital i.e., ₹ 1,00,000/- divided into 10,000 equity shares of face value ₹ 10/- each of KFL shall stand reduced and cancelled pursuant to section 66 and other applicable provisions of the Companies Act, 2013 and KFL will issue 1 (one) equity share of face value of ₹ 10/- each fully paid up for every 1 (one) equity share of face value ₹ 10/- each fully paid up held by equity shareholders of KIL. KFL will reflect a mirror shareholding as that of KIL and thereafter it will function as an independent listed Company. The Scheme is subject to approval of the shareholders, secured and unsecured creditors, Hon'ble National Company Law Tribunal (NCLT), the stock exchanges and such other persons or governmental authorities as may be set out in the Scheme of Arrangement. The Scheme has been approved by BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on 30th April, 2024 and the matter is presently pending with the Hon'ble NCLT.
- 36** 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, 66 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.

37 Commitments

Particulars	As at 31st March 2024	As at 31st March 2023
Capital Commitment (Net of capital advances - ₹ 0.95 millions; 31 st March 2023 - ₹ 0.73 millions)	3.57	5.68

38 Employee Benefits

The Group has recognized, in the Statement of Profit and Loss for the year ended 31st March 2024 an amount of ₹ 22.67 millions (Previous Year - ₹ 21.68 millions) 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 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.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

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.

38.2

Particulars	Gratuity (Funded)	
	For the year ended 31st March 2024	For the year ended 31st March 2023
I. Components of Employer Expense		
- recognized in Consolidated Statement of Profit and loss		
a. Current Service cost	4.34	4.00
b. Net Interest cost	(0.52)	(0.29)
c. Total expense recognized in the Consolidated Statement of Profit and Loss	3.82	3.71
- Re-measurements recognized in Other Comprehensive Income		
d. Return on plan assets (excluding amounts included in Net interest cost)	1.01	(0.13)
e. Effect of changes in financial assumptions	1.08	(0.55)
f. Effect of experience adjustments	(0.45)	(2.15)
g. Total re-measurement loss/(gain) included in Other Comprehensive Income	1.64	(2.83)
h. Total defined benefit cost recognized in Consolidated Statement of Profit and Loss and Other Comprehensive Income (c+g)	5.46	0.88
II. Actual Returns	3.25	4.11
III. Changes in Defined Benefit Obligation (DBO)		
a. Present value of DBO at the beginning of the year	51.39	51.98
b. Current Service Cost	4.34	4.00
c. Interest Cost	3.75	3.68
d. Re-measurement gains:		
- Effect of changes in financial assumptions	1.08	(0.55)
- Effect of experience adjustments	(0.45)	(2.15)
e. Benefits paid	(1.31)	(5.58)
f. Present value of DBO at the end of the year	58.80	51.39

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 remeasurements of the net defined benefit liability are included in Other Comprehensive Income.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
IV. Change in the Fair Value of Plan Assets		
a. Plan Assets at the beginning of the year	58.22	58.14
b. Interest income	4.27	3.98
c. Re-measurement (gains)/losses on plan assets	(1.01)	0.13
d. Actual Company contributions	1.74	1.55
e. Benefits paid	(1.31)	(5.58)
f. Plan Assets at the end of the year	61.91	58.22

Particulars	As at 31st March 2024	As at 31st March 2023
V. Net Asset recognized in Consolidated Balance Sheet		
a. Present value of Defined Benefit Obligation	58.80	51.39
b. Fair value of Plan Assets	61.91	58.22
c. Funded Status [Surplus/(Deficit)]	3.11	6.83
d. Net Asset recognized in Consolidated Balance Sheet	3.11	6.83
- Current	3.11	6.83
- Non-Current	-	-
VI. Best estimate of Employers' expected contribution for the next year	4.10	3.82
VII. Actuarial Assumptions		
a. Discount Rate (%)	7.10%	7.30%
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

Gratuity - Funds managed by Insurer (LIC in Group Gratuity Scheme)	100%	100%
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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 recognized in Consolidated Balance Sheet (including experience adjustment impact)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Gratuity		
Present value of DBO	58.80	51.39
Fair value of plan assets	61.91	58.22
Funded status [Surplus / (Deficit)]	3.11	6.83
Experience gain / (loss) adjustments on plan liabilities	0.45	2.15
Experience gain / (loss) adjustments on plan assets	(1.01)	0.13

