

February 23, 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,

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

**Sub: Outcome of Investor Meet**

This is with reference to Investor Meet held on Friday, February 16, 2024.

Pursuant to the provisions of Regulation 30 of the Listing Regulations, we enclose herewith the concall transcript of the said Meeting w.r.t. Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and nine months ended December 31, 2023.

Kindly take the same on record.

Thanking You,

Yours faithfully,

For **Khadim India Limited**

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

Encl: As above





“Khadim India Limited  
Q3 & 9M FY '24 Earnings Conference Call”  
February 16, 2024



**MANAGEMENT:** **MR. RITTICK ROY BURMAN, WHOLE-TIME DIRECTOR –  
KHADIM INDIA LIMITED**  
**MR. INDRAJIT CHAUDHURI, CHIEF FINANCIAL OFFICER–  
KHADIM INDIA LIMITED**

**MODERATOR:** **MR. SUMEET KHAITAN – ORIENT CAPITAL**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Khadim India Limited Q3 and 9 Months FY '24 Earnings Conference Call hosted by Orient Capital. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sumeet Khaitan from Orient Capital. Thank you and over to you, sir.

**Sumeet Khaitan:** Thank you, Viren. Good evening, everyone. Welcome to the conference call to discuss the results for Q3 and 9 months FY '24 of Khadim India Limited. Today, from the management, we have Mr. Rittick Roy Burman, Whole-Time Director; and Mr. Indrajit Chaudhuri, CFO.

Before we start the call, I would like to give a small disclaimer that this conference call may contain certain forward-looking statements, which are based on beliefs, opinions and expectations of the Company as on date. Actual results may differ materially. A detailed Safe Harbor statement has also been published in the Company's investor presentation, which was uploaded on the stock exchange. I hope everyone had a chance to go through the results and presentation before this call.

I would now like to hand over the call to the management for their opening remarks. Over to you, sir.

**Rittick Roy Burman:** Good evening, everyone. On behalf of Khadim India Limited, it is my pleasure to welcome you all to this conference call to discuss the Q3 and 9 months FY '24 results. We appreciate your time and interest in our Company's performance. I hope that everyone had an opportunity to go through the Financial Results and Investor Presentation, which have been uploaded on the websites of the stock exchanges.

The consumer demand remains to be sluggish in Q3 as well. Despite these challenging market conditions, the Company has sustained its growth path. Our revenues grew by 5% year-on-year, reflecting the strength of our brand and the resonance of our products in the market. EBITDA has grown by 9% year-on-year, exhibiting our operational efficiency and strategic decision-making.

Contribution from Retail sales stood at 68% in quarter 3 FY '24 and 67% in 9 months FY '24. Our Retail stores count as on 9 months of FY '24 stands at 864 stores. We opened 15 new stores this quarter. Moving to model-wise store count, our COO store count as on 9-month FY '24, COO, company-owned outlet, is at 221 and for franchisee model stands at 643.

Our Distribution business contributed to 28% in revenues in Q3, and for 9-month FY '24, the contribution stood at 30%. We added 6 new distributors in the quarter, taking our total count to 747 distributors as on 9-month FY '24. Our Distribution network continues to remain strong in

East Zone with 481 distributors as on 9-months FY '24. Our Retail and Distribution business are currently present in 25 states and 5 union territories as of December 2023.

In recent developments, the Company on receipt of 25% of the application money has issued 4,08,768 fully convertible equity share warrants on private placement basis to one promoter and two non-promoter entities at an issue price of ₹ 365 per warrant, including a premium of ₹ 355 per warrant, aggregating up to ₹ 14.92 crores. The said warrants shall be converted into equity shares on the receipt of 75% of the issue price within a period of 18 months from the date of allotment. The fund raised will be utilized largely towards the retail expansion, and revamping of our existing stores.

Now, moving on to the Q3 and 9-month FY '24 financial highlights. First, the quarterly performance. On quarterly performance, revenue from operations for quarter 3 FY '24 stood at ₹ 156.2 crores as against ₹ 149 crores same period last year, grew by 4.9% year-on-year. Gross margin for the quarter stood at 45.7%, up by 410 basis points year-on-year as higher contribution from retail sales has led to the favorable product mix.

The EBITDA for the quarter stood at ₹18.2 crores, registering a growth of 8.7% year-on-year. Operating EBITDA margin for the quarter stood at 11.7%, up by 50 basis points year-on-year.

