

September 06, 2021

The Manager  
The Department of Corporate Services  
BSE Limited  
P. J. Towers  
Dalal Street, Mumbai - 400 001  
**Scrip Code - 540775**

The Manager  
The Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex  
Bandra (East), Mumbai - 400 051  
**Symbol - KHADIM**

Dear Sir / Madam,

**Subject: Annual Report for the financial year 2020-21 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 2020-21 along with the Notice convening the 40<sup>th</sup> (Fortieth) Annual General Meeting ('AGM') of the members of the Company scheduled to be held on Tuesday, September 28, 2021 at 11:30 a.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

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

This is for your information and record.

Thanking you,

Yours faithfully,

For **Khadim India Limited**

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

Encl: As above



frontoffice@khadims.com



033-4009 0501



033-4009 0500

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

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**KHADIM INDIA LIMITED**

CIN : L19129WB1981PLC034337

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



# ANNUAL REPORT

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2020-21



It's **WOW**  
It's **KHADIM**



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To know more about the Company, scan the QR Code

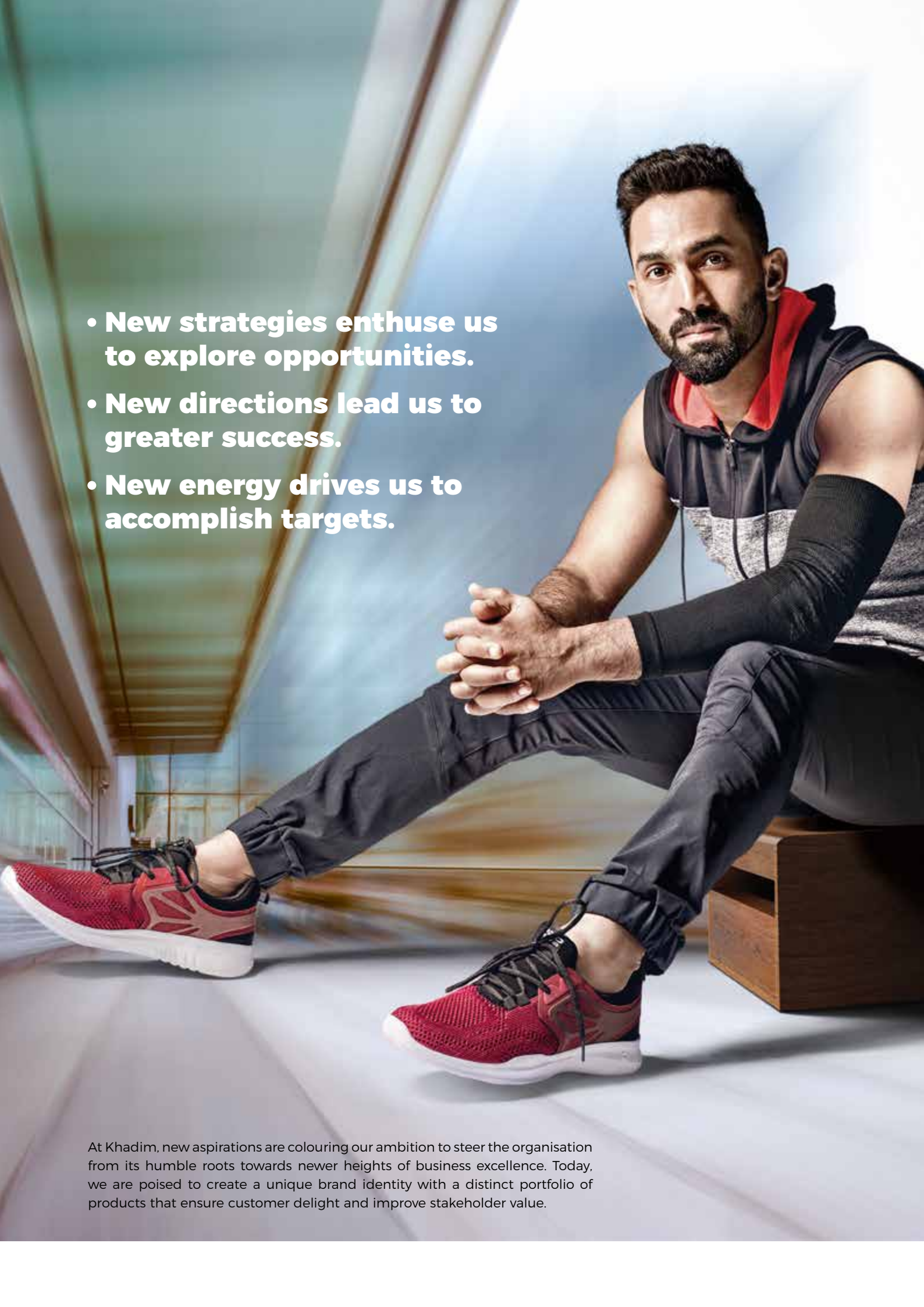


To view the Report online, log on to [www.khadims.com/annual-report](http://www.khadims.com/annual-report)

## Forward - looking statements

Some information in this report may contain forward - looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward - looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward - looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward - looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.



- 
- A man with a beard and short dark hair is sitting on a wooden crate. He is wearing a black sleeveless hoodie with a red interior lining and a grey panel on the chest, black arm warmers, and black athletic pants. He is also wearing red and black sneakers with white soles. He has his hands clasped in his lap and is looking directly at the camera with a serious expression. The background is a modern interior with large windows and a light-colored floor.
- **New strategies enthuse us to explore opportunities.**
  - **New directions lead us to greater success.**
  - **New energy drives us to accomplish targets.**

At Khadim, new aspirations are colouring our ambition to steer the organisation from its humble roots towards newer heights of business excellence. Today, we are poised to create a unique brand identity with a distinct portfolio of products that ensure customer delight and improve stakeholder value.

# ABOUT US

We help people take the best foot forward. One of India’s largest branded footwear companies, Khadim India Limited is a key player in the affordable footwear segment, serving quality and vibrant merchandise for the entire family.

The Company was established in 1981 and currently operates through two distinct business verticals, Retail and Distribution, each with its predominantly own customer base, sale channels and product range. With over four decades of experience, Khadim understands the expectations of a ‘price conscious’ customer and works to deliver value to the expanding middle-class segment in India. The Company has successfully established an identity as an affordable fashion brand, catering to the entire family for all occasions. Fashion doesn’t need to be expensive. The Company offers affordable fashion footwear options through its vibrant range of products.



## Vision



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

## Core Strength



- 2<sup>nd</sup> Largest footwear retailer in India
- Largest presence in Eastern India
- Retail Presence in 23 States and 1 Union Territory

## Mission



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

# “KHADIM”

## A PREFERRED CHOICE OF INDIA & BHARAT

The Indian demography can broadly be divided in two segments. One that resides in Metros, Tier I and Tier II cities with higher disposable income and exposure to contemporary and hi-street fashion. We call this INDIA.

The other segment resides in Tier III cities, semi urban and rural areas. This segment is also getting fashion conscious with gradual increase in disposable income and response through television and digital media. We call this BHARAT- The future India.

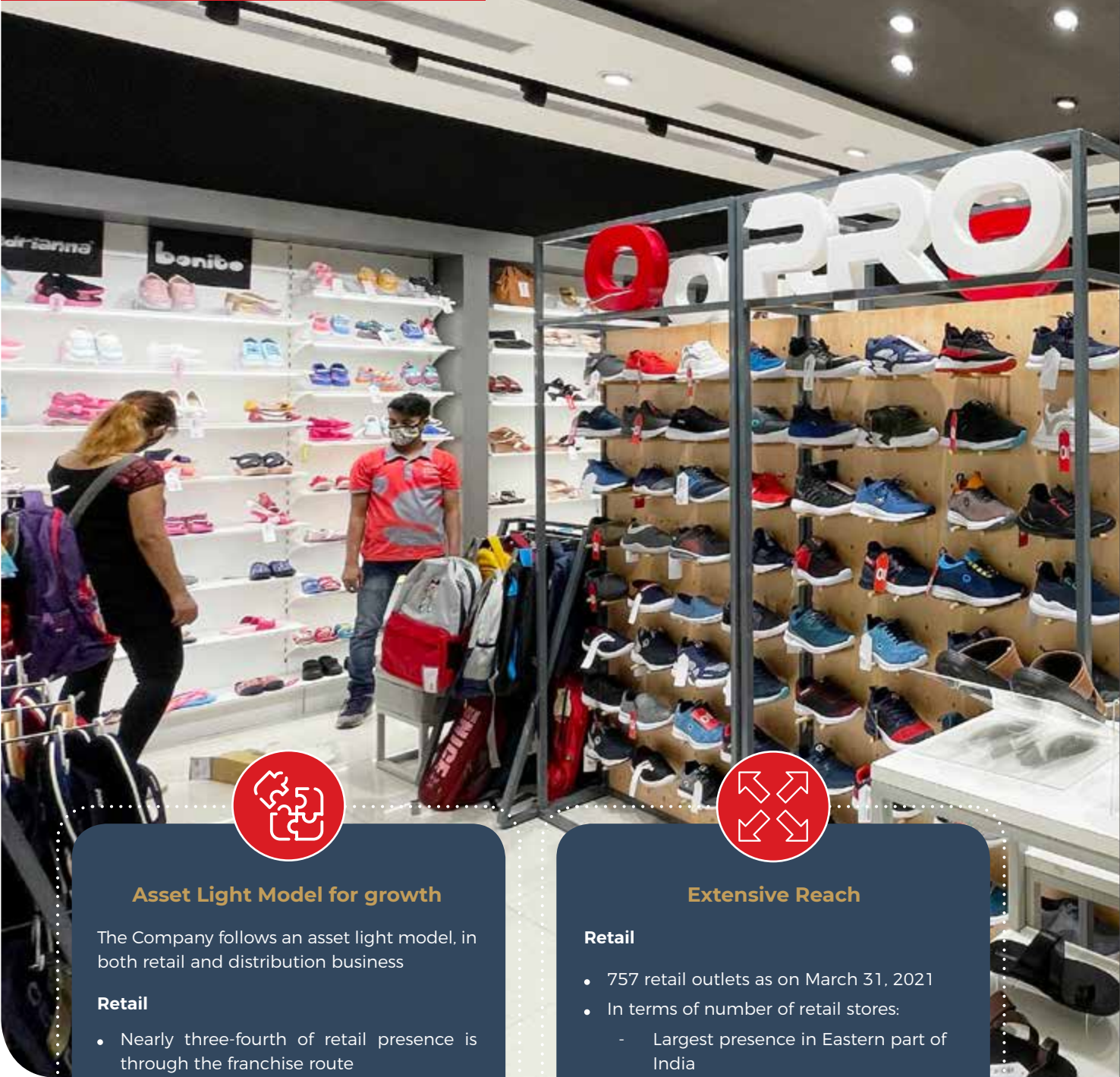
Khadim as a brand very well fits in the both the parts of the Country. On One side it offers premium yet affordable range of products across its retail stores in the metros with its top retails sub-brands like British Walker, Lazard, Cleo, Pro etc. and on the other side it also caters largely to the demand of Bharat by capitalising its distribution network and products under the sub-brand of Wash N Wear, Kalypso, Fitnxt which offers a perfect mix of fashionably durable and extremely pocket friendly footwear.

**That’s why we are the most preferred Brand across India and Bharat!**

### BRAND’S SWOT Analysis



# STRATEGY



## Asset Light Model for growth

The Company follows an asset light model, in both retail and distribution business

### Retail

- Nearly three-fourth of retail presence is through the franchise route
- The Company outsourced 86% of its product requirement in FY21

### Distribution

- The distribution business has a highly scalable model on the front end
- The Company has a mix of in house and contract manufacturing to service the sourcing requirement of this business



## Extensive Reach

### Retail

- 757 retail outlets as on March 31, 2021
- In terms of number of retail stores:
  - Largest presence in Eastern part of India
  - 2nd largest footwear retailer
  - Top 3 players in South India
  - Emerging brand in Western and Northern markets of India

### Distribution

- Additional extensive network of 575 distributors as on March 31, 2021 selling to Multi Brand Outlets (MBOs) across India



### Two-pronged Market Strategy

- The Company has two distinct business models i.e., Retail and Distribution with each has its own customer base, product range and sales channels
- It strengthens the ability to capitalize on the growth potential of both the markets and de-risk dependence on any single business



### Strong Design Capabilities

- With over four decades of presence in the industry and continuous survey across international and domestic markets enables the Company to understand the fashion trends
- The Company's strong design capabilities have fostered the growth of sub-brands to drive premiumization, which has led to increase in ASP and gross margin
- Targeting aspirational and younger customers and retaining existing customers