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, 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	
	31st March 2024	31st March 2023
1. Discount rate + 100 basis points	54.65	47.60
2. Discount rate - 100 basis points	63.75	55.94
3. Salary increase rate + 1%	63.58	56.09
4. Salary increase rate - 1%	54.71	47.39

XI. Maturity analysis of the benefit payments

Particulars	Gratuity	
	31st March 2024	31st March 2023
Year 1	3.43	2.62
Year 2	1.73	1.05
Year 3	1.37	1.36
Year 4	2.45	1.56
Year 5	3.47	3.03
Next 5 years	19.36	29.35

39 Related Party Disclosure as per requirements of Ind AS 24 on “Related Party Disclosures”

A) List of Related Parties

Holding Company	Khadim Development Company Private Limited [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 (resigned w.e.f. 26th March 2023) Mr. Indrajit Chaudhuri, Chief Financial Officer Mr. Abhijit Dan, Company Secretary and Head Legal
Enterprises over which KMP and their relatives exercise significant influence	Khadim Enterprises K.M.Khadim & Co. St. Marys' Clinic & Drug Stores

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

	Sheila Departmental Stores Private Limited Bee Tee Enterprise 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 31st March 2024:

Particulars	Year Ended 31st March 2024		Year Ended 31st March 2023		
I) Holding Company #					
a) Rent received from Khadim Development Co. Pvt Ltd		0.03		0.03	
II) Key Management Personnel ^					
a) Remuneration					
- Mr. Siddhartha Roy Burman #		34.67		34.77	
- Mr. Rittick Roy Burman		6.06		2.97	
- Ms. Namrata Ashok Chotrani		-		7.91	
- Mr. Indrajit Chaudhuri		5.35		4.50	
- Mr. Abhijit Dan		3.14	49.22	2.76	52.91
b) Rent paid to Mr.Siddhartha Roy Burman		0.08		0.08	
c) Sitting fees					
- Dr. Indranath Chatterjee		0.65		0.45	
- Prof. (Dr.) Surabhi Banerjee		0.67		0.47	
- Mr. Alok Chauthmal Churiwala		0.65		0.45	
- Mr. Ritoban Roy Burman		0.26	2.23	0.20	1.57
d) Commission					
- Dr. Indranath Chatterjee		0.30		0.30	
- Prof. (Dr.) Surabhi Banerjee		0.30		0.30	
- Mr. Alok Chauthmal Churiwala		0.30	0.90	0.30	0.90
e) Unsecured loan from Rittick Roy Burman		0.10		-	
III) Enterprises over which KMP and their relatives exercise significant influence					
a) Commission paid					
- Khadim Enterprises		0.20		0.21	
- Bee Tee Enterprises		0.54		0.54	
- Sheila Departmental Stores Pvt Ltd		0.54		0.55	
- St. Mary's Clinic & Drug Stores		0.11		0.11	
- K M Khadim & Co.		0.35	1.74	-	1.41
b) Rent received					
- K M Khadim & Co.		-		0.01	
- Khadim Estate Advisors Pvt Ltd		0.03		0.03	
- Sheila Departmental Stores Pvt Ltd		-		0.02	
- Storyscope Films Private Limited		0.03	0.06	0.03	0.09
c) Rent paid to Khadim Estate Advisors Pvt Ltd		0.84		0.84	

Notes to Consolidated Financial Statements

 for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
IV) Relatives of Key Management Personnel		
Remuneration		
- Mrs. Namita Roy Burman	1.44	1.44