The net profit for the quarter stood at ₹1.8 crores, down by 62% year-on-year. PAT margins for the quarter stood at 1.2%, down by 200 basis points year-on-year.

Now, moving on to the 9-month FY '24 financial highlights. Revenues from operations for 9 month FY '24 stood at ₹ 471.3 crores as against ₹ 501.1 crores in 9 month FY '23, a decrease of 5.9% year-on-year. Gross margin for 9 months FY '24 stood at 45.1%, up by 390 basis points year-on-year.

EBITDA for 9-month FY '24 stood at ₹ 54.1 crores as against ₹ 56.1 crores in the 9-month FY '23, a degrowth of 3.5% year-on-year. EBITDA margin for 9-month FY '24 stood at 11.5%, up by 30 basis points year-on-year.

Profit after tax stood at ₹ 5.3 crores for 9-month FY '24 versus ₹ 13.2 crores in 9-month FY '23, a decrease of 60.1% year-on-year. PAT margins for 9-month FY '24 stood at 1.1%, down by 150 basis points year-on-year.

We appreciate your continued support and are confident that our proactive approach will yield positive outcomes in the coming quarters.

With this, I now conclude my speech, and we are open for question-and-answer.

**Moderator:**

Thank you very much. We will now begin the question-and-answer session. We have our first question from the line of Akhil Parekh from B&K Securities.

- Akhil Parekh:** My first question is on the demerger process. Can you just highlight what is the timeline for the demerger process to get completed? And when would the separate listing of the distribution would happen?
- Indrajit Chaudhuri:** At present, the matter is pending with the stock exchange. Once they give their approval, then the same will be sent to the NCLT. And we think that there might be some extra time would be required, around another 6 months, to complete the formalities.
- Akhil Parekh:** So initial timeline was by June, so let's say, another 6 months from June of 2024. Is that correct?
- Indrajit Chaudhuri:** Yes, the initial timeline was June, but I think there will be a spillover of time because it has taken a long time in stock exchanges. So I think by August, it will be completed.
- Akhil Parekh:** Okay. And the separate listing of the distribution business will happen by then?
- Indrajit Chaudhuri:** Once the order comes from the NCLT, the next month, first listing will happen. It will be working as a separate company from the month -- first of the next month on which we get the order from the NCLT.
- Akhil Parekh:** Okay, okay. So hopefully, by September, we should see that happen?
- Indrajit Chaudhuri:** Yes.
- Akhil Parekh:** Okay. The second question is your EBITDA margins for the retail business, right? If I look at it for the quarter specifically, it was slightly sluggish, I would say. I mean it's like 16%, while it was 17% plus last year and you'd say it was a festive season. So despite having a festive season and despite seeing the improvement on the gross margin level, the EBITDA was -- EBITDA margin was down basically. So any specific reason for the same?
- Indrajit Chaudhuri:** Because during the festive time, we have also given some schemes and promotion to our retail and franchisees. So that cost has been accounted in the third quarter. So that's the reason why the EBITDA margin came down a little bit from what was in the second quarter.
- Akhil Parekh:** Okay. And sir, on the last con call, you had highlighted that we are targeting 19% to 20% of EBITDA margins for retail business in the next 2 years. Do you stick around that guidance of EBITDA margin of 19% to 20% for retail business for next few years?
- Indrajit Chaudhuri:** If the business improves, there is a growth of 10% - 12% in retail business, obviously, we can think of achieving 18% to 20% in the next 3 years.
- Akhil Parekh:** Okay. And last one, the distribution business. Like it's been loss-making since last 3 quarters. If you can highlight some of the steps which we are taking. And should we expect the distribution business to be EBITDA positive by next quarter or maybe first quarter of '25?
- Indrajit Chaudhuri:** What we are doing, we are now -- as I told earlier that the distribution business, we are reducing the debtors, and we are not pushing the sales in the distribution and trying to do the cost control. So once the demerger thing happens, then there will be some steps that we take for further cost

reduction. So I think once the distribution business is separated, you can expect we would try to make it an breakeven EBITDA.

**Akhil Parekh:** Okay, So for the next two quarters, it might be the...

**Indrajit Chaudhuri:** If the business improves. We are now working on the demand of the business. If it's -- the demand improves, then we can get a positive EBITDA. But we are not pushing for the sales and increasing our debtors. So if the sales -- if we reach a level, then I think it will be EBITDA positive.