# FINANCIAL PERFORMANCE

## Net Sales

**Revenue**  
(₹ million)

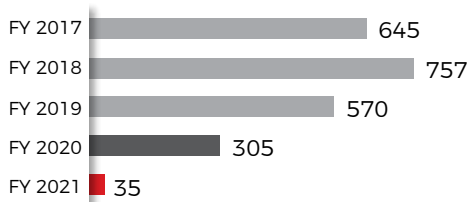


**Gross Margin**  
(%)

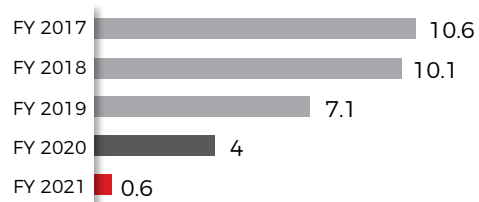


## Operating EBITDA

**EBITDA**  
(₹ million)

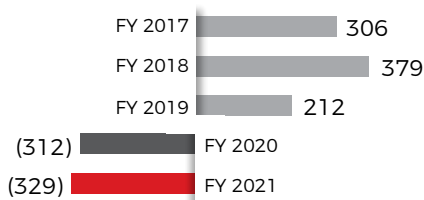


**EBITDA Margin**  
(%)

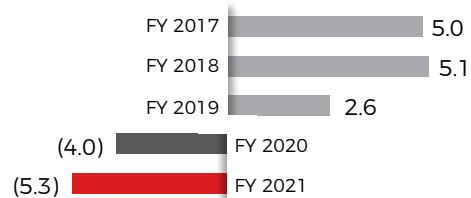


## Profit After Taxes

**PAT**  
(₹ million)

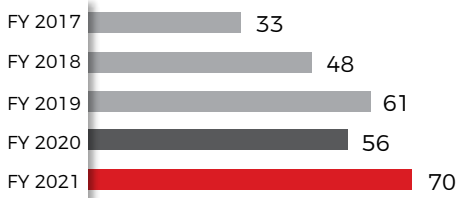


**PAT Margin**  
(%)

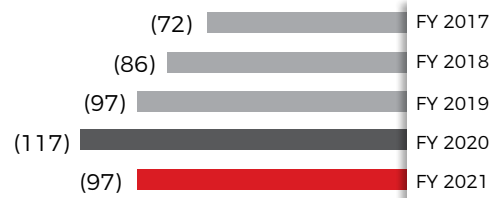


## Working Capital

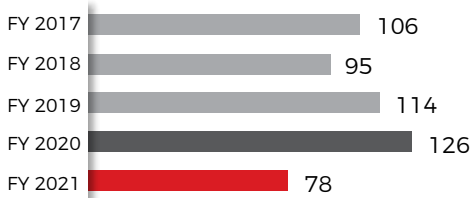
### Receivable Days



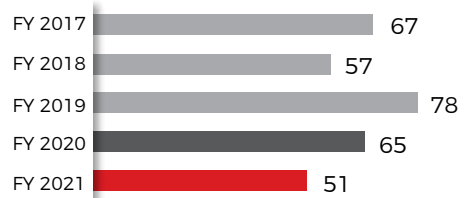
### Payable Days



### Inventory Days

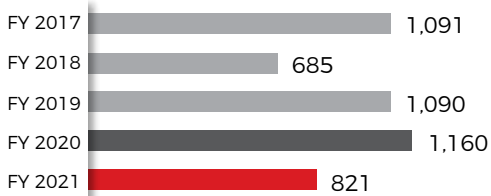


### NWC Days



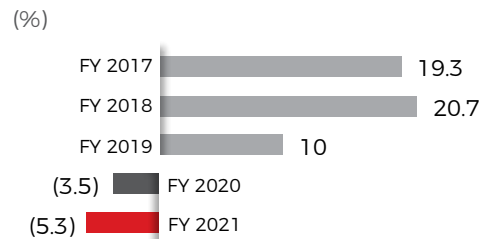
## Leverage Analysis

### Debt

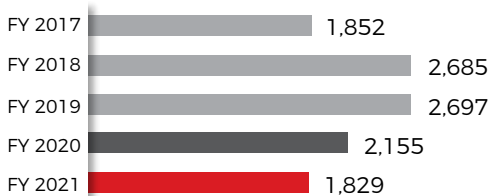


## Return Ratios

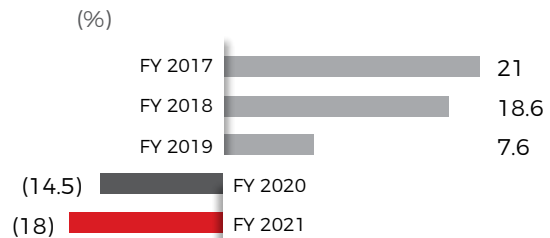
### ROCE



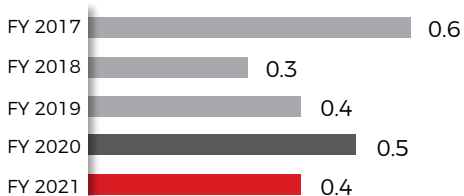
### Equity



### ROE



## Debt/ Equity



# CHAIRMAN'S MESSAGE



Dear Shareholders,

## Introduction

I hope everyone of you is keeping safe and is in good health. I welcome you to another year of our Annual General Meeting and present you the Annual Report for fiscal 2020-21. I appreciate you for taking some time out for the report and assure you of an insightful commentary on the company's performance.

## Operating Environment

Economies across the world experienced sharp contraction in GDP growth in 2020 due to the covid-19 pandemic and the attendant economic crisis. The Indian economy shrank by 7.3% during the fiscal year 2020-21 as the nation withstood the pandemic and the grinding lockdown which led to massive disruption in economic activities. Restricted mobility and voluntary social distancing severely affected people aggregating sectors and businesses such as travel, malls amongst others. The expansionary policies adopted by Government institutions and the Reserve Bank of India, aimed at stimulating demand, supported the reversal of decline post unlock as pent-up demand gained momentum. However, a full recovery of the economy is dependent on the pan India vaccination program which begun in January 2021 and has been making good progress. Besides, the prospects of the economy continue to reel under uncertainty due to emerging mutant forms of Coronavirus and sporadic regional lockdowns.

## Impact of Covid 19 on our business

In the aftermath of the lockdown

in Q1FY21, our business units were shut down for a considerable period during lock down which had an adverse impact on the profitability of the Company. While better utilization of resources and absence of material long term debt shielded the company's capital and financial resources from adverse impact, the Company faced short-term working capital crunch.

### What we did

The Company adopted a cautious view on new capital expenditure projects during the period under review. While the Company increased its online marketing, leading to increase in online sales; it also launched innovative marketing campaigns during the phase wise unlock period. To overcome inability of the customers to visit stores due to Pandemic, we took steps to reach out to the customers by launching **(On The Go)** - a store on wheels; **(Hot Spot)** - to disseminate Shoe Sanitizers & Masks; **(Khadims Near Me)** - exclusive shopping tents set up in residential areas. These initiatives received a good response from customers.

The Company availed working capital term loan facility under the Emergency Credit Line Guarantee Scheme (ECLGS) of the Government of India as a mitigating measure and the scheme also included moratorium on interest payments.

### Business Performance

The Company posted an annual revenue of INR 6261.8 million during the fiscal FY21 against INR 7718.7 million in FY20, recording a 18.9% decline. The decline can be largely attribute to the lockdown associated demand contraction and slow recovery in retail footfalls across the country. The gross margin witnessed a decline by 755 basis points to 28.8% in FY21 while EBIDTA margin

declined 339 basis points to 0.6% in the same period. Subsequently, the Company registered profit after tax (PAT) of negative INR 328.7 million during the fiscal 2020-21 against INR -312.7 million in FY20.

In terms of turnover from Retail and Distribution business, the Company has overachieved its Sales from Retail and Distribution in aggregate during half year ended March 31, 2021 in comparison with its pre covid sales of the same period (i.e. 2nd half of the FY20). The gross margins for the said period improved substantially in both retail and distribution verticals. The Company has also bagged an institutional order from Education Department of Uttar Pradesh worth INR 1281 million for supply of school bags during the year under report.

As a result of premiumization of its products through various sub-brands, there has been an increase in ASP leading to higher gross margin.

Higher demand for low price products enabled the Company to achieve 12 months sales of FY 20 in 11 months of FY 21 with respect to distribution business, in spite of closure of business units for more than a month during Q1FY21 due to nationwide lockdown.

### Segment Performance

The retail business represented 47% of the revenue share at INR 2960.5 million during the year, while the Distribution business, which represents 32% of the revenue, stood at INR 2018.2 million during FY21. The corresponding gross margins stood at 45.1% for retail and 30% for distribution business.

In spite of unfavorable business conditions for a substantial part of the year, your Company has booked profit in the last two quarters of FY 21.

The brand presence of the Company and wide range of products enables the Company to address a decent portion of the Indian footwear market potential.

### Opportunities

The Indian market with over 1.3 billion population, presents significant opportunity in the footwear segment, since it is the second largest consumer in the world.

The industry is expected to witness significant growth from tailwinds provided by the demography and favorable macroeconomic conditions, which in turn is being shaped by the policy interventions and structural transformation across various sectors. The country has a younger demography as nearly 78% of the population is estimated to be below 45 years of age. Moreover, increasing presence of women in the workforce, increasing disposable income of consumers and higher expenditure on lifestyle products augers well for the industry as people look towards branded products.

India is witnessing a significant shift in the consumption pattern of

# CHAIRMAN'S MESSAGE **Contd...**

unbranded vis a vis branded footwear, The gap between the two is getting narrower YOY with sharp inclination towards branded footwear. The current figures stands at 45% in favor of branded footwear<sup>1</sup>. Also 40% of the population is expected to reside in urban areas by 2030. This places the Company at an advantageous position to penetrate into a wider market.

## Our Competency

As a leading footwear brand in India, the Company is well placed to capitalize the opportunities owing to its two-pronged business model focusing on Retail and Distribution business.

In the retail business, the Company aims to increase footprint in South India, West India and in North India. Furthermore, the Company plans to enter into new markets through company owned and company operated (COCO) outlets and then further penetrates through franchisees once the brand is well established. The Company has been expanding its store network across India with focus on premiumization, asset light model and optimum capacity utilization.

In the distribution business, the Company aims to focus on penetration in existing markets in East India and South India by capitalizing on retail brand recall

in the markets. Additionally, the Company aims to increase utilization of existing installed capacity and invest in machines and moulds at existing manufacturing facilities.

The Company also intends to achieve premiumization through various sub-brands in its distribution business. The Company plans to increase focus on production of sports shoes and PU products to drive premiumization.

Our strategy is further strengthened by the presence of brands across different price segments catering to men, women and kids. We offer affordable fashion which allows us to cater to both the business segments effectively without diluting either. This de-risk dependence on any one business and further premiumization in both the segments help us to increase gross margins.

## Our People

We recognize the contribution of all the employees and business partners during these trying times and the importance of ensuring that we make our employees feel safe, protected, supported and rewarded. I would like to thank all my employees and their families for the support throughout the year risking their lives, sacrificing their time and increasing the vigor with which they approached to tackle the situation. During the year under review, the Company provided for insurance

benefits for employees such as group and term insurance products as well as Mediclaim benefits.

## Thank you

On behalf of the Company, I extend my gratitude to our Covid warriors who are constantly putting their lives at risk and working tirelessly to keep us safe. I also appreciate the global health community who have relentlessly worked to ensure the availability of critical drugs, vaccines and medical equipment for the patients.

Our people in the organisation, business partners and investors have been with us through the ups and downs. Nevertheless, the collaboration, spirit and resilience exhibited by our people at a time marked by absence of crisis manual, steered the Company out of the crisis. I owe my gratitude to our people and their families for their extraordinary support in an unprecedented crisis.

I extend my thanks to our Board of Directors, business partners, employees and other stakeholders for their trust on us and the support they have been providing to this Company all year along.

Regards,

**Siddhartha Roy Burman**  
Chairman & Managing Director

<sup>1</sup><https://www.investindia.gov.in/sector/leather>

# CEO'S DESK



As we all know it's been a tough year for all of us professionally and personally. Some of us have had personal losses which will take time to heal. But we all have to try our best to move on with the belief that this too shall pass.

I joined the organization in November 2019 and COVID struck few months later in March 2020. Pre-lockdown, we had started doing a lot of work on re-inventing ourselves which continued during and post lockdown. We have developed our internal vision to be one of the largest and successful affordable fashion footwear brand in India. In order to achieve this, we have adopted the "7Ps" model towards both our businesses – Retail & Distribution:

1. **Product offering:** Khadim has been, currently is and intends to continue being positioned as an affordable fashion footwear brand. However, we need to move with time with regards to the fashion trends. Along with the merchandise team, we have made significant changes in the new product development across the mother brand Khadim and the sub-brands across both the business channels. The idea is to make the brand Khadim relevant, younger and a vibrant fashionable brand. The thought process behind the sub-brands is to provide a wider variety for various end users and also achieve premiumization (within the spectrum of affordable fashion).

Retail: We are consciously making a significant effort to upscale the mother brand Khadim. We are also repositioning the following sub-brands:

- Lazard - Hi-fashion footwear for the young Men

# CEO'S DESK Contd...

- Cleo - Hi-fashion footwear for the young Girls / Women
- Sharon - Footwear for the working Women
- British Walker - Hand crafted premium leather footwear for the working Men
- Soft Touch - Soft & Comfort footwear for Men & Women
- Pro - Athleisure footwear for All
- Turk - Outdoor footwear for Men
- Adrianna/ Pedro/ Bonito - Fashionable footwear for Kids

**Distribution:** In the Distribution segment, Khadim has always been known for the quality and durability of the Hawaai and PVC chappals. However, in the last few years, even this business has become fashion oriented and has started demanding freshness every season. To be able to cater to the various categories of products, we have introduced sub-brands in this business segment as well:

- Khadim - Basic Hawaai
- Kalypso - Premium Hawaai and Fabrication Chappals
- Wash 'n' Wear - PVC footwear
- Fliers - DIP & PU footwear
- Fitnxt - Athleisure Sandal and Shoes
- Dunford - Formal Sandal and Shoes
- Pugo - Footwear for Kids

2. **People:** In order to execute the vision of the organisation, we need to have the right team. We have been heavily investing in the right

people across various functions - Sales, Merchandising, Supply Chain, Marketing and Production.