Particulars	As at 31st March 2024	As at 31st March 2023
Outstanding Balances		
I) Holding Company		
- Khadim Development Co Pvt Ltd	0.17	0.13
II) Key Management Personnel		
- Mr. Rittick Roy Burman	(0.38)	(0.21)
- Dr. Indranath Chatterjee	(0.27)	(0.27)
- Prof. (Dr.) Surabhi Banerjee	(0.27)	(0.27)
- Mr. Alok Chauthmal Churiwala	(0.27)	(0.27)
- Mr. Indrajit Chaudhuri	(0.06)	(0.42)
- Mr. Abhijit Dan	(0.04)	(0.19)
III) Enterprises over which KMP and their relatives exercise significant influence		
- Khadim Enterprises	(0.34)	(0.15)
- Bee Tee Enterprises	(0.49)	(0.22)
- Sheila Departmental Stores Pvt Ltd	(1.07)	(0.70)
- St. Mary's Clinic & Drug Stores	0.10	0.21
- Khadim Estate Advisors Pvt Ltd	0.05	0.02
- Storyscope Films Private Limited	0.08	0.05
- K M Khadim & Co.	(0.08)	-

Also refer Note 20.1 in respect of guarantees given for loans taken by the Company.

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

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

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

Name of the Scheme	Khadim Employee Stock Option Plan 2017
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 2023-24 is ₹ Nil (Previous Year - ₹ Nil).
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	2,396
d. Options vested and exercisable during the year (net of Options lapsed and exercised)	-
e. Options exercised during the year	-
f. Number of equity shares of Rs.10 each arising as a result of exercise of Options during the year	-
g. Options outstanding and exercisable at the end of the year	32,164
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 31st March 2024

(All amounts in Rupees millions, 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 31st March 2024		As at 31st March 2023	
	Carrying value	Fair value	Carrying value	Fair value
I Financial assets				
a. Measured at amortised cost				
Trade receivables	1,847.02	1,847.02	1,875.53	1,875.53
Cash and cash equivalents	55.48	55.48	64.30	64.30
Other bank balances	116.39	116.39	78.96	78.96
Other financial assets	276.57	276.57	305.06	305.06
Total Financial assets	2,295.46	2,295.46	2,323.85	2,323.85

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

Particulars	As at 31st March 2024		As at 31st March 2023	
	Carrying value	Fair value	Carrying value	Fair value
II Financial liabilities				
a. Measured at amortised cost				
Lease liabilities	1,982.79	1,982.79	1,905.29	1,905.29
Borrowings	1,223.06	1,223.06	1,192.41	1,192.41
Trade payables	1,558.77	1,558.77	1,808.75	1,808.75
Other financial liabilities	104.78	104.78	128.09	128.09
Total Financial liabilities	4,869.40	4,869.40	5,034.54	5,034.54

C Financial risk management objectives

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

Interest rate risk

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

Price risk

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

Liquidity Risk

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

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

As at 31st March 2024	Carrying value	Less than 1 year	Between 1 to 5 years	Beyond 5 years	Total
Lease liabilities	1,982.79	241.10	974.07	767.62	1,982.79
Borrowings	1,223.06	1,160.61	62.45	-	1,223.06
Trade payables	1,558.77	1,558.77	-	-	1,558.77
Other financial liabilities	104.78	104.78	-	-	104.78
Total	4,869.40	3,065.26	1,036.52	767.62	4,869.40

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

As at 31st March 2023	Carrying value	Less than 1 year	Between 1 to 5 years	Beyond 5 years	Total
Lease liabilities	1,905.29	220.72	931.12	753.45	1,905.29
Borrowings	1,192.41	1,073.93	118.48	-	1,192.41
Trade payables	1,808.75	1,808.75	-	-	1,808.75
Other financial liabilities	128.09	128.09	-	-	128.09
Total	5,034.54	3,231.49	1,049.60	753.45	5,034.54

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 31st March 2024	As at 31st March 2023
Opening Balance	57.93	60.16
Add: Provisions made (net)	4.77	-
Less: Provisions reversed (net)	-	2.23
Closing Balance	62.70	57.93

Of the trade receivables balance at the end of the year, no dues from any one customer exceeded 20 per cent of gross financial assets. 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 31st March 2024	As at 31st March 2023
	USD	USD
Financial assets	1.86	1.86
Financial liabilities	44.14	29.74

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, 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 st March 2024	USD	Rupees	0.53
As at 31 st March 2023	USD	Rupees	0.36

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 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 st March 2024	As at 31 st March 2023
I Financial assets			
a. Measured at amortised cost			
Other financial assets - Non-Current	3	190.70	212.68
Total Financial assets		190.70	212.68
II Financial liabilities			
a. Measured at amortised cost			
Borrowings - Non-Current	3	62.45	118.48
Total Financial liabilities		62.45	118.48

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

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	31st March 2024	31st March 2023
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
	Principal	2.10	Nil
	Interest*	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
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

* Represents ₹ 3,439/-

44 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.