**Akhil Parekh:** Okay, Are there any signs of green shoots of improvement in demand for distribution business?

**Indrajit Chaudhuri:** Yes, We have taken corrective actions, and we are now seeing that positive results are coming from Bihar and UP. But we are not going ahead a whole hog. We are only working on -- based on the demand that is coming from the distributor.

**Akhil Parekh:** Sure. And lastly, if I can squeeze one more question. On the other income part, we have seen a significant decline on a Y-o-Y basis. Can you please explain?

**Indrajit Chaudhuri:** Last year, there was a sale of Kasba factory, which has happened, and other income was in the higher side. This year, there was no such sale of property. So in spite of doing EBITDA, which is more than last year's third quarter. But our net profit didn't increase because there was a ₹3.2 crores of other income included in last year's third quarter, which is not included this year.

**Moderator:** The next question is from the line of Deepan Sankara Narayanan from Trustline PMS.

**Deepan Sankara:** Sir, last quarter, we had discussed that due to shift of Puja festival, COCO stores are expected to do higher growth in Q3. So what is the kind of growth we have seen in COCO and franchisee stores in retail business?

**Indrajit Chaudhuri:** COCO -- since the sale was shifted to third quarter, COCO, there was a growth of around 21%. And overall, because we do the franchisee sale before Puja. So that happened in second quarter. Overall, retail growth was 8%.

**Deepan Sankara:** Okay. And what is the kind of price hike taken during the quarter?

**Indrajit Chaudhuri:** No price hike was taken during the quarter.

**Rittick Roy Burman:** The volume degrowth has also reduced, including this in the third quarter. Like before the third quarter in Q2 and all, we used to have early double digits kind of a volume degrowth. But in the Q3, the YTD level, it has reduced to early single digits volume degrowth. So festive season was good for us.

And East has done particularly very well. Like East Zone has almost -- like it has become at par with what it was last year in a YTD level. When the -- after the festive season crossed, it has become at par with the previous -- yes. So East has done well for us.

- Deepan Sankara:** Okay. And how has been the sports shoe business doing for us? Last quarter, we have been discussing about new launches awaited for the sports shoe products? And what is the kind of contribution currently there?
- Rittick Roy Burman:** So sports shoe is fine. Sports shoe is like somewhere -- anywhere between 17% to 20% contribution. We have seen the ladies sports shoes do very well. We didn't have much of lady sports shoes. So that -- especially the new launches, the lady sports shoe range -- both were a success in the new launch, the ladies' and the gents' sports shoe, but the ladies' as per the new launch, more. So sports shoes was good for us.
- Indrajit Chaudhuri:** Yes. And in case of our COCO, we have seen that in the higher range also, the sports shoe has done well and more than ₹ 1,500 to ₹ 2,500.
- Deepan Sankara:** And sir, what is the kind of impact we are seeing on the implementation of BIS? So last quarter, we have said we can give more better outlook on Q4, right?
- Indrajit Chaudhuri:** Yes. What we have done in December, we have purchased more so that there is a -- given in the BIS that product belonging -- before 31st December 2023, we can sell but no BIS required. So we purposely purchased some stock. But from 1st January, all our products that are manufactured in our factory, it is BIS registered. And from the vendor also, we are taking BIS registered products where it is applicable.
- Deepan Sankara:** Okay. So this change in sourcing strategy, has it increased our overall cost of operation? So gross margins will get impacted?
- Indrajit Chaudhuri:** There are slight changes in the -- some -- our manufacturing, we are maintaining the BIS standard. But in case of vendor, some we have -- we are seeing there's some price increases there, but that is very nominal. We'll try to keep the MRP intact so that the volume growth that we have seen remains there. And there might be some impact in gross margin for some particular product of the vendor, but that is not much.
- Deepan Sankara:** Okay. So overall, we don't expect any impact on margins on this side?
- Indrajit Chaudhuri:** No.
- Rittick Roy Burman:** Nothing big. Like it's going to be similar.
- Deepan Sankara:** Okay. What is the kind of retail store additions we are planning for next year?
- Indrajit Chaudhuri:** We are planning to do around COCO -- 25 COCOs primarily in East and some in South. And in case of franchisees, we are planning around 65 to 70 franchisees.
- Moderator:** The next question is from the line of Bhargav from Ambit Asset Management.
- Bhargav:** Sir, my first question is, is it possible to know what has been the volume growth in the retail business in this quarter? On the distribution side...