We have been grooming people within the system to take larger roles and also exploring talent outside the system. The idea is to build a young, motivated and skilled team with the right attitude.

We have also been experimenting with performance based incentive structures across the organisation which we believe are bringing us results.

3. **Policy / Process:** An organisation with strong SOPs and systems is reflective of a strong backbone.

- We have aggressively started using a data driven approach for most decisions taken across the various functions.
- We had introduced a stock management system called Theory of Constraints (TOC) by which the stock efficiency has improved in retail and distribution
- In the quest to build stronger and trustworthy relations with all the stakeholders (dealers/distributors, our customers), we are encouraging working in a more structured and documented manner
- We have restructured our credit policy to ensure increased working capital efficiency

4. **Partners:** "Khadim Parivaar" is the underlying emotion that binds our dealers and distributors, thus creating solidarity in terms of relationship and trust. We are working hard to improve our relationship and also ensure that our partners are happy and make it a win-win situation for all of us.

**Retail:** We are continuously tracking the performance of our franchisee partners and working with them very closely to improve their secondary sales. We are also encouraging use of TOC for the ordering process from the franchisees in order to ensure they are stocked with appropriate inventory.

**Distribution:** We are regularly engaging with the distributors to take their views on the kind of products and designs that are working well in the market. We are also coming up with innovative distributor and retailer schemes to make it a competitive for them to sell our products.

5. **Promotion:** We have adapted a ROI driven investments in Marketing & all other promotional activities

**Retail:** Given that we are making changes to the product range, we need to communicate this change to our existing and potentially new customers. Given the increased consumption of digital media, we have taken a conscious decision to increase investments through this platform. We have introduced various brand films for festive, Influencers led campaigns, moment marketing etc. to reinvent the brand towards the youth.

**Distribution:** To ensure visibility in the physical marketplaces, we are supporting the distributors and retailers with point of sale communication, utility branding etc.

6. **Production:** With regards to the distribution business, the focus is more on mass range of products. In order to ensure consistency in supply, cost and quality of this range of products one needs to have proper control on internal

production. We have been actively engaged in manufacturing Hawaai and PVC. We have increased focus on manufacturing fabrication Hawaai PU, sports and sports sandal. This will strengthen our backend support to grow the distribution business.

7. **Profit:** "Profit is not something to add on to the end, it is something to plan in the beginning". The focus has transitioned from only sales to profit first. Every possible lever is being worked upon to ensure it is profit accretive. Some of the initiatives taken are listed below:

- Focusing on product gross margin through premiumization and price increase
- Rationalising inventory purchases which limits liquidation costs
- Fixed cost reduction
- Asset light growth model
- Working capital efficiency
- Leaner organisation structure
- ROI focused marketing spend
- Shut underperforming stores

A data driven approach has helped us drive some of the above changes towards lower breakeven sales and increased profitability. Every decision is taken keeping in mind profit. Profit is like oxygen, food, water and blood for the body; they are not the point of life, but without them, there is no life.

Regards,

**Namrata Ashok Chotrani**  
Chief Executive Officer





# MARKETING INITIATIVES

Walking the extra mile to deliver a superior customer experience.

The Company has taken various initiatives to reach out to the customers during this pandemic period. **Khadim's Near Me** was conceived as a residential and weekly touch point, established pan India to serve those customers who were unable to visit the retail stores. **Khadim's On the Go** is a store on wheels designed to provide the customer an unique experience. To serve the demand for Masks & Shoe Sanitizers, we created a number of portable touch points under **Khadim's Hot Spot**, at multiple locations.



# CORPORATE SOCIAL RESPONSIBILITY

We recognise our responsibility towards communities as well as our natural environment.

To build a viable ecosystem and improve the lives of the underprivileged, we strive to engage in activities that ensure meaningful change.



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



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



Maintenance of Park & Garden in collaboration with South Dum Dum Municipality, Kolkata

# VACCINATION DRIVE

Alongside the vaccination drive launched by the Centre and states for citizens aged between 18 and above, Khadim also launched an inoculation drive for its employees.

The Company has organized various vaccination programmes for its employees located at different business units in collaboration with various hospital chains.

This reiterates the commitment of the Company to be together in every footstep and the Company is committed to walk the extra mile for the safety and wellbeing of its greatest asset, its employees.



# 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 Director

## Chief Executive Officer

Ms. Namrata Ashok Chotrani

## Chief Financial Officer

Mr. Indrajit Chaudhuri

## Company Secretary & Head-Legal (Compliance Officer)

Mr. Abhijit Dan

## Statutory Auditors

M/s. Deloitte Haskins & Sells  
Chartered Accountants, Kolkata  
(Resigned with effect from August 11, 2021)

**M/s. Ray & Ray**  
**Chartered Accountants, Kolkata**  
**(Appointed with effect from August 12, 2021)**

## Secretarial Auditors

M/s. BKG & Company  
Company Secretaries, Kolkata

## Bankers

State Bank of India

Axis Bank Limited

ICICI Bank Limited

HDFC Bank Limited

## Registrar and Share Transfer Agent

M/s. Link Intime India Private Limited

C -101, 247 Park,  
Lal Bahadur Shastri Marg,  
Vikhroli (West),  
Mumbai - 400083

Email: mumbai@linkintime.co.in

Website: www.linkintime.co.in

Tel: +91 22 49186000

Fax: +91 22 49186060

## Registered Office

"Kankaria Estate", 5th Floor,  
6, Little Russell Street, Kolkata -  
700071,  
West Bengal, India

**(New Registered Office with effect from September 01, 2021)**

**7th Floor, Tower C, DLF IT Park,  
08 Major Arterial Road,  
Block - AF,  
New Town (Rajarhat),  
Kolkata -700156  
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

# BOARD OF DIRECTORS



**Mr. Siddhartha Roy Burman**  
Chairman & Managing Director

He has been associated with the Company since its incorporation and has 38 years of experience in the footwear industry and is responsible for the overall strategic decision

making of the Company and provides leadership to all operations.

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



**Rittick Roy Burman**  
Whole-time Director

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

Post his Graduation, he worked with the Company for 3 years in various departments to gain an overall understanding of the business. Prior to his appointment as a Whole-time Director, he acted as Head - Merchandising & New

Initiative, taking care of the long-term strategy of the organisation and drive new initiatives, ventures and merchandising of the Company. He is the son of Mr. Siddhartha Roy Burman, Chairman & Managing Director of the Company.

He holds a Bachelor's Degree in Commerce from the University of Calcutta. He completed his further studies in Berkeley, University of California as a Management Graduate.



**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 and the Oil and Natural Gas Corporation Limited as Director (Finance). Further, he had also been associated with Tata Engineering and Locomotive Company Limited (currently known

as Tata Motors Limited), Indian Airlines, Kamani Services Private Limited, Calcutta Business School, IFFCO- Tokio General Insurance Company Limited and Pioneer Insurance Services Limited.

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



**Prof. (Dr.) Surabhi Banerjee**  
Independent Director

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

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

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



**Mr. Alok Chauthmal Churiwala**  
Independent Director

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

He is a third generation stockbroker and an Angel Investor. He has a rich experience of over 23 years in the Indian Capital Markets. Churiwala Securities Private Limited (CSPL) is spearheaded by Mr. Alok Chauthmal Churiwala, whose focus and vision has helped the company to establish itself as a prominent and respected player in the industry. He has been

responsible for starting the CDSL and NSE operations of the Churiwala Group. He was also responsible for the CSPL's tie up with Larsen & Toubro and Trade.com for their Internet venture (Lttrade.com).

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



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

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

He joined the Company in 2013 as Manager- Marketing and worked till November 30, 2017. He has gained

good exposure in various aspects of footwear marketing during his tenure with the Company. He is the son of Mr. Siddhartha Roy Burman, Chairman & Managing Director of the Company.

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

# OUR LEADERSHIP



**Ms. Namrata Ashok Chotrani**  
Chief Executive Officer

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

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

She was associated with Fairwinds Private Equity, a sector agnostic India dedicated fund, since 2012.

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

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



**Indrajit Chaudhuri**  
Chief Financial Officer

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

He has an experience of over 19 years in Finance & Accounts, Taxation and Strategic Planning. He is responsible for the finance, accounts, taxation and treasury management and overall

Financial Control. Additionally, he is also responsible for the Legal and Secretarial, Information Technology and General Administration verticals.

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

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



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

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

He has more than 20 years of experience in secretarial and legal affairs and is responsible for the overall secretarial and legal functions of the Company.

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

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



**Tapas Ghosh**

General Manager - Sales & Business Development

He joined the Company in April, 1997 and has more than 25 years of experience in strategic planning, accounts, IT, business development and sales.

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

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



**Aranya Ray**

General Manager- Supply Chain Management

He joined the Company in August, 2005 and has an overall 21 years of experience in supply chain, buying and merchandising.

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

Prior to joining the Company, 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 Calcutta University.



**Kaushik Dutta**

Assistant General Manager - Sales

He was elevated to the position of Assistant General Manager - Sales from Manager (Zonal Retail Head - East) with effect from February 06, 2020. He joined the Company in March, 2007.

He has rich and varied experience in the field of Retail Sales & Marketing in footwear domain with an experience of 16 years in trend analysis, retail sales and team management.

He leads the EBO / BO vertical of the Company.

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

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



# Management Discussion and Analysis

## Indian Economy Overview

India is the largest democracy in the world with a 910 million strong electorate and home to the largest English-speaking population<sup>1</sup>. As a result of the Covid-19 pandemic in India and the subsequent lockdowns, the Indian economy continued to slow down. In FY21, the GDP declined by 7.3%, with a sharp drop in Q1FY21 mainly because there was a national lockdown imposed because of the Coronavirus<sup>2</sup>. Also there are various factors which led to downward trend such as plummeting of manufacturing sector, decrease in consumption, increase in unemployment rate, distress in agricultural sector due to farmer protests etc. Government consumption and net exports have cushioned the growth from diving further down.

India has evolved through the pandemic with the support of strong policy initiatives by the government, along with an optimistic outlook for economic recovery. The aggressive vaccination drive has helped India to faster the recovery process.

The industrial sector, not an exception to this shock, experienced a sharp decline during the period of the lockdown. The economic activity, however, started recovering as the unlocking process began. The various subcomponents of Index of Industrial Production (IIP) and eight-core index

have experienced a V-shaped recovery with consistent movement being seen towards the pre-crisis levels. In November-2020, according to the IIP, industrial activity grew by 1.9%, rising from a low of (-) 57.3 percent in April-2020<sup>4</sup>. The Government of India (GoI) announced a sizable stimulus package under the Atmanirbhar Bharat package to stimulate the industrial sector. These measures led to an immediate and broad-based economic recovery. It amounted to 15% or equivalent to Rs. 29.87 lakh crores of India's GDP<sup>4</sup>.

Consumer Food Price Index (CFPI) - combined inflation was 4.94% in March 2021, against 8.76% in March 2020. Consumer Price Index (CPI) - combined inflation was 5.52% in March 2021<sup>5</sup>, against 5.91% in March 2020<sup>6</sup>. India's Index of Industrial Production (IIP) for March 2021 stood at 143.4, against 129.6 for February 2021 and 117.9 for the year (April' 20 to March' 21)<sup>7</sup>. The contraction in IIP during February is primarily on account of the manufacturing and mining sectors.



<sup>1</sup> <https://eci.gov.in/files/file/10423-accessible-elections-a-successful-endeavor-of-election-commission-of-india-during-lok-sabha-election-2019/>

<sup>2</sup> [http://mospi.nic.in/sites/default/files/press\\_release/Press%20Note\\_31-05-2021.pdf](http://mospi.nic.in/sites/default/files/press_release/Press%20Note_31-05-2021.pdf)

<sup>3</sup> <https://carnegieindia.org/2021/05/19/what-is-happening-to-india-s-covid-19-vaccine-program-pub-84570>

<sup>4</sup> Economic Survey - Volume II

<sup>5</sup> [http://mospi.nic.in/sites/default/files/press\\_release/CPI%20Press%20Release\\_March2021.pdf](http://mospi.nic.in/sites/default/files/press_release/CPI%20Press%20Release_March2021.pdf)

<sup>6</sup> [http://mospi.nic.in/sites/default/files/press\\_release/cpi\\_pr\\_13mar20.pdf](http://mospi.nic.in/sites/default/files/press_release/cpi_pr_13mar20.pdf)

<sup>7</sup> <http://mospi.nic.in/sites/default/files/iip/iipmar21.pdf>

## Outlook

As per UN Conference on Trade and Development (UNCTAD) report, India's economy is expected to record a "stronger recovery" in 2021 and grow by 5 per cent<sup>8</sup>. As per the report, the country's current fiscal year budget points to a shift towards demand-side stimulus, with an uptick in public investment. As per IMF, India's GDP is expected to record a growth of 9.5% in FY 2022<sup>9</sup>. Despite the rising number of infections there are chances to achieve this growth. This is because of the strong rebound in manufacturing and several service sectors, while the agriculture sector amid the pandemic-led recession - continues to perform steadily. On the demand side capital investments have seen a strong rebound after a prolonged period of lull. The momentum is expected to continue as held-up or postponed investment decisions will likely see implementation after a lag of one year. More importantly, the base effect will give a big thrust to overall growth.