45 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 (Loss)/ Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Income	Amount	As % of Consolidated Other Comprehensive (Loss)/Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
Parent								
Khadim India Limited	100.01%	2,396.29	100.60%	63.16	99.93%	(1.23)	100.62%	61.93
Subsidiaries								
Indian								
KSR Footwear Limited	0.00%	(0.05)	-0.24%	(0.15)	-	-	-0.25%	(0.15)
Foreign								
Khadim Shoe Bangladesh Limited	-0.01%	(0.16)	-0.36%	(0.23)	0.07%	(0.00)	-0.37%	(0.23)
Total	100.00%	2,396.08	100.00%	62.78	100.00%	(1.23)	100.00%	61.55

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in Rupees millions, unless otherwise stated)

46 The financial statements were approved for issue by the Board of Directors on 24th May 2024.

For and on behalf of Board of Directors

Siddhartha Roy Burman

Chairman and Managing Director

DIN: 00043715

Rittick Roy Burman

Wholetime Director

DIN: 08537366

Abhijit Dan

Company Secretary & Head - Legal

Membership No.: ACS 21358

Indrajit Chaudhuri

Chief Financial Officer

Membership No.:FCA 61162

Place: Kolkata

Date: 24th May 2024

Notice

NOTICE is hereby given that the 43rd (Forty-Third) Annual General Meeting ('AGM') of the Members of Khadim India Limited ("the Company") will be held on **Tuesday, September 24, 2024 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, 2024 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Siddhartha Roy Burman (DIN: 00043715), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Appointment of Mrs. Upama Mukherjee (DIN: 10585455) as a Non-Executive Non-Independent Director of the Company with effect from September 29, 2024**

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

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act") read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] and the applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, 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, Mrs. Upama Mukherjee (DIN: 10585455) in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a Member proposing her candidature for the office of Director, be and is hereby appointed as a Non-Executive Non-Independent Director of the Company (liable to retire by rotation), with effect from September 29, 2024."

4. **Payment of commission to Independent Directors of the Company for the financial year ended March 31, 2024**

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

"RESOLVED THAT pursuant to the provisions of Section 149(9), 197 and 198 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as "the Act") and rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and Regulation 17(6)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, 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 ₹ 3,00,000/- (Rupees Three Lakhs Only) to each of the Independent Directors of the Company for the financial year ended March 31, 2024 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.: ACS 21358

Date: August 08, 2024
Place: Kolkata

Notice

NOTES:

1. The Ministry of Corporate Affairs (MCA), Government of India, vide its General Circulars No. 20/2020 dated May 05, 2020, 02/2022 dated May 05, 2022, No. 10/2022 dated December 28, 2022 and No. 09/2023 dated September 25, 2023, read with other General Circulars issued in this regard (hereinafter collectively referred to as "the MCA Circulars"), has allowed the listed Companies to hold AGM through VC / OAVM in accordance with the requirements mentioned in General Circular No. 20/2020 dated May 05, 2020.

The Securities and Exchange Board of India (SEBI) also vide its Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 (hereinafter collectively referred to as "the SEBI Circulars") has provided some relaxations to comply with certain regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Accordingly, in compliance with the provisions of the Companies Act, 2013 (as amended) ("Act"), Listing Regulations, the MCA Circulars and the SEBI Circulars, the 43rd AGM of the Company will be held through VC / OAVM i.e., without the physical presence of the Members at a common venue.