- Moderator:** Mr. Bhargav, I'm sorry to interrupt. You're sounding a little low.
- Bhargav:** Is this okay?
- Moderator:** Yes, yes, much better. Please go ahead.
- Bhargav:** Yes. What has been the volume growth in the retail business in the third quarter?
- Indrajit Chaudhuri:** COO is 17% volume growth.
- Bhargav:** 1-7, right? 17%.
- Indrajit Chaudhuri:** 17, yes.
- Bhargav:** And in FOFO, any sense?
- Indrajit Chaudhuri:** Franchisee, we are seeing that during this festive, they have also grown in volume. It's around 10% to 11%. But we sell the franchisee in the previous quarter. So the primary sale is not an estimate of volume growth. Secondary sales give the estimate of the volume.
- Rittick Roy Burman:** And franchisee in the second quarter, in the primary sale, they had a growth from last year because they bought from us in the second quarter. And then they have sold in the third quarter the secondary sales. So there is a double-digit growth there also.
- Indrajit Chaudhuri:** So mainly, we are seeing that during the festive, there is a growth. But non-festive period, there is a sluggishness in the market.
- Bhargav:** Okay. And what is the current debt on the balance sheet?
- Indrajit Chaudhuri:** Around ₹122 crores.
- Bhargav:** So once the demerger happens, I presume that a large part of this debt will be attributed to the retail business, right?
- Indrajit Chaudhuri:** Yes, around ₹100 crores would be attributable to retail business, and balance would be in the distribution.
- Bhargav:** Okay. On the distribution side, what could be the fixed cost, sir, on a per annum basis?
- Indrajit Chaudhuri:** Fixed cost would be around -- if you consider all the factory costs and everything, around ₹75 crores.
- Bhargav:** Per annum?
- Indrajit Chaudhuri:** Per annum.
- Bhargav:** Okay. And lastly, sir, what is the utilization levels of the factory? And what is the plan ahead?



- Indrajit Chaudhuri:** The utilization at present is around 55% to 60% in Hawai. In PU, it is around 80% to 85%. And in PVC, it is around 40% to 45%.
- Bhargav:** Okay. Fair enough. And I believe we are also trying a lot to reduce the cost of labor in the factory, right? Now...
- Indrajit Chaudhuri:** Yes, yes. We are trying to reduce the -- once the production is there, the variable cost is less. But in order to reduce the fixed cost, there are some activities that has to be taken. But that activity, we'll do post demerger.
- Bhargav:** Okay. So is there a substantial reduction in fixed cost that could happen post demerger?
- Indrajit Chaudhuri:** That is based on how much capacity we'll be using, or we can think of an OEM outsourcing. This type of thing, we can plan post demerger.
- Rittick Roy Burman:** Whatever spare capacity we can think of, OEM or some other things we are seeing, there are a lot of people who want these products also. So, we'll explore that bit also but after demerger.
- Moderator:** The next question is from the line of Abhishek Getam from Alpha Invesco.
- Abhishek Getam:** Sir, I wanted to know volumes -- retail volume numbers pairs sold for Q3 Q-on-Q and year-on-year, if you could please provide?
- Indrajit Chaudhuri:** Yes, one second, just a minute. For the 9 months in retail, we have sold around 56 lakhs pairs.
- Abhishek Getam:** Okay. 56 lakh. Okay. And can you provide quarterly, Q3 and Q2?
- Indrajit Chaudhuri:** Q3, we have sold around 19 lakhs.
- Abhishek Getam:** 19 lakhs. And then Q2? For Q2 FY '24,?
- Indrajit Chaudhuri:** Around 20 lakhs.
- Abhishek Getam:** 20 lakhs. Okay. Got it. And sir, I wanted to know we had a receivable still pending from the Punjab and UP. So for the 9 months, how much have we received? And how much --is yet to be received?
- Indrajit Chaudhuri:** We have received around ₹28 crores from UP. We have a pending of around ₹10 crores in UP, and we are pending around ₹32 crores in Punjab.
- Abhishek Getam:** Okay, okay. So sir, the UP pending, which ₹10 crores come through, will that go for debt reduction or we have payables for that?
- Indrajit Chaudhuri:** We have some payables also. So what is payable, I think ₹5 crores to ₹6 crores is payable that would be paid, and balance will be used for debt and working capital.
- Abhishek Getam:** Okay. And of ₹32 crores of Punjab you received there, how will that be utilized?