## Global Footwear Industry Overview

The global footwear market size is valued at \$ 365.5 Bn in 2020 and is estimated to reach \$ 530.3 Bn by 2027 with a Compound Annual Growth Rate (CAGR) of 5.5 per cent from 2020 to 2027<sup>11</sup>. Just before the outbreak of COVID-19, the footwear industry has set a new production record. Worldwide footwear production has increased by 21.2% since 2010 at an average yearly growth rate of 2.2%. In 2019 the industry slowed down, growing by only 0.6%. However, this was enough to establish a new production record

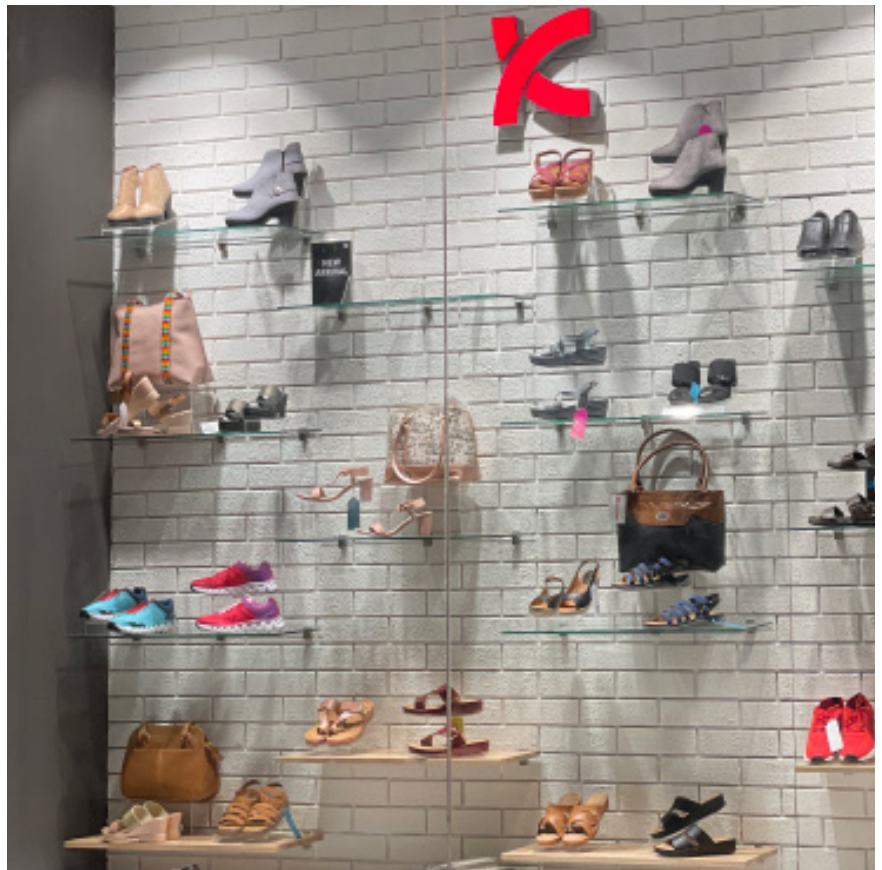
of 24.3 billion pairs, a record which might hold for a few years yet, given the impact of the COVID-19 pandemic<sup>12</sup>.

## Indian Footwear Industry Overview

The footwear industry in India is a high employment generating sector, contributing significantly to the country's export earnings and economic growth. The footwear sector is a very significant segment of the leather industry in India. India is the second largest global producer of footwear after China. India is the 2nd largest exporter of leather garments and 5th largest exporter of leather goods. The world now looks at India

for a large proportion of its footwear and leather requirements<sup>13</sup>. As on Sep 2020, the footwear industry in India contributes about 2% to India's overall GDP along with employing 2 million workers, making the sector one of the top employment generators in the country<sup>14</sup>.

Holding an important place in the Prime Minister's drive to Make in India, the footwear segment has been chosen as a Champion Sector. But it is not only leather footwear that is making waves these days. There is also a renewed focus on the non-leather footwear segment around the world. In worldwide consumption terms, 86% of global footwear consumption has become non-leather by volume.



<sup>8</sup> <https://currentaffairs.adda247.com/unctad-projects-indias-gdp-to-grow-5-in-2021/>

<sup>9</sup> <https://www.thehindu.com/business/Economy/imf-cuts-indias-gdp-growth-forecast-to-95-for-fy22/article35564592.ece>

<sup>10</sup> <https://cebr.com/service/macroeconomic-forecasting/>

<sup>11</sup> <https://www.alliedmarketresearch.com/press-release/footwear-market-is-expected-to-reach-371.8-billion-worldwide-by-2020-allied-market-research.html>

<sup>12</sup> [https://www.worldfootwear.com/news/textile-footwear-represents-one-third-of-all-traded-footwear/5468.html?social\\_network=google&new\\_user=no](https://www.worldfootwear.com/news/textile-footwear-represents-one-third-of-all-traded-footwear/5468.html?social_network=google&new_user=no)

<sup>13</sup> <https://msme.gov.in/indias-footwear-industry>

<sup>14</sup> <https://www.investindia.gov.in/siru/non-leather-footwear-industry-india#:~:text=The%20footwear%20industry%20in%20India,employment%20generators%20in%20the%20country.>

Herein, lies a double-digit growth opportunity which India, the second largest producer and consumer of footwear in the world, is ready to tap into<sup>14</sup>. Already a leader in the traditional leather sector, it is now gaining steady ground in the production of non-leather footwear. The non-leather footwear industry in India is fragmented and close to 75% production comes from the unorganised sector, which includes micro, small, and medium enterprises (MSMEs)<sup>14</sup>.

Statistics highlight that the per capita footwear consumption in India is estimated to have grown from 1.7 pairs in 2016 to 2 pairs in 2019, as compared to the developed nations which have a per capita footwear consumption of 3 pairs<sup>15</sup>. There is where the future lies, creating opportunities for a rising India to tap in.

100% FDI is already permitted under the sector under automatic route. The Government is implementing the Indian Footwear Leather and Accessories Development Programme (IFLADP) with an outlay of Rs. 2600 crore wherein financial support is provided for core areas namely capacity augmentation and technological upgradation of production units, upgradation of Common effluent treatment plant (CETPs), HRD, establishment of institutional facilities etc., Thus, the huge market potential combined with support measures and ease of doing business measures of the Government have made Indian leather and footwear industry an attractive investment destination.

Government of India announced series of support measures during the pandemic period. These include the following major measures:

- The definition of Micro, Small and Medium Enterprises were revised on account of which about 98% of the units in the leather, leather products and footwear sector are under MSME

as against 92% earlier.

- The revised finished leather norms were notified vide DGFT Public Notice No. 15-2015/20 dated 4th September, 2020. This will facilitate export of new types of leathers which are in huge demand in the global market and will enhance export of finished leathers from the country

### Impact of COVID-19 on Indian Footwear Businesses & Outlook

The ongoing coronavirus pandemic across the globe is severely affecting the production, import, and export of leather and non-leather footwear, which, in turn, is anticipated to negatively affect the growth of the global market.

Supply of raw material imports such as laces, shoe lining, buckles, ornaments, insoles, outsoles, cellulose board, shank board, foam and packing material from China had stopped completely since January. Agra which is the largest footwear hub in India was adversely impacted. According to industry sources, raw material worth INR 15 crore (\$2 Mn) for manufacturing finished footwear is imported from different parts of China to Agra every month<sup>12</sup>.

Footwear components can be imported from Italy or Spain, but they cost more as compared to China and these are not manufactured in India, as it is too expensive here. The spread of Coronavirus has affected the shoe industry at a crucial time.

To tackle any such future irregularity in supply chains, Indian importers need to diversify risks and reduce dependency on one single market to meet 70-80% of their sourcing demands by exploring other markets for footwear components<sup>14</sup>. Reduction on custom duties of footwear components (at present 20%) could cushion the impact as Indian manufacturers explore other

markets to import from<sup>14</sup>.

The Indian Footwear market is projected to display a robust growth represented by a CAGR of 8.28% during 2020-2025<sup>16</sup>. The Indian footwear market was valued at USD 9.70 billion in the year 2019. The growing trend of premiumization in the Indian footwear industry and the shift to branded footwear from unbranded footwear will facilitate growth in the market during 2020 - 2025.

It is expected that the market for footwear will grow on the back of the rise of the middle-income group and increasing literacy rates. Furthermore, active participation in the workforce, supported by an ever-growing population and urbanization in the country will fuel market growth.

E-commerce/online sales channels and women's footwear are projected to experience the highest growth, owing to the increasing penetration of internet services among consumers and women's increased employment. The leading footwear manufacturers are also investing more in accessing a larger consumer base to support this growth<sup>17</sup>.

### Company Overview

With a vision to be one of the largest and successful affordable fashion footwear brand in India, the Company offers stylish yet affordable products, appealing to a growing consumer base. The Company is one of the largest footwear retailers in India and is among the top three footwear brands in South India. It has the largest presence in East India and strives to become an emerging brand in West and North India.

With diverse product ranges, a robust sales channel and customer-focused approach, the Company primarily operates through its Retail and Distribution Business. With an asset light business model, around 40% of its retail business is conducted through franchisees. As of March 2021, our retail business operates

<sup>15</sup> <https://nickledanddimed.com/2020/11/20/is-the-footwear-industry-putting-their-best-foot-forward/>

in 23 states and one Union Territory through 757 operational stores and 575 distributors.

**Operational Highlights**

**Retail Business**

With the outbreak of Covid-19 Pandemic, safety and health became the purchase driver resulting in drastic change change in consumer behaviour. On one side the retailers with essential goods were immensely benefited and on the other side, the pandemic compelled retailers with non-essential goods to take imperative cost-optimization measures.

Likewise, the Company has also come up with innovative measures

to deal with this changed scenario. The Company is optimistic that the demand for affordable fashion will only increase. Khadim is looking forward to put the worst of the pandemic behind and provide its customers a delightful experience with stylish yet affordable product range. The Company has come up with a very young and vibrant range of Spring - Summer and Autumn - Winter collection which the Company thinks will be liked by all the age group including younger generations.

The Company's retail business is operated under the 'Khadim' brand, through 757 brand outlets catering to Middle & upper middle income consumers in metros (including mini

metros) as well as in Tier I, Tier II and Tier III cities. Given the aspirational nature of customer base, we have increased focus on sub-brands to drive premiumization, which will lead to higher ASP and gross margin.

Keeping in mind the rising demand of casual and sports wear during this pandemic period, the Company has come up with fashionable and vibrant range of products to cater to market demand.



Fashionable & casual footwear for the entire family



Hand crafted premium leather footwear for the working Men



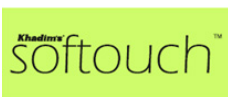
Hi-fashion footwear for the young Men



Outdoor footwear for Men



Athleisure footwear for All



Soft & Comfort footwear for Men & Women



Footwear for the working Women



Hi-fashion footwear for the young Girls and Women



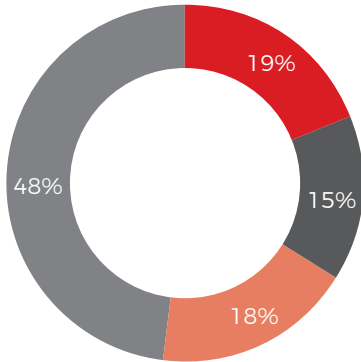
Fashionable footwear for Kids



Fashionable footwear for young Girls

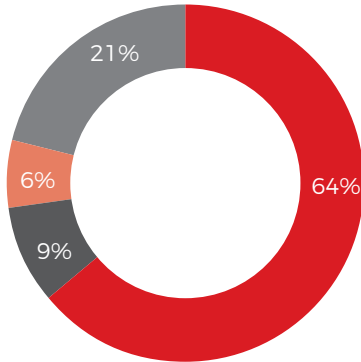
<sup>16</sup> <https://www.marketresearch.com/Azoth-Analytics-v4068/India-Footwear-Distribution-Channel-End-13657297/>

**Retail Stores - Tier Wise**



■ Metro & Mini-metro ■ Tier I  
■ Tier II ■ Tier III / Rest of Urban

**Retail Stores - Region Wise**



■ East ■ West ■ North ■ South

the Company targets lower and middle-income people from Tier I to Tier III, who shop in Multi Brand Outlets (MBOs). The distribution business offers EVA, basic and premium Hawai, PVC, PVC DIP, PU and Stuck On products.

Our distribution business compliments our retail business and enable us to achieve a deeper market penetration for our products.

The distribution business of your Company focuses on penetration in existing markets in Eastern and Southern India by capitalising on retail brand recall and explore new markets in Western Uttar Pradesh, Madhya Pradesh, Chhattisgarh and Northern part of India. Further, the Company has also expanded its product portfolio in order to increase the basket of products and thereby intends to become a family brand in this segment of business also.