2. The relevant Explanatory Statement pursuant to Section 102 of the Act and Rules framed thereunder, in respect of the Special Business to be transacted during the meeting is enclosed herewith and marked as **Annexure-I**. The recommendation of the Board of Directors of the Company in terms of Regulation 17(11) of the Listing Regulations is also provided in the said Statement.
3. The information as required under Regulation 36(3) of the Listing Regulations and the Secretarial Standard on General Meetings (SS-2), issued by the Institute of Company Secretaries of India, relating to the business item No. 2 & 3 is enclosed herewith and marked as **Annexure-II**.
4. 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 pursuant to Section 105 of the Act, will not be available for the AGM and hence the Proxy Form and Attendance Slip are not enclosed to this Notice.
5. As per the provisions of the MCA Circulars, Members attending the AGM through VC / OAVM facility using their login credentials shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. In case of Joint-holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to attend and vote during the AGM.
7. Pursuant to Section 113 of the Act, corporate members are requested to send to the Company at compliance@khadims.com, a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the AGM.
8. Since the AGM will be held through VC / OAVM, the Route Map of the AGM venue is not enclosed to this Notice.
9. **Procedure for inspection of documents by the Members:**

The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Act, shall be made electronically available for inspection by the Members during the AGM upon login at National Securities Depository Limited (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.,

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Tuesday, September 24, 2024 at 11:30 a.m. Members seeking to inspect such documents can send an e-mail to compliance@khadims.com mentioning their names, PAN, 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 Wednesday, September 18, 2024 till Tuesday, September 24, 2024 (both days inclusive) 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), changes, if any, pertaining to their name, postal address with PIN, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN) details linked with Aadhaar, signature, 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>) in terms of SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024 and SEBI Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated June 10, 2024, 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-PoD-1/P/CIR/2023/37 dated March 16, 2023, 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, preferably from Wednesday, September 11, 2024 (10:00 a.m. IST) to Tuesday, September 17, 2024 (5:00 p.m. IST), at compliance@khadims.com from their registered e-mail addresses, mentioning their names, folio numbers / demat account numbers, PAN details and mobile numbers. Only those Members who have registered themselves as speakers will be allowed to express their views / ask questions during the AGM. The Company / the Chairman of the Meeting reserves the right to restrict the number of questions, time allotted and number of speakers to ensure smooth conduct of the AGM.
 - b) Any Member desirous of receiving any information on the Financial Statements or Operations of the Company is requested to forward his / her query(ies) to the Company through e-mail at 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.
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,

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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, if any, are requested to update their bank details with the Company or RTA immediately. Members holding shares in demat mode are requested to record the ECS mandate with their DPs concerned.

17. The Company has uploaded the details of unpaid and unclaimed dividend lying with the Company on the website of the Company www.khadims.com. Members wishing to claim dividends that remain unclaimed / unpaid are requested to correspond with the RTA as mentioned above, or with the Secretarial Department. Members are requested to note that, pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with relevant circulars and amendments thereto ("IEPF Rules") 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.

Members are informed that once the unclaimed or unpaid dividend is transferred to the designated account of IEPF and shares are transferred to the Demat Account of the IEPF Authority, no claim shall lie against the Company in respect of such dividend / shares.

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 SEBI Circulars, Notice of the AGM along with the Annual Report is being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories / RTA. Members may note that the Notice and Annual Report will also be available on the website of the Company viz., www.khadims.com and on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com. The Notice will also be available on the website of NSDL at www.evoting.nsdl.com.
19. Any member desirous of obtaining hard copy of the said Notice along with the Annual Report for the financial year ended March 31, 2024 may send a request to the Company at compliance@khadims.com, through his / her registered e-mail address, mentioning his / her name, PAN, folio numbers / demat account numbers and contact number.
20. 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.

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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, if any, are requested to consider converting their holdings to dematerialized form. Members can contact the Company or RTA in this regard.

21. Procedure for attending the AGM through VC / OAVM:

- a. Members will be able to attend the AGM through VC / OAVM through the NSDL e-voting system.
- b. The facility for the Shareholders to join this Meeting will be available from 30 minutes before the time scheduled for the Meeting and may close not earlier than 30 minutes after the commencement of the Meeting and will be available for 1,000 Members on a first-come first-served basis. This restriction would however not apply to participation of shareholders holding 2% or more shareholding of the Company, promoters, institutional investors, directors, key and senior managerial personnel, auditors, scrutinizer, etc.
- c. 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.