- Indrajit Chaudhuri:** we have a creditor of ₹5 crores to ₹6 crores, and balance would be used in repayment of debt.
- Abhishek Getam:** Which is ₹25 crores might go to debt, around that. Okay. When do you anticipate to receive the Punjab amount?
- Indrajit Chaudhuri:** It is in the high court, it is pending. So once the judgment comes, then the process we can start. So it will take some time, around 6 to 8 months.
- Abhishek Getam:** Okay, 6 to 8 months. Okay. Sir, another thing on Q2 call...
- Indrajit Chaudhuri:** Your voice is mumbling.
- Abhishek Getam:** Yes. Is this audible now? Better?
- Indrajit Chaudhuri:** Yes, yes.
- Abhishek Getam:** Yes. I was saying on the Q2 call, we guided for a 7% to 8% growth. But we saw in Q3, we were not able to showcase that level of growth. So any particular reason? And how do we see Q4 panning out?
- Indrajit Chaudhuri:** In retail, we have made a growth of 8% because the distribution has gone down by 3%, so the overall growth is 5%. But retail, we have grown by 8%. So that we have told around 7% to 8%. But in the fourth quarter, I think retail will be muted.
- Moderator:** The next question is from the line of Dhruv Mukesh Bajaj from Smart Sync Investment Advisory Services.
- Dhruv Bajaj:** Yes. Sir, I wanted to know that is there any particular reason as to why are we unable to get approvals from NSE for the demerger since it is pending from the last quarter, if I remember correctly?
- Indrajit Chaudhuri:** It is the process because there are lots of questions and back-to-back answers are going on. And also, we got the NOC from the bankers. So it is taking time from the NOC. We have got 3 NOCs from the bank. One is required. Once we give that, then the, in principle, approval will come from the stock exchanges. It is taking more time -- it is taking a little bit more time as compared to what we have estimated.
- Dhruv Bajaj:** Sir, is it because that the distribution business is currently doing loss and that's why we are facing these issues?
- Indrajit Chaudhuri:** No, no, that is not related to any distribution doing loss.
- Dhruv Bajaj:** Okay. And sir, we are earlier -- we earlier had negligible revenues from e-commerce website, like around 2% to 3%, if I remember correctly. However, it was very good to see us participating at Myntra's recent sale. So is that plan of launching new product line in e-commerce segment on track? And what is the long-term target mix from e-commerce?

- Indrajit Chaudhuri:** We are giving some special products for our e-commerce business. We have done around ₹18 crores of turnover in e-commerce this year in 9 months. So yes, we are offering different types of products in e-commerce business, and we plan to do around 4% to 5% of our business in e-commerce.
- Dhruv Bajaj:** Okay, sir. And sir, is the entire ₹15 crores funds used up? And if so, then how has been the response, especially in the refurbishment of existing stores, where you have earlier stated that it can boost SSG by around 7% to 8% without high capex? So what's the update on that?
- Indrajit Chaudhuri:** So we have got 25% of the fund. Once the funds come in, this is fund that is allocated for next year, next year expansion and refurbishment, not for this year.
- Moderator:** The next question is from the line of Darshan Shah, an Individual Investor.
- Darshan Shah:** So my first question here is just looking at your numbers, and I could see that in the -- before in the call, you had said that we have not taken any price hikes. And yet we've seen that your margins have improved. I'm talking about the gross margin levels of both retail and distribution for Q3 and 9M. So if you can just highlight what margin improvement activities that you've undertaken to ensure that this has happened.
- Indrajit Chaudhuri:** See, what price hike we have taken in the first quarter, okay? So the product came in the second quarter. So the margin we are seeing high is because of the new products that came in during the festive season. And in distribution, what has happened is the price of the raw material has become a little stable. So that has given rise to the margin in distribution business.
- Darshan Shah:** Okay, sir. And so Q4, what are the kind of margins can we expect? Or was it that Q3 was a festive season that's why we've seen peak margins here?
- Indrajit Chaudhuri:** In retail, their margin would be less because the EOSS season will come in, and it has already started, so your margin will shrink. But I think in distribution, their margin will remain the same.
- Darshan Shah:** Okay, sir. And I just have a final question. I was referring to the geographical reach slide in your presentation. So in east, we have more or less similar kind of retail stores and distribution. I'm talking just percentage, right? But when I see in South, you have more of retail stores, while in North, you have more of distribution stores. So what is fundamentally different in these 2 geographies, if you can highlight that you've chosen this distribution strategy for North and East?
- Indrajit Chaudhuri:** For distribution, we are mainly focused in East. And we don't have so much presence in distribution, either in North or in South. Maybe there are distributors, but since we are now consolidating the distribution business, we are focusing on the distributors of the East. And in South, in retail, we have already 150 stores. So that's the reason we are doing around 22% to 23% of our sales from South.
- Darshan Shah:** Okay, okay. And finally, a bookkeeping question. Sir, what was our advertising spend in 9M FY '24?