**Distribution Business**

The distribution segment is a volume based business and is a highly scalable model on the front end mix of in-house and contract manufacturing. The distribution

business operates through 575 distributors, selling products to various outlets across India. With affordable and competitive pricing,



Basic Hawaii



Premium Hawaii and Fabrication Chappals



PVC Footwear



FLIERS

DIP & PU Footwear



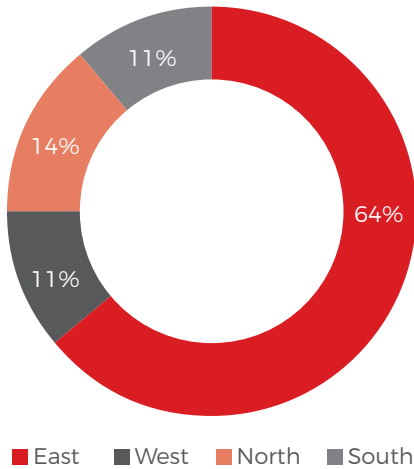
Athleisure sandal and shoes



Formal sandal and shoes



Footwear for Kids

**Distributors - Region Wise****Marketing and Branding**

During FY21, we had been hit by the 1st Wave of Covid-19 and the Company has taken a few strategic decisions in marketing. We have immensely reduced any spend towards branding and focused on ROI driven marketing activities.

We have launched multiple New Normal projects during the phase wise unlock period:

- 1. Khadim's Near Me** - Weekly residential touch points have been set up Pan India, to serve consumers who were unable to visit the stores due to the Pandemic
- 2. Khadim's On the Go** - A uniquely designed vehicle converted as a Mobile Store in Kolkata to reach out to the customers
- 3. Khadim's Hot Spot** - To serve the demand of Masks & Shoe Sanitizers, we have created many portable touch points at multiple locations in various markets

With the commencement of the festive season, we wanted to gear up the offline and online sales by re-connecting with the target

audience keeping our overall brand objective of becoming contemporary. We launched **#EbarPujoyJustKhadims** - a Social Media Campaign targeting the Youth Audience (18-34 years) by leveraging multiple brand videos with Bengali Celebrities, Celeb Influencer led activities etc. These activities have garnered more than 10 millions reach across multiple social media channels like Facebook, Instagram & YouTube.

**Growth Strategy and Outlook**

The Company plans to enter into new markets through company owned and operated outlets (COCO) and then further penetrates through franchisees once the brand is well established. However, the Company has opted to expand the retail stores through franchisee model during this pandemic period in order to maintain its asset light policy. Further, it intends to explore maximum number of market places through introducing various new e-commerce portals / partners.

We are also focused towards enhancing omni-channel facility which means that today if a customer walks into a store and fails to find a product in terms of size, color or any other specifications, it would be delivered to him within the next couple of days from a store nearest to his location where the product is available. This facility has been activated in almost all of our stores.

We are also working on omnifying the serviceability of even e-commerce orders from all the market places, to improve the serviceability, timelines and consumer experience. We are also working very aggressively to scale up our e-commerce sale from our own website [www.khadims.com](http://www.khadims.com).

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

**Financial Highlights**

In the financial year 2020-21, the net sales for your Company decreased to ₹ 6261.78 million as against ₹ 7718.68 million in the previous year, marking a fall of 18.88%. The operating EBITDA decreased to ₹ 34.12 million as against ₹ 305.16 million in the previous year, down by 88.82 %. The operating EBITDA margin decreased to 0.55% of net sales as against 3.95% in the previous year. Loss Before Tax was ₹ 431.24 million as against loss before tax of ₹ 340.28 million in the previous year, down by 26.73 %. The Loss After Tax was ₹ 329.15 million as against Loss after tax of ₹ 312.15 million in the previous year, down by 5.45%.

**Key Ratios**

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018, the Company is required to provide details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor. The key financial ratios are given below:

Ratios	FY 2020-21	FY 2019-20	Reason
Debtors Turnover	0.19	0.15	Mainly due to a lower turnover base on account of the pandemic.
Inventory Turnover	0.22	0.22	-
Interest Coverage Ratio	-0.70	-0.16	The decrease was mainly on account of a lower operating margin.
Current Ratio	1.19	1.19	-
Debt Equity Ratio	0.53	0.50	-
Operating Profit Margin (in %)	0.54%	3.95%	Degrowth in topline on account of the pandemic lead to a fall in operating profit margin
Net Profit Margin (in %)	-5.26%	-4.04%	As a result of lower operating margin, the net profit margin was also low
Return on Net Worth (in %)	-18.52%	-14.84%	Return on net worth was lower primarily on account of loss incurred during the year

### Opportunities:

1. India is a consumption led economy with private consumption forming ~ 60% of GDP. Increasing aspirations and affordability will continue to drive consumption. Further, the Indian Government's focus on skill development, job creation, infrastructure, manufacturing and investments will act as pull up factors for India's inclusive growth agenda. Several factors will continue to drive the consumption and contribute to the economy, which include:

- Favorable demographics
- steady growth of urbanization
- Increase in purchasing power
- Growing young and working population
- Increasing penetration of mobile technology and internet infrastructure that is altering consumer behaviour

2. The Company has come up with a gamut of stylish and fashionable products for the younger generation. Khadim is increasing its foray towards the younger crowd in addition of its position as a family brand. As 78 % of Indian Population is estimated to be the below 45 years of age, there is huge

opportunity for the Company to grow in this domain.

3. Platforms of growth

Omni-Channel Platform: Development of Omni-Channel capabilities help to improve consumer experiences considerably. It also helps to reduce logistics cost, improves working capital efficiency and customer experience. Khadim continues to enhance omni-channel sales strategy to achieve seamless flow of products between online and offline sale mechanisms to expand its customer base.

Ecommerce: Shoes have become one of the most popular products sold on e-commerce platforms. The convenience and ease of shopping on online platforms have led to a rapid shift in consumer behaviour. Online shopping offers greater variety as well as affordable rates, attracting more customers towards this channel. This provides better opportunities for the Company to take its products closer to the consumer.

New Initiatives: The Company has come up with several innovative ideas to reach out to its customers and provide them with delightful shopping experience during this trying time. Social distancing being the need of the hour, initiatives like Khadim's Near Me, Khadim's

On the Go, Khadim's Hot Spot and Whatsapp bot have provided the customers safe shopping experience. They now have access to their desired products from the comfort of their home / vicinity without worrying.

### Risk, threats, concerns and mitigation

#### Macroeconomic Risk:

Definition: The year under review was marked by many challenges, especially the outbreak of the Covid-19 pandemic which caused severe disruptions across the globe. This might have an adverse impact on the company's operations.

Mitigation: The Company's ability to strategize ahead of time enables it to take timely actions and reduce adverse impact of any uncertainties. Further, its asset light business model and diverse presence allows it to de-risk its operations.

#### Market Competition:

Definition: The Company operates in an extremely competitive market and faces stiff competition from unorganised and organised players alike. In order to mitigate any adverse impact on its operations and financial position, it needs to stay ahead of its peers.

Mitigation: The Company maintains a sharp focus on design, price and quality to meet evolving customer demands. Further, its ability to

offer new and unique products at affordable prices enable the Company to stay ahead of others in the industry.

### **Human Resources**

The Company ensures emphasis on Human Resource Development and Management through continuous touch base and initiatives. The Company provides a lot of opportunities internally for employees to grow and a lot of employees have taken larger roles and are performing well.

Rigorous and continuous training for the Store Sales force has been maintained through On-the-job training and instructor-led virtual sessions. The Company has always tried to develop quality of knowledge base to ensure business can thrive even under challenging scenario. Khadim has maintained its strong relationships with the premium institutes of the country in the domain of footwear, manufacturing, retail and management from where its high potential employees get chance to enhance their qualification. Internal process in your Company in terms of recruitment has been maintained as per laid down process and business requirement. The Company has taken various initiatives in enhancing the engagement and commitment of employees.

The Company continued to successfully run the virtual training platform for its employees through in-house developed mobile based app, virtual ILTs (Instructor Led Training) and other various channels. Amidst the concerns of pandemic your Company has undertaken extensive interventions for 1500+ stakeholders from retail domain to ensure business continuity over phased training sessions and awareness programs.

As on March 31, 2021 there were 740 permanent employees on the rolls of your Company.

### **Internal Control Systems and Their Adequacy**

Internal Audit of your Company is keeping a close vigil on a regular basis on the overall adequacy and effectiveness of the organisation's framework on governance, risk management and control (that is, the organisation's system of internal control). This is achieved through a defined plan of audit work approved by the Audit Committee. In addition to the planned transaction audit, Internal Audit has taken up operational audit and proprietary audit in the framework. Khadim has an adequate system of internal control procedures, which is commensurate with the size and nature of business. All the assets

are safeguarded and protected against loss. Furthermore, all the transactions are authorised, recorded and reported correctly. The internal control systems of your Company are monitored and valued by internal auditors and their audit reports are periodically reviewed by the Audit Committee.

### **Cautionary Statement**

This document contains statements about expected future events, financial and operating results of Khadim India Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Khadim Annual Report for FY 2021.



# Board's Report

The Directors are pleased to present the 40<sup>th</sup> Annual Report on the business and operations of Khadim India Limited ("the Company") together with the Audited Financial Statements for the financial year ended March 31, 2021.

## Financial Highlights

The Financial Highlights are set out below:

Particulars	In ₹ million			
	Consolidated		Standalone	
	2020-21	2019-20	2020-21	2019-20
Revenue from Operations	6261.78	7718.68	6261.78	7718.68
Other Income	180.79	66.71	180.79	66.71
<b>Total Income</b>	<b>6442.57</b>	<b>7785.39</b>	<b>6442.57</b>	<b>7785.39</b>
Less: Expenditure	6227.95	7414.06	6227.66	7413.52
<b>Profit before Depreciation, Interest and Tax</b>	<b>214.62</b>	<b>371.33</b>	<b>214.91</b>	<b>371.87</b>
Depreciation	392.40	419.36	392.40	419.36
Interest	253.75	292.79	253.75	292.79
<b>Profit / Loss before tax</b>	<b>(431.53)</b>	<b>(340.82)</b>	<b>(431.24)</b>	<b>(340.28)</b>
Provision for Taxation				
- Current and deferred Tax	(102.09)	(28.13)	(102.09)	(28.13)
<b>Profit / Loss for the year after tax</b>	<b>(329.44)</b>	<b>(312.69)</b>	<b>(329.15)</b>	<b>(312.15)</b>

## Dividend

In view of the losses incurred by the Company during the financial year 2020-21, the Board of Directors of the Company are unable to recommend dividend on equity shares.

## General Reserve

No amount has been transferred to the General Reserve for the financial year ended March 31, 2021.

## COVID-19 Pandemic

The outbreak of Covid-19 Pandemic has affected economies worldwide making the fiscal year 2020-21 arduous. The market demand and supply for retail sector have been badly affected due to delay in availability of vaccines and increased instances of variants and infections. The Company's manufacturing and sales operations were hit substantially due to the nation-wide stringent lockdown imposed by the Government of India from the end of March 2020 to mid of May 2021 which brought the economic activities to a standstill resulting adverse impact on revenue growth and profitability of the Company in the first quarter of FY 2021.

With the gradual lifting of the lockdown, the Company restarted its operations in a phased manner by prioritizing the safety and security of employees, customers and other stakeholders. The office, manufacturing facilities, retail stores and warehouses pan India are being sanitized at regular intervals. All safety protocols of temperature sensing, wearing of safety gears (masks, face shields, etc.), social distancing, sanitizing and washing hands are being adhered to very stringently. However, the production of finished footwear was less due to shortage in supply of raw material. The restriction in movement have led to depression in market and decrease in manpower requirement which further resulted in idling of work force.

In order to emerge out as a strong organization, the Company has undertaken various proactive cost-optimisation measures including temporary reduction of salaries of Whole-time Directors and all level of employees, rent negotiations / reductions, consolidation of activities and closure of loss making retail stores, reduction in marketing and advertisement activities etc. The Company also increased its concentration on online sales and encouraged "Go Cashless" drive for online payment. The Company also shifted its focus towards omni-channel technologies and digital communication via Whatsapp, Instagram, facebook etc. for frequent interaction with the customers.

# Board's Report

The primary objective of the Company is to ensure the safety and well-being of our employees at all levels. In response to health crisis, the Company has adopted various Covid practices and safety protocols for the purpose of smooth functioning of its operations. Online training programs were conducted to guide employees to adhere to Covid protocols. Vaccination arrangements have also been made for ensuring safety of employees.

Even though the Covid-19 Pandemic is into existence, the economic activities have started recovering with the gradual relaxation in mobility restrictions. The Company is closely monitoring the market trend and behavior and continuously leveraging the opportunities to increase penetration in the domestic market.

## Operations and State of Company's Affairs

The revenue generated from operations for the financial year 2020-21 stood at ₹ 6261.78 million which was decreased by 18.88% from the financial year 2019-20. The loss after tax for the year was ₹ 329.15 million in comparison to loss after tax of ₹ 312.15 million for the last financial year.

The details of Company's affairs has been included in the Management Discussion and Analysis Report, forming part of this report.

## Internal Controls

The details in regard to Internal Financial Control 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 regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 are available in the Notes to the Financial Statements. A certificate from M/s. Deloitte Haskins & Sells, Statutory Auditors of the Company with respect to the implementation of the Company's ESOP 2017 would be available for inspection by the shareholders during the Annual General Meeting. A copy of the same will also be available for inspection at the registered office of the Company.

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 Khadim Employee Stock Option Plan 2021 ("ESOP 2021").

## Share Capital

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

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

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

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

# 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.

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, 2021.