22. Voting through electronic means:

- a. 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, the Secretarial Standard on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India and Regulation 44 of the Listing Regulations, the Company is pleased to facilitate its Members to transact business of the AGM of the Company by voting through electronic means. For this, the Company has engaged the services of NSDL having office at Trade World, A wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013, to provide remote e-voting services and e-voting facility during the AGM, who are holding the shares as on the cut-off date.
- b. **The remote e-voting period commences at 9:00 a.m. IST on Friday, September 20, 2024 and ends at 5:00 p.m. IST on Monday, September 23, 2024.** During this period, the Members of the Company, holding shares either in physical or dematerialized mode, as on the **cut-off date i.e., Tuesday, September 17, 2024** 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.
- c. 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.
- d. 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.

23. In order to scrutinize the e-voting process in a fair and transparent manner, Mr. A.K. Labh (FCS - F4848, CP No. 3238) of M/s. A.K. Labh & Co., Company Secretaries, Kolkata, has been appointed by the Board of Directors of the Company as the Scrutinizer.

24. 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)

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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.

25. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company i.e., www.khadims.com and on the website of NSDL immediately after the results are declared by the Chairman or a person authorised by him in writing. The same shall be communicated by the Company to the stock exchanges i.e., BSE Limited and National Stock Exchange of India Limited.
26. **Updates in relation to notes on "Fully Convertible Equity Share Warrants", "Share Capital" and "Changes in Share Capital, if any" mentioned in the Board's Report dated May 24, 2024:**

On further receipt of balance 75% of the total consideration towards Fully Convertible Equity Share Warrants ('Warrants'), the Board of Directors of the Company had allotted 1,64,384 and 80,000 Equity Shares on May 29, 2024 and July 19, 2024 respectively, pursuant to conversion of equivalent number of Warrants allotted to Non - Promoter entities, on preferential basis, out of total 4,08,768 Warrants.

Consequently, the Issued, Subscribed and Paid-up Share Capital of the Company further increased from ₹18,13,39,980/- divided into 1,81,33,998 Equity Shares of face value of ₹10/- each to ₹18,37,83,820/- divided into 1,83,78,382 Equity Shares of face value of ₹10/- each.

The Equity Shares so allotted rank pari-passu with the existing fully paid-up Equity Shares of the Company including dividend and voting rights, etc.

27. **The following note would be read in conjunction with the note on "Directors and Key Managerial Personnel" mentioned in the Board's Report dated May 24, 2024:**

On the recommendation of Nomination and Remuneration Committee, the Board at its Meeting held on August 08, 2024 had approved the appointment of Mrs. Upama Mukherjee (DIN - 10585455) as a Non-Executive Non-Independent Director of the Company (liable to retire by rotation), with effect from September 29, 2024, subject to the approval of the Members at the ensuing Annual General Meeting. Your Directors recommend her appointment as a Non-Executive Non-Independent Director, liable to retire by rotation. The brief profile of Mrs. Upama Mukherjee and other relevant information under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings with respect to

Director seeking appointment have been provided in the Notice convening Annual General Meeting.

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Annexure-I

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

The Management believes that Board should consist of adequate mix of Directors from varied backgrounds for bringing in Board diversity and ensuring that the discussions are broad based with multiple perspectives. The Management further recognises the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage.

The Nomination and Remuneration Committee reviewed the profile of Mrs. Upama Mukherjee for recommending her appointment as a Non-Executive Non-Independent Director on the Board taking into consideration knowledge, experience, financial literacy, expertise and other relevant factors.

The Board of Directors has, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members, approved the appointment of Mrs. Upama Mukherjee (DIN: 10585455) as a Non-Executive Non-Independent Director of the Company with effect from September 29, 2024.

Mrs. Upama Mukherjee is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 ('Act') and has given her consent to act as a Non-Executive Non-Independent Director. Further, she is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI) or any other authority.

The Company has received a Notice under Section 160 of the Act, from a Member proposing the appointment of Mrs. Upama Mukherjee as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation.

The brief profile of Mrs. Upama Mukherjee as per the requirements of the Act and the rules made thereunder, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meeting ("SS-2") are given in Annexure - II, which forms part of the notes to the Notice.

Save and except Mrs. Upama Mukherjee and her relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise.

The Board recommends this resolution for approval of the Members of the Company by way of an Ordinary Resolution.