- Indrajit Chaudhuri:** Just a minute. Around ₹6 crores of advertising expenses have been done in 9 months FY '24.
- Moderator:** The next question is from the line of Nakul Doshi, an Individual Investor.
- Nakul Doshi:** So my first question was that if you could throw some light on the performance of our subsidiary company, which is present in Bangladesh, our Khadim Shoe Bangladesh Limited for the quarter, that would be great.
- Indrajit Chaudhuri:** There is no operation in Bangladesh company because now we are rectifying the Indian business. So we decided to just go away with the Bangladesh business operation. Once our Indian business and our distribution business settles, then only we look forward for the Bangladesh.
- Nakul Doshi:** Okay. So in near future, also, we are not planning to enter the Bangladesh business?
- Indrajit Chaudhuri:** We have some plan, but that is a little bit -- a different style. We don't want to put our finance and operation. If we have a registered brand in Bangladesh, if we get someone who can manufacture on our behalf, then we can think it differently. But at present, we don't have any such plans going forward.
- Nakul Doshi:** Okay. And what is our SSSG and volume growth for the retail segment?
- Indrajit Chaudhuri:** For the Q3 basis, SSSG is at the same level. And the volume growth, in Q3, it's around 17% in our COCO stores.
- Nakul Doshi:** And how do we expect this to grow in the coming quarters?
- Indrajit Chaudhuri:** See, as I told you, fourth quarter, there is no festivity there. So there will be -- as we have seen other than the festive season, the demand is muted. So once -- again, in festive, that will come during Eid. So I think in the fourth quarter, I think we are trying to keep the same level of volume that we have done in the fourth quarter FY '23.
- Nakul Doshi:** Okay. And one more -- last question from my side. Like our other expenses have increased in this quarter. So like what was the major reason behind that?
- Indrajit Chaudhuri:** The main reason in this other expense increase is the festive season, which was in Q3, where we do, as I told in the first question that we do all promotional and expenses for the consumer, gifting and all these things. We give gifts for purchasing for more than 1,000 and more than 2,000 and 3,000, both in our COCO and in our franchisee. Also, we have done advertisement during the Puja time. So that has increased our other expenses in quarter -- Q3 FY '24.
- Moderator:** The next question is from the line of Neerav Shah from ASP Finserve.
- Neerav Shah:** Sir, just wanted to know how much capex do we have planned or penciled in? And how we are going to intend to finance it for the next quarter or full year?

- Indrajit Chaudhuri:** Next year, as we have planned, we have planned of 25 COCOs and also refurbishing of our existing stores. So we have planned a retail capex of around ₹12 crores. And also for that, we have raised the equity, which will be utilized for funding that capex.
- Neerav Shah:** Okay. So that equity raising is through the...
- Indrajit Chaudhuri:** Yes?
- Neerav Shah:** I'm not sure. From -- how do we raise the equity?
- Indrajit Chaudhuri:** We have made a preferential allotment and already...
- Neerav Shah:** Okay. So that's from the internal accrual only you are going to finance it?
- Indrajit Chaudhuri:** No, no Internal, the promoter has invested and non-promoters are also invested in this preferential allotment of around ₹15 cr. So that would be completed by the year-end, and that fund will be in place solely for expansion and refurbishment.
- Neerav Shah:** Okay. And which are the geographical areas that the new stores is going to come up?
- Indrajit Chaudhuri:** We would be opening new stores in Eastern region and Southern region, maximum in Eastern region.
- Moderator:** As there are no further questions from the participants, I would now like to hand the conference over to Mr. Sumeet Khaitan for closing comments. Over to you, sir.
- Sumeet Khaitan:** Yes. Thank you, everyone, for joining the call. I would also like to thank the management for sparing the time and answering the questions today. We are Orient Capital, Investor Relations Adviser to Khadim India Limited. For any queries, please feel free to reach out to us. Thank you, everyone.
- Indrajit Chaudhuri:** Thank you, everyone.
- Rittick Roy Burman:** Thank you. Thank you to all.
- Moderator:** On behalf of Khadim India Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

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