## **Subsidiaries, joint ventures and associate companies**

The Company has incorporated a wholly owned subsidiary in Bangladesh in the name of Khadim Shoe Bangladesh Limited, which is registered with the Registrar of Joint Stock Companies and Firms, Bangladesh, on September 05, 2019. There are no 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, a statement containing the salient features of financial statements of the Company's subsidiary in Form No. AOC-1 is attached to the financial statements of the Company.

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

## **Deposits**

The Company has not accepted any deposit from public within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 and as such no unclaimed / unpaid matured deposits or interest thereon was due as on March 31, 2021.

## **Corporate Social Responsibility**

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

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII thereof and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has undertaken CSR activities, during the year under review, in the field of Protection of Flora & Fauna and Promotion of health care including preventive health care. The Annual Report on CSR activities for the financial year ended March 31, 2021 along with the composition of CSR Committee is marked as Annexure - I and forms part of this Report.

## **Risk Management Policy**

The Company's Risk Management Policy recognizes that risk is an integral part of any business and the Company is committed to manage the risk in a proactive and efficient manner.

# Board's Report

## 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 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 was also of the opinion that Independent Directors meet 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 pursuant to the Notification of Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019.

The members of the Company at its 39<sup>th</sup> Annual General Meeting held on September 23, 2020 had approved the appointment of Mr. Rittick Roy Burman (DIN: 08537366) as Director, liable to retire by rotation and also as Whole-time Director (Whole-time Key Managerial Personnel) of the Company for a period of 3 (three) years with effect from November 08, 2019.

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. The brief profile of Mr. Roy Burman and other relevant information under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings with respect to remuneration to Director has been provided in the Notice convening Annual General Meeting.

Prof. (Dr.) Surabhi Banerjee, Independent Director was appointed by the Members at the 36<sup>th</sup> Annual General Meeting held on September 16, 2017 for a term of 5 (Five) consecutive years from May 25, 2017 till May 24, 2022. The said tenure will expire due to efflux of time. The Board vide its Meeting held on June 17, 2021 had approved the re-appointment of Prof. (Dr.) Surabhi Banerjee for a second term of 5 (Five) consecutive years, commencing from May 25, 2022 to May 24, 2027, subject to the approval of the members at the ensuing Annual General Meeting. The brief profile of Prof. (Dr.) Surabhi Banerjee and other relevant information under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings with respect to Director seeking re-appointment have been provided in the Notice convening Annual General Meeting.

## Pursuant to the provisions of Section 203 of the Companies Act, 2013 the Key Managerial Personnel of the Company as on March 31, 2021 are:

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2021 are:

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

# Board's Report

## 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 June 30, 2020 and February 10, 2021 during the year under report.

## Company's Policy on Appointment and Remuneration of Directors

The Company has been following a policy namely "Nomination and Remuneration Policy" with respect to appointment and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel. The appointment of Directors, KMP and Senior Management Personnel is subject to the recommendation of the Nomination and Remuneration Committee (NRC). Based on the recommendation of the NRC, the remuneration of Executive Director comprises of Basic Salary, Perquisites, Allowances and Commission in accordance with the provisions of the Companies Act, 2013. The remuneration of Non-Executive Directors comprises of sitting fees and commission in accordance with the provisions of Companies Act, 2013.

## Nomination and Remuneration Policy

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of the Directors, Key Managerial Personnel and Senior Management Personnel;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy;
- Directors' induction and continued updation as and when required of their roles, responsibilities and liabilities;
- Formulation of criteria for performance evaluation of the Board, its Committees and Directors including Independent Directors / Non-Executive Directors;
- 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
- 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.

# Board's Report

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

## Meetings of the Board

During the year, six meetings of the Board were held. The details of meetings of the Board held during the financial year 2020-21 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, 2021 is available on the Company's website [www.khadims.com](http://www.khadims.com).

## Particulars of contracts and arrangement with Related Parties

All transactions entered by the Company with Related Parties during the financial year 2020-21 as defined under Section 2(76) of the Companies Act, 2013 read with the Companies (Specification of Definitions Details) Rules, 2014 were in the Ordinary Course of Business and at Arm's Length pricing basis. There were no materially significant transactions with Related Parties during the financial year 2020-21, which were in conflict with the interest of the Company. Suitable disclosures as required under Ind AS-24 have been made in the Notes to the financial statements.

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

## Secretarial Standards

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

## Directors' Responsibility Statement

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

- a) in the preparation of the annual accounts for the financial year ended March 31, 2021, 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the Loss 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;

# Board's Report

- 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, 2021.

## Reporting of Fraud by Auditors

During the year under review, the Statutory Auditors and Secretarial Auditor 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.

## Statutory Auditors' Report

The Report by M/s. Deloitte Haskins & Sells (Firm Registration No. 302009E, Chartered Accountants) for the financial year 2020-21, 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.

## Statutory Auditors

M/s. Deloitte Haskins & Sells (Firm Registration No. 302009E, Chartered Accountants) were re-appointed by the members of the Company at the 37<sup>th</sup> Annual General Meeting as Statutory Auditors of the Company for a second term of 5 (Five) consecutive years commencing from the conclusion of the Annual General Meeting held on September 06, 2018 till the conclusion of the 42<sup>nd</sup> Annual General Meeting to be held in the year 2023.

## Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rules made thereunder, the Company had re-appointed Mr. Binod Kumar Gupta (Membership No. A12965, C.P. No. 3242) of M/s. BKG & Company, Company Secretaries to conduct the Secretarial Audit for the financial year 2021-22.

The Secretarial Audit Report for the financial year ended March 31, 2021 is annexed herewith and marked as Annexure - II to this report.

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

## Cost Auditors

Although the Company is not coming under the purview of compulsory cost audit as per the Companies Act, 2013, your Company has continued with the services of the Cost Auditors for the financial year 2020-21.

## 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 2020-21, the Company has not made any investment, has not given any loans, has not provided any guarantees, has not provided any security in connection with any loan, has not acquired securities by way of subscription, purchase or otherwise in excess of the thresholds provided in Section 186 of the Companies Act, 2013.

# Board's Report

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

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

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

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

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

Your Company firmly believes in providing a safe, supportive and harassment free workplace for each and every individual working for the Company through various interventions and practices and has zero tolerance for sexual harassment at workplace. It is the continuous endeavor of the management of the Company to create and provide an environment to all its employees that is free from discrimination and harassment including sexual harassment. The Company has adopted a policy on Prevention of Sexual Harassment at Workplace. An Internal Complaint Committee (ICC) with requisite number of representatives has been set up to redress complaints relating to sexual harassment, if any. The Policy is gender neutral. All employees (permanent, contractual, temporary, trainees) are covered under this Policy.

The Policy under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed there under is available in the website of the Company at [www.khadims.com](http://www.khadims.com). No complaints relating to the sexual harassment has been received during the year under report.

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

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

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

## **Corporate Governance**

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

## **Management Discussion and Analysis Report**

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



# Board's Report

## Cautionary Statement

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

## Acknowledgement

Your Directors would like to express their sincere appreciation and gratitude for the assistance and cooperation received from the financial institution, banks, merchant bankers, legal consultants, registrar, government authorities, customers and vendors during the year under review.

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

Your Directors grieve for the life lost due to Covid-Pandemic and place on record their immense appreciation for the contribution and committed service by the executives, staffs and workers of the Company.

For and on behalf of the Board of Directors

Place: Kolkata  
Date: June 17, 2021

**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, 2021

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

Your Company believes that the true and full measure of growth, success and progress lies beyond balance sheets or conventional economic indices. It is best reflected in the difference that business and industry make to the lives of people. Through its CSR activities, your Company takes sustainable initiatives in the areas of health, environment conservation etc.

Your Company takes up CSR programme, which benefits the communities in and around the vicinity of its operational presence and over a period of time, results in enhancing the quality of life of the people in those areas.

### 1. CSR Policy - Brief Outline and Overview:

The CSR Policy of your Company elucidates the responsibilities of the CSR Committee for achieving the Company's CSR goals. The main objective of CSR Policy is to lay down guidelines for CSR activities of the Company and undertake various social initiatives that complement corporate mandate and benefit the community at large.

### 2. Composition of CSR Committee:

The composition of Corporate Social Responsibility Committee and details of attendance of the members during the year 2020-21 are as under:

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

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

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

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

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

Sl. No	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
		Not Applicable	

# Annexure - I

## 6. Average net profit of the Company as per Section 135(5): ₹ 167.43 million

7. a. Two percent of average net profit of the Company as per Section 135(5) : ₹ 3.35 million
- b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil
- c. Amount required to be set off for the financial year, if any : Nil
- d. Total CSR obligation for the financial year (7a+7b-7c) : ₹ 3.35 million

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

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

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

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

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of Activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project State District	Amount spent for the project (in ₹ million)	Mode of Implementation - Direct (Yes / No)	Mode of Implementation - Through Implementing Agency Name CSR Registration Number
1.	Maintenance and Beautification of Parks & Gardens in collaboration with South Dumdum Municipality, Kolkata	Protection of Flora and Fauna	Yes	Kolkata West Bengal	1.63	Yes	Not Applicable
2.	Donation for running cost of Khadim Supported HelpAge India Mobile Health Unit.	Promotion of health care including preventive health care	Yes	Kolkata West Bengal	1.84	Yes	Not Applicable

# Annexure - I

- (d) **Amount spent in Administrative Overheads:** Nil
- (e) **Amount spent on Impact Assessment, if applicable:** Nil
- (f) **Total amount spent for the financial year (8b+8c+8d+8e):** ₹ 3.47 million
- (g) **Excess amount for set off, if any:**

Sl. No	Particular	Amount (in ₹ million)
(i)	Two percent of average net profit of the Company as per Section 135(5)	3.35
(ii)	Total amount spent for the financial year	3.47
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.12
(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)]	0.12

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

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

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

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

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

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

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

For and on behalf of the Board of Directors

Place: Kolkata  
Date: June 17, 2021

**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 31<sup>ST</sup> MARCH, 2021

[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**  
"Kankaria Estate", 5<sup>th</sup> Floor  
6, Little Russell Street,  
Kolkata-700071

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** (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, 2021, 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 31st March, 2021 according to the provisions of:

- i. The Companies Act, 2013 ("the Act") and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. (Not applicable to the Company during the Audit Period);
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
- vi. The company is mainly engaged in the business of Footwear Industry and on examination of the relevant documents and records in pursuance thereof and as confirmed by the management, we believe that no specific law is applicable to the Footwear Industries in India.

# Annexure - II

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.

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

1. Confirmation of appointment of Mr. Rittick Roy Burman (DIN: 08537366) as Whole-time Director of the Company at the Annual General Meeting held on 23/09/2020.

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

**(BINOD KUMAR GUPTA)**  
Partner  
(ACS-12965, C. P. No.- 3242)  
UDIN- A012965C000480465

Place: Kolkata  
Date: 17/06/2021

**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**  
Kankaria Estate, 5th Floor  
6 Little Russell Street,  
Kolkata-700071

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

Place: Kolkata  
Date: 17/06/2021

**(BINOD KUMAR GUPTA)**  
Partner  
(ACS-12965, C. P. No.- 3242)  
UDIN- A012965C000480465

# Annexure - III

Information under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors Report for the year ended March 31, 2021

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

### A. CONSERVATION OF ENERGY

#### 1. The steps taken or impact on conservation of energy:

- a) Usage of heavy duty capacitor banks to maintain power factor at 0.98 an average to obtain maximum utilization of active power (KW) in respect of apparent power (KVA) and also maintaining the same to get rebate from the supply authority.
- b) Installation of screw compressor of latest technology for saving energy.
- c) Promotion to energy efficiency lighting solution such as Light Emitting Diode (LED) in place of conventional higher energy consumed lights.
- d) Use of Translucent sheets along with natural air driven turbo vents on roof of the working floor to utilize day light as well as natural air circulation in shop floor area.
- e) Use of Variable Frequency Drive (VFD) in motor operated conveyor for saving energy.
- f) Optimization of different processing steps for maximum utilization of input energy.
- g) Use of recycled water for cooling tower application.
- h) Installation of wide range energy efficient Air compressors for reliable low, medium and high pressure application.
- i) Use of high efficiency Infrared Heater (NR Lamp) for saving electrical power as well as operation time.
- j) Replacing conventional AC units (Split & AHU) with energy efficiency AC units.
- k) Usage of Ridge Vent shed to utilize day light as well as natural air circulation in the floor area of Panpur factory.
- l) Campaign for awareness of energy saving at retail outlets & warehouses.

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

Introduction of "Solar Energy" is under evaluation.

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

Amount spent on energy efficiency LED Lights was ₹ 0.22 million during the financial year 2020-21.

### B. TECHNOLOGY ABSORPTION

1. Efforts made towards technology absorption	2. Benefits derived like product improvement, cost reduction, product development or import substitution
a. Introduction of IMC Coating in PU footwear.	a. Savings in capital expenditure of ₹ 1 million and increase in production of double colour product by 2 times.
b. Modification in Capacitor Panel.	b. Savings in electricity cost upto ₹ 0.1 million per month.
c. Installation of hydraulic oil filter machine.	c. Less use of oil and saving of cost upto ₹ 0.3 million
d. Development of oil seals.	d. Saving in cost of import and procurement lead time.



# 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 2020-21 was ₹ 0.95 million.

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year 2020-21, the foreign exchange earnings of the Company was Nil as against ₹ 7.55 million in the previous year. The expenditure in foreign exchange during the financial year 2020-21 was ₹ 474.56 million as compared to ₹ 578.13 million in the previous year.