Item No. 4

The Independent Directors contribute significantly to the growth of the Company by bringing professional expertise and enrich the Company with their knowledge, skills, independent perspective, strategies and experience. Their valuable guidance goes a long way towards the smooth functioning of the Board.

With the competitive business environment and enhanced corporate governance requirements, increased responsibilities and duties of the Directors under the Companies Act, 2013 and the various SEBI Regulations, the role of the Board, particularly the Independent Directors, have become more arduous, requiring enhanced level of decision-making ability, greater time commitments and focus.

In view of the above, the Board of Directors of the Company at its meeting held on May 24, 2024 has approved the payment of commission of ₹ 3,00,000/- (Rupees Three Lakhs Only) to each of the Independent Directors of the Company for the financial year ended March 31, 2024 in addition to the fees for attending the meetings of the Board and its Committees, subject to the approval of the Members.

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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, 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. 4 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).

The Board recommends this resolution for approval of the Members of the Company by way of a Special Resolution.

By Order of the Board of Directors

Abhijit Dan

Company Secretary & Head – Legal
Membership No.: ACS 21358

Date: August 08, 2024
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, as amended and Secretarial Standard on General Meetings (SS-2)]

Particulars	(Item No. 2)	(Item No. 3)
Name of the Director	Mr. Siddhartha Roy Burman (DIN: 00043715)	Mrs. Upama Mukherjee (DIN: 10585455)
Date of Birth	November 19, 1961	January 11, 1965
Age	62 Years	59 Years
Nationality	Indian	Indian
Qualifications	Bachelor's degree in Commerce from the University of Calcutta.	Fellow Member of the Institute of Chartered Accountants of India. She also holds Bachelor's degree in Commerce from the University of Calcutta.
Profile, experience and expertise in specific functional areas	Mr. Siddhartha Roy Burman has an overall experience of 41 years in all segments of Footwear Industry. His expertise includes streamlining of operations, processes, HR initiatives and most importantly Brand building. He has great contribution in developing the manufacturing division of the Company.	Mrs. Upama Mukherjee is a practicing Chartered Accountant. Before stepping into independent practice, in her illustrious career of over 36 years in audit and other allied functions, she was associated with Deloitte Haskins & Sells, Chartered Accountants, for last 19 years and retired as Director in April 2024. Prior to that, she was associated with Lovelock & Lewes (a network firm of PwC), Chartered Accountants, for 15 years. In a varied and distinguished career, she specializes in statutory audit and various other audits, internal control evaluation and process review & other financial assurance matters.
Date of first appointment on the Board	April 01, 2005	September 29, 2024
Shareholding in the Company (including shareholding as a beneficial owner)	Mr. Siddhartha Roy Burman holds 16,29,533 equity shares (8.90 %) of the Company in individual capacity.	NIL
Relationship with other Directors, Manager or with KMPs	Father of Mr. Ritoban Roy Burman, Non - Executive Director and Mr. Rittick Roy Burman, Whole-time Director.	None

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Particulars	(Item No. 2)	(Item No. 3)
Name of the Director	Mr. Siddhartha Roy Burman (DIN: 00043715)	Mrs. Upama Mukherjee (DIN: 10585455)
Number of meetings attended during the financial year 2023-24	Number of Meetings held: 7 Number of Meetings attended: 6	Not Applicable
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
Chairman / member of the Committees of Board of Directors of other companies in which he is a Director *	None	None
Terms and conditions of Appointment or Re-appointment	Mr. Siddhartha Roy Burman who was re-appointed as Chairman & Managing Director, for a period of 3 (Three) years with effect from April 01, 2024 and whose re-appointment had been confirmed at the Annual General Meeting held on September 21, 2023, is liable to retire by rotation.	As per the resolution (Item No. 3) of the Notice convening this Meeting read with Explanatory Statements thereto, Mrs. Upama Mukherjee is proposed to be appointed as a Non - Executive Non - Independent Director of the Company (liable to retire by rotation), with effect from September 29, 2024.
Remuneration proposed to be paid	Mr. Siddhartha Roy Burman is entitled to Remuneration as per terms of the Agreement dated April 01, 2024.	She is entitled to Commission, if any and Sitting fees for attending meetings of the Board and Committees in which she may become a Member / Chairman as may be decided by the Board.
Remuneration last drawn by such person, if applicable (As per last audited balance sheet dated March 31, 2024)	₹ 34.67 million	Not Applicable

*Includes only Audit Committee and Stakeholders' Relationship Committee.