For and on behalf of the Board of Directors

Place: Kolkata  
Date: June 17, 2021

**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

1. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21:

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	23.49	78.30
Mr. Rittick Roy Burman	Whole - time Director	1.98	6.60

### Notes:

- Median remuneration for the financial year 2020-21 is ₹ 0.30 million per annum.
  - The remuneration to the Chairman & Managing Director and Whole-time Director is within the overall limits approved by the shareholders of the Company.
  - The Non-Executive Directors are entitled to sitting fees and commission as per the provisions of the Companies Act, 2013. The Board of Directors have proposed to pay commission to the all Independent Directors of the Company on the basis of the recommendation of the Nomination and Remuneration Committee, subject to approval of the members of the Company. Hence, the ratio of remuneration and percentage change is not considered. The details of remuneration of the Non-Executive Directors have been provided in the Corporate Governance Report.
  - Appointment of Mr. Rittick Roy Burman (DIN: 08537366) as Director, liable to retire by rotation and also as Whole - time Director (Key Managerial Personnel) of the Company for a period of 3 (Three) years with effect from November 08, 2019 had been confirmed by the members of the Company at its Annual General Meeting held on September 23, 2020.
  - Considering the impact of Covid - 19 pandemic on business of the Company, Mr. Siddhartha Roy Burman and Mr. Rittick Roy Burman waived off 25% of their total remuneration for the financial year 2020-21.
2. The percentage increase / decrease in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager during the financial year 2020-21:

Name of Director(s) / Key Managerial Personnel(s)	Designation	Remuneration (in ₹ million)		Increase / Decrease in Percentage
		2020-21	2019 -20	
Mr. Siddhartha Roy Burman	Chairman & Managing Director	23.49	31.15	-24.59%
Mr. Rittick Roy Burman <sup>§</sup>	Whole - time Director	1.98	1.07	-27%
Ms. Namrata Ashok Chotrani <sup>£*</sup>	Chief Executive Officer	5.67	3.06	-38%
Mr. Indrajit Chaudhuri*	Chief Financial Officer	3.03	4.08	-25.74%
Mr. Abhijit Dan*	Company Secretary & Head - Legal	1.69	2.27	-25.56%

<sup>§</sup> Appointed as Whole - time Director (Key Managerial Personnel) of the Company with effect from November 08, 2019. Hence, percentage calculation has been done on a proportionate basis.

<sup>£</sup> Appointed as Chief Executive Officer (Whole - time Key Managerial Personnel) of the Company with effect from November 01, 2019. Hence, percentage calculation has been done on a proportionate basis.

\* The decrease in percentage was due to temporary reduction in remuneration payable to Ms. Namrata Ashok Chotrani, Mr. Indrajit Chaudhuri and Mr. Abhijit Dan, as a cost optimization measure towards Covid-19 pandemic.

## Annexure - IV

3. The Percentage increase in the median remuneration of the employees in the financial year 2020-21:

Median remuneration of employees per annum	Remuneration (in ₹ million)		Increase / Decrease in Percentage
	2020-21	2019 -20	
	0.30	0.28	7.14

4. There were 740 permanent employees on the rolls of the Company as on March 31, 2021.
5. The Average percentile decrease already made in the salaries of employees of the Company other than the managerial personnel in the last financial year was 8% whereas the decrease in managerial remuneration was - 24 %.
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, 2021, were as per the Nomination and Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Place: Kolkata  
Date: June 17, 2021

**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, 2021

Top 10 Employees including employees employed throughout the financial year 2020-21 and was in receipt of remuneration, aggregating not less than ₹ 1,02,00,000/- per annum

Sl. No	SI. 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 Director or Manager of the Company
1	Mr. Siddhartha Roy Burman	Chairman & Managing Director	B.Com	38	23.49	Contractual	25-09-1990	59	N.A.	9.36	Father of Mr. Ritoban Roy Burman, Director (Non -Executive, Non-Independent Director) and Mr. Rittick Roy Burman, Whole-time Director
2	Namrata Ashok Chotrani	Chief Executive Officer	B.Com, MBA	12	5.67	Permanent	01-11-2019	35	Fairwinds Pvt. Ltd.	0.1037	-
3	Aranya Ray	GM - Supply Chain Management	M.sc, MBA	21	3.43	Permanent	13-08-2005	47	ITC Limited	0.0011	-
4	Indrajit Chaudhuri	Chief Financial Officer	M.Com, CA	19	3.03	Permanent	26-05-2007	47	P. C. Shah and Co.	0.0097	-
5	Tapas Ghosh	GM - Sales & Business Development	B.Com	25	2.80	Permanent	01-04-1997	50	N.A.	0.0019	-
6	Rajdeep Banerjee *	Business Head (E-Commerce)	B.Com, MBA	15	2.19	Permanent	01-07-2020	39	Flipkart India Pvt. Ltd.	-	-
7	Vivek Chandra Khare #	AVP - Distribution & Sales	B.Sc, MBA	22	2.18	Permanent	03-03-2020	46	Lakhani Footwear Pvt. Ltd.	-	-
8	Rajib Banerjee	DCM - Retail Operations & Business Development	B.Com, PCDM	24	1.98	Permanent	09-12-1999	46	IFB Finance Limited	0.0014	-
9	Rittick Roy Burman	Whole-time Director	B.Com, Management Graduate	10	1.98	Contractual	23-09-2010	29	-	0.00195	Son of Mr. Siddhartha Roy Burman (Chairman & Managing Director) and brother of Mr. Ritoban Roy Burman, Director (Non -Executive, Non-Independent Director)
10	Kaliprasad Majumder	DCM - Systems	B.Sc. (Hons), MCA, MBA	28	1.89	Permanent	01-06-2002	51	Matrix Infosystems Ltd.	-	-

\*Mr. Rajdeep Banerjee, Business Head (E-Commerce) resigned with effect from February 26, 2021. His remuneration has been provided upto his last working day excluding few payments in full and final settlement.

#Mr. Vivek Chandra Khare, AVP - Distribution & Sales resigned with effect from January 11, 2021. His remuneration has been provided upto his last working day excluding few payments in full and final settlement.

For and on behalf of the Board of Directors

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

Place: Kolkata  
Date: June 17, 2021

# Annexure - VI

## Report on Corporate Governance

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

Our philosophy of Corporate Governance is founded on the pillars of fairness, accountability, disclosures and transparency, equal treatment to all the stakeholders and social responsibility. Your Company believes that Corporate Governance extends beyond corporate laws. Its fundamental objective is not merely to fulfill legal requirements, but also the adherence to systems and procedures, ensuring the commitment of the Board of Directors in managing the Company's affairs in a transparent manner to maximize the long-term value of the stakeholders at large.

Your Company has adopted an appropriate Corporate Governance framework to ensure timely and accurate disclosure on all material matters including the financial position, performance, ownership and governance of the Company.

Your Company's policies and practices relating to the Corporate Governance are discussed in the following sections viz.:

### 2. BOARD OF DIRECTORS

#### Composition

The Board of Directors of your Company has an optimum combination of Executive and Non-Executive Directors to have a balanced Board Structure. The Board has six Directors (including one Woman Director), out of which two are Executive Directors, one is Non - Executive, Non- Independent Director and three are Non-Executive, Independent Directors of the Company.

The Chairman of the Board of Directors of your Company is an Executive Director and Promoter of the Company.

The Board having adequate mix of skills, expertise and competencies for running the business of the Company, following is the chart specifying 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-Independent Director	-	-	-	√	-	-

# Annexure - VI

Composition of the Board, details of other directorships, committee positions are given below:

Name	Directors Identification Number (DIN)	Category of Directors	Relationship with other Directors	No. of Directorships held (including Khadim India Limited)*	No. of Membership/ Chairmanship in Board Committees (including Khadim India Limited)@	
					Member	Chairperson
Mr. Siddhartha Roy Burman	00043715	Promoter (Executive - Chairman & Managing Director)	Father of Mr. Ritoban Roy Burman and Mr. Rittick Roy Burman	1	1	-
Mr. Rittick Roy Burman	08537366	Promoter Group (Whole-time Director)	Son of Mr. Siddhartha Roy Burman and brother of Mr. Ritoban Roy Burman	1	-	-
Dr. Indra Nath Chatterjee	00122677	Non-Executive, Independent Director	None	1	1	1
Prof. (Dr.) Surabhi Banerjee	07829304	Non-Executive, Independent Director	None	1	2	1
Mr. Alok Chauthmal Churiwala	02043221	Non-Executive, Independent Director	None	1	1	-
Mr. Ritoban Roy Burman	08020765	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, Companies under Section 8 of the Companies Act, 2013 (earlier Section 25 of the Companies Act, 1956) and Alternate directorships.

@ Only covers Membership / Chairmanship of Audit Committee and Stakeholders' Relationship Committee of Listed and Unlisted Public Limited Companies.

None of the Directors on the Board is a Member of more than 10 Board Committees and a Chairman of more than 5 such Committees, across all Companies in which he / she is a Director.

None of the Directors holds directorships in more than 20 Companies and more than 10 Public Companies pursuant to the provisions of the Companies Act, 2013.

Except in Khadim India Limited, none of the Directors holds Directorship in other listed company.

**The Board of Directors met 6 (Six) times during the year under review. The date of the Board Meetings and attendance thereat are furnished hereunder:**

Sl. No	Date of Board Meeting	No. of Directors Present
i.	June 30, 2020	5
ii.	July 14, 2020	6
iii.	August 28, 2020	5
iv.	November 11, 2020	6
v.	February 10, 2021	6
vi.	March 25, 2021	5

# Annexure - VI

In accordance with the relaxations granted by MCA and SEBI due to Covid - 19 Pandemic, all Board Meetings in the financial year 2020-21 were held through VC / 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 23, 2020
Mr. Siddhartha Roy Burman	6	Yes
Mr. Rittick Roy Burman	6	Yes
Dr. Indra Nath Chatterjee	6	Yes
Prof. (Dr.) Surabhi Banerjee	6	Yes
Mr. Ritoban Roy Burman	3	Yes
Mr. Alok Chauthmal Churiwala	6	Yes

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

As on March 31, 2021, none of the Non-Executive Directors hold any Share / Convertible instruments in the Company.

## Independent Directors:

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

All the Independent Directors have given declaration of independence as per the requirements of the Companies Act, 2013 and the Listing Regulations. The draft letter of appointment of Independent Directors is available on the website of the Company [www.khadims.com](http://www.khadims.com) and is available at the link: [https://www.khadims.com/terms\\_and\\_conditions](https://www.khadims.com/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, was held on June 30, 2020 and February 10, 2021.

## 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 2020-21, are uploaded on the website of the Company and can be accessed through web-link: <https://www.khadims.com/familiarization-programme-independent-director>.

## 3. COMMITTEES OF THE BOARD

Your Company's Board of Directors has constituted the following Statutory Committees to comply the requirements under the Companies Act, 2013 and the Listing Regulations, viz.:

- I. Audit Committee;
- II. Nomination and Remuneration Committee;
- III. Stakeholders' Relationship Committee; and
- IV. Corporate Social Responsibility Committee.

The Chairman of the Board, in consultation with the Company Secretary and the respective Chairman of these Committees, determines the frequency of the meetings of these Committees. The recommendations of the Committees are submitted to the Board for their approval. In accordance with the relaxations granted by MCA and SEBI due to Covid - 19 Pandemic, all Committee Meetings in the financial year 2020-21 were held through VC / OAVM.

# Annexure - VI

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; and
- l) Policy on Determination of Material Subsidiary
- m) Dividend Distribution Policy

## (I) Audit Committee

The Composition of the Audit Committee as on March 31, 2021, consists of following members viz.

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

The Company Secretary acts as the Secretary to the Committee.

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

- a. Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommending to the Board, the appointment, re-appointment, and replacement, remuneration, and terms of appointment of the statutory auditor and the fixation of audit fee;
- c. Review and monitor the auditor's independence and performance and the effectiveness of audit process;
- d. Approval of payments to the statutory auditors for any other services rendered by statutory auditors;
- e. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  1. Matters required to be stated in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013;
  2. Changes, if any, in accounting policies and practices and reasons for the same;
  3. Major accounting entries involving estimates based on the exercise of judgment by management;



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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;
  - 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; and
  - 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;

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- 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; and
- 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.
- 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 7 times during the financial year ended March 31, 2021 viz. June 30, 2020, July 14, 2020, August 28, 2020, November 11, 2020, November 23, 2020, February 10, 2021 and March 25, 2021.

The following table presents the details of attendance at the Audit Committee meetings held during the year ended March 31, 2021:

Members	Designation & Category	No. of Meetings Attended
Dr. Indra Nath Chatterjee	Chairman, Non-Executive - Independent Director	7
Prof. (Dr.) Surabhi Banerjee	Member, Non-Executive - Independent Director	7
Mr. Alok Chauthmal Churiwala	Member, Non-Executive - Independent Director	7

#### Notes:

The CEO, CFO and representatives of the Statutory Auditors and Internal Auditors are invitees to the Audit Committee Meetings and they attend the meetings. All the members of the Audit Committee have requisite accounting and financial management expertise.

Dr. Indra Nath Chatterjee, Chairman of the Audit Committee attended the previous Annual General Meeting held on September 23, 2020 and responded to the queries raised by the shareholders.

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

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

## (II) Nomination and Remuneration Committee

The Composition of the Nomination and Remuneration Committee as on March 31, 2021, 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.