In addition to the above, other requisite details required relating to aforesaid appointment / re-appointment have already been provided elsewhere in the Board's Report.

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Annexure-III

A. INSTRUCTIONS TO ATTEND THE AGM THROUGH VC / OAVM:

1. Members will be able to attend the 43rd AGM through VC / OAVM through the NSDL e-Voting system. Members may access to the same by following the instructions mentioned in Annexure-IV to this Notice. After successful login, you can see link of "VC / OAVM link" appearing 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 need assistance before or during the AGM, can contact Ms. Pallavi Mhatre, Senior Manager, NSDL at evoting@nsdl.com or call 022 - 4886 7000.
3. 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.
4. Members are encouraged to join the Meeting through Laptops for better experience.
5. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or through laptops / desktops / tablets 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.
7. 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	<p>1. Users registered for NSDL IDeAS facility:</p> <p>Existing IDeAS user can visit the e-Services website of NSDL viz. https://eservices.nsd.com either on a personal computer or on a mobile. On the e-Services home page, click on the “Beneficial Owner” icon under “Login” 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 “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider i.e., NSDL 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 & voting during the meeting.</p> <p>2. Users not registered for NSDL IDeAS facility:</p> <p>If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3. e-Voting website of NSDL:</p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ 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 held 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 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.</p>

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Type of shareholders	Login Method
	<p>4. e-Voting mobile application of NSDL:</p> <p>Shareholders / Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 20px;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest: <p>Users who have opted for Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing Myeasi username & password.</p> 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers website directly. The menu will have links of e-Voting service provider i.e., NSDL. Click on NSDL to cast your vote. 3. Users not registered for Easi / Easiest: <p>If the user is not registered for Easi / Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.</p> 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from an e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.

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Type of shareholders	Login Method
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 above mentioned 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 evoting@nsdl.com or call at 022 - 4886 7000.
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 helpdesk.evoting@cdslindia.com or contact at toll free No. 1800 22 55 33.

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?

1. 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.
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 e-services i.e., IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e., Cast your vote electronically.

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4. Your User ID details are given below:

Sl. No.	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 130720 then user ID is 130720001***.

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 under **"Instructions for Members whose e-mail ids are not registered / updated"**.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on **"Forgot User Details / Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Click on **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number / folio number, your PAN, your name, your registered address etc.
 - 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.

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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 "EVEN" of all the companies in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of the Company 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(s), 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, HUFs, NRIs etc.) are required to send a 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 with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e., other than individuals, HUFs, 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.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "**Forgot User Details / Password?**" or "**Physical User Reset Password?**" option available on www.evoting.nsdl.com to reset the password.

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3. In case of any queries, Members may refer the “Frequently Asked Questions (FAQs) for Shareholders” and “e-voting user manual for Shareholders” available under the download section of www.evoting.nsdl.com or call on 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager, NSDL at evoting@nsdl.com.
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., Tuesday, September 17, 2024.
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., Tuesday, September 17, 2024 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., Tuesday, September 17, 2024 should treat this Notice for information purpose only.
6. Any person holding shares in physical form or 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., Tuesday, September 17, 2024 may obtain the login User Id and password / PIN by sending a request to NSDL at evoting@nsdl.com / RTA at 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 or call on 022 - 4886 7000.

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., Tuesday, September 17, 2024 may follow steps mentioned above under Step 1: “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 compliance@khadims.com or to the Company's RTA at rnt.helpdesk@linkintime.co.in by 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. The DP ID - Client ID (16 Digit DP ID + Client ID or 16 Digit Beneficiary ID), Name of the shareholder, client master or copy of consolidated account statement, PAN (self-attested scanned copy), AADHAAR (self-attested scanned copy) shall be required for the aforesaid purpose.

Alternatively, Shareholder / Member may send an e-mail request to evoting@nsdl.com for obtaining **User Id and Password** by providing the above-mentioned documents.



It's **WOW**
It's **KHADIM**

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