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- e. Analysing, monitoring and reviewing various human resource and compensation matters;
- f. Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- g. Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- h. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- i. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- j. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - i. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or
  - ii. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
- k. Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and
- l. Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee.
- m. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

## Nomination and Remuneration Policy

The Company has formed a Nomination and Remuneration policy in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations and in order to harmonize the aspirations of human resources consistent with the goals of the Company which inter alia includes Company's policy on Board Diversity, selection, appointment and remuneration of Directors, criteria for determining qualifications, positive attributes, independence of a Director and criteria for performance evaluation of the Directors.

## Composition and attendance at Nomination and Remuneration Committee Meetings:

The Company's Nomination and Remuneration Committee met 2 (two) times during the financial year ended March 31, 2021 viz. June 30, 2020 and March 25, 2021.

The details of attendance of the members during the financial year 2020-21 are as under:

The following table presents the details of attendance at the Nomination & Remuneration Committee meetings held during the year ended March 31, 2021:

Members	Designation & Category	No. of Meetings Attended
Dr. Indra Nath Chatterjee	Chairman, Non-Executive - Independent Director	2
Prof. (Dr.) Surabhi Banerjee	Member, Non-Executive - Independent Director	2
Mr. Alok Chauthmal Churiwala	Member, Non-Executive - Independent Director	2

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## 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 2020-21:

The Non-Executive Directors of your Company are paid remuneration by way of sitting fees and Commission. Your Company paid Sitting Fees of ₹ 22,500 per meeting for attending meetings of the Board, Audit Committee, Nomination & Remuneration Committee, Meeting of Independent Directors and ₹15,000 per meeting for attending meetings of the Stakeholders' Relationship Committee and Risk Management Committee.

The Board of Directors vide its meeting held on June 30, 2020 had reduced the sitting fees for the financial year 2020-21 from ₹ 30,000 to ₹ 22,500 for attending meetings of the Board, Audit Committee, Nomination & Remuneration Committee, Meeting of Independent Directors, as a cost effective measure due to Covid - 19 Pandemic.

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

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

Details of remuneration paid / payable to the Non-Executive Directors for the financial year 2020-21 are as follows:

in ₹ million					
Members	Designation & Category	Salary	Commission	Sitting Fees	Total
Dr. Indra Nath Chatterjee	Non-Executive - Independent Director	-	0.10	0.38	0.48
Prof. (Dr.) Surabhi Banerjee	Non-Executive - Independent Director	-	0.10	0.40	0.50
Mr. Alok C Churiwala	Non-Executive - Independent Director	-	0.10	0.38	0.48
Mr. Ritoban Roy Burman	Non-Executive, Non-Independent Director	-	-	0.07	0.07

## Notes:

The remuneration paid to Non-Executive Directors includes commission and sitting fees paid towards attending the Board Meeting, Audit Committee Meeting and Nomination and Remuneration Committee Meetings and other Committee Meetings held during the year.

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

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

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## Remuneration paid to Executive Director

The remuneration of Executive Director(s) is decided by the Board of Directors / Recommendation of Nomination & Remuneration Committee as per the Company's remuneration policy and within the overall ceiling approved by shareholders.

The remuneration paid to Mr. Siddhartha Roy Burman (Chairman & Managing Director) for the financial year 2020-21 is ₹ 23.49 million inclusive of perquisites amounting to ₹ 0.83 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 2020-21 is ₹ 1.98 million. There is no separate provision for payment of severance fees.

The Board of Directors vide its meeting held on June 30, 2020 had approved the waiver of remuneration of Mr. Siddhartha Roy Burman (Chairman & Managing Director) and Mr. Rittick Roy Burman (Whole-time Director) upto 25% of the total remuneration payable to them for the financial year 2020-21, as a cost effective measure due to Covid - 19 Pandemic.

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, 2021, consists of following members viz.

1. Prof. (Dr.) Surabhi Banerjee - Chairperson
2. Mr. Siddhartha Roy Burman - Member
3. Mr. Ritoban Roy Burman - Member

Mr. Abhijit Dan, Company Secretary acts as the Secretary of the Committee and is the Compliance Officer of the Company.

During the year under review, one meeting of the Stakeholders' Relationship Committee was held on March 31, 2021. Prof. (Dr.) Surabhi Banerjee and Mr. Siddhartha Roy Burman attended the said meeting.

Prof. (Dr.) Surabhi Banerjee, Chairperson of the Stakeholders' Relationship Committee attended the previous Annual General Meeting held on September 23, 2020.

### 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.

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- d) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.
- e) Carrying out any other function as prescribed under the Listing Regulations, Companies Act, 2013 and the rules and regulations made thereunder, each as amended or other applicable law.

## **(IV) Corporate Social Responsibility (CSR) Committee**

The CSR Committee of the Board of Directors consists of following members viz.

1. Prof. (Dr.) Surabhi Banerjee - Chairperson
2. Mr. Siddhartha Roy Burman - Member
3. Mr. Ritoban Roy Burman - Member

The Company Secretary acts as the Secretary of the Committee

During the year under review, one meeting of the CSR Committee was held on August 28, 2020. Prof. (Dr.) Surabhi Banerjee and Mr. Siddhartha Roy Burman attended the said meeting.

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

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

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

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

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

Status report on number of shareholder complaints / requests received and replied by the Company during the year are as follows:

COMPLAINTS	Received	Resolved	Pending
Non Receipt / Non allotment of Shares	0	0	0
Non-receipt of refund order	0	0	0
Non-receipt of electronic credits	0	0	0
Non-receipt of dividend warrants	0	0	0
Non-receipt of Annual Report	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

## 5. General Body meetings

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

Year	Venue	Date	Time	Special Resolutions passed
2019-20	Meeting held through VC/OAVM	September 23, 2020	11:30 a.m.	Appointment of Mr. Rittick Roy Burman as the Whole-time Director of the Company.
2018-19	'Kala Kunj' (within the premises of Kala Mandir), 48, Shakespeare Sarani, Kolkata - 700017	August 08, 2019	11:30 a.m.	Re-appointment of Mr. Siddhartha Roy Burman (DIN: 00043715) as Chairman & Managing Director of the Company for a period of 5 years.
2017-18	Kalamandir, 48, Shakespeare Sarani, Kolkata - 700017	September 06, 2018	11.30 a.m.	i) Ratification of Khadim Employee Stock Option Plan, 2017 ("ESOP 2017"/ "Plan") ii) Ratification for Grant of Employee Stock Options to the employees of the existing / future Subsidiary Company(ies) and / or Holding Company(ies) under ESOP 2017 iii) Alteration of Main Object Clause of the Memorandum of Association of the Company.

\*Pursuant to General Circular Number 20/2020 dated May 05, 2020 read with General Circular Numbers 14/2020 and 17/2020 dated April 08,2020 and April 13, 2020 respectively issued by Ministry of Corporate Affairs (MCA) and Circular Number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by Securities Exchange Board of India (SEBI), the listed Companies were allowed to hold AGM through VC/OAVM without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (as amended), SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 and the aforesaid Circulars, the AGM of the Company was conducted through VC / OAVM.

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

In the financial year 2020-21, no resolution was passed through Postal Ballot.

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

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

Mr. A. K. Labh (FCS. F4848, CP No. 3238), Practicing Company Secretary was appointed as Scrutinizer for conducting Postal Ballot only by voting through electronic means (remote e-voting) in a fair and transparent manner.

The postal ballot was carried out as per the provisions of Sections 108, 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the General Circulars, issued by the Ministry of Corporate Affairs bearing No. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 22/2020 dated June 15, 2020, No. 33/2020 dated September 28, 2020 and No. 39/2020 dated December 31, 2020. The details of voting pattern of the Special Resolutions passed are as under:

Particulars	Voted in favour of the Resolution			Voted against the Resolution			Invalid Votes	
	Number of Members voted	Number of votes cast by them	% of total number of valid votes cast	Number of Members voted	Number of votes cast by them	% of total number of valid votes cast	Total number of Members whose votes were declared invalid	Total number of votes cast by them
<b>Resolution No. 1</b>	185	1,09,94,423	82.1188	65	23,94,011	17.8812	0	0
<b>Resolution No. 2</b>	175	1,09,93,711	82.1143	73	23,94,584	17.8857	0	0

As at date, no Special Resolution is proposed to be passed through Postal Ballot.

## 6. Disclosures

### i) Statutory Compliance, Penalties / Strictures

The Company has complied with rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India and any other statutory authority relating to capital market.

No penalty or stricture has been imposed on the Company by the Stock Exchanges or SEBI on any matter related to the capital markets, during the last three years.

### ii) Related Party Transactions

The Company has adopted the Related Party Transaction Policy which is available on its website: [www.khadims.com](http://www.khadims.com) and can be accessed at web link: <https://www.khadims.com/policy-on-related-party-transaction>

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

### iii) Subsidiary

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



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

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

## iv) Vigil Mechanism / Whistle Blower Policy

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

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

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

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

### Non-Mandatory Requirements

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

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

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

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9. The Company has complied with Corporate Governance Requirements specified in Regulation 17 to 27 to the extent applicable and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.
10. As per SEBI Notification dated January 04, 2017, we hereby confirm that no employee including Key Managerial Personnel or Director or Promoter of the Company has entered into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

## 11. Disclosure of Accounting Treatment

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

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

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

All the Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct of the Company for the year ended March 31, 2021.

### Declaration by the CEO on Code of Conduct as required by Schedule V of the Listing Regulations

As required under Regulation 34(3) read with Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Directors of the Board and Senior Management Personnel of Khadim India Limited (the 'Company') have affirmed, compliance with provisions of the applicable Code of Conduct of the Company during the financial year ended 31<sup>st</sup> March, 2021.

**For Khadim India Limited**

Sd/-  
**Namrata Ashok Chotrani**  
 Chief Executive Officer

## 13. CEO / CFO Certification

In terms of requirement of Regulation 17(8) of the Listing Regulations, Ms. Namrata Ashok Chotrani, CEO and Mr. Indrajit Chaudhuri, CFO of the Company have furnished certificate to the Board in the prescribed format certifying that financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The certificate has been reviewed by the Audit Committee and taken on record by the Board at the meeting held on June 17, 2021.

## 14. Directors' Responsibility Statement

The draft Directors' Responsibility Statement signed by Mr. Siddhartha Roy Burman, Chairman & Managing Director which is included in the Board's Report for the financial year 2020-21 been reviewed by the Audit Committee at its meeting held on June 17, 2021.

## 15. Reconciliation of Share Capital Audit Report

In terms of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, Reconciliation of Share Capital Audit is carried out on a quarterly basis by a Practicing Company Secretary with a view to reconcile the total admitted capital with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") and those held in physical form with the total issued, paid up and listed

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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.

## 16. Risk Management Policy

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

## 17. Code for Prevention of Insider Trading

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

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

During the year under review, the Company paid total fee (including out of pocket expenditure) of ₹ 4.19 million on a consolidated basis to M/s. Deloitte Haskins & Sells, Statutory Auditors of the Company and Nurul Faruk Hasan & Co. (Deloitte Bangladesh), Statutory Auditors of the Khadim Shoe Bangladesh Limited, a wholly owned subsidiary company.

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

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

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

Not Applicable, as the Company did not raise any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations.

## 21. Means of Communication

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

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

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

# Annexure - VI

## Uploading on NSE Electronic Application Processing System (NEAPS) & 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.

## 22. General Shareholder's information:

<b>a. Annual General Meeting</b>	
Date, time and venue	The 40 <sup>th</sup> Annual General Meeting (AGM) of the Company will be held on Tuesday, September 28, 2021 at 11:30 a.m. IST through Video Conferencing / Other Audio-Video Means pursuant to the MCA Circular dated May 05, 2020 read with circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 and as such there is no requirement to have a venue for the AGM.
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, 2021	First fortnight of August, 2021
Financial reporting for the half year ending September 30, 2021	First fortnight of November, 2021
Financial reporting for the quarter ending December 31, 2021	First fortnight of February, 2022
Financial reporting for the year ending March 31, 2022	By the end of May, 2022
c. Dates of Book Closure	Wednesday, September 22, 2021 to Tuesday September 28, 2021
d. Record date for Dividend	NA
e. Dividend Payment Date	NA
f. Listing on Stock Exchanges & Payment of Listing Fees	Your Company's shares are listed on: <b>BSE Ltd.</b> (BSE) Floor 27, P. J. Towers, Dalal Street, Mumbai - 400 001 <b>National Stock Exchange of India Limited</b> Exchange Plaza, Bandra- Kurla Complex, Bandra (E), Mumbai - 400 051 Your Company has paid the annual listing fee to both the exchanges
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, LBS 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, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

# Annexure - VI

j. Address for Correspondence	Mr. Abhijit Dan Company Secretary and Compliance Officer Khadim India Limited Kankaria Estate, 5 <sup>th</sup> Floor 6, Little Russell Street, Kolkata West Bengal-700071 Tel: +91- 33-40090501 Fax: +91-33-40090500 E-mail: compliance@khadims.com
k. Dematerialization of Shares and Liquidity	99.99% shares of your Company are held in the electronic mode as on March 31, 2021
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)
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	The Company has not issued any GDRs / ADRs / Warrants or any Convertible Instruments.
o. Plant Locations	<p><b>Kasba Factory</b> Khadim India Limited P - 31 &amp; S 26, Kasba Industrial Estate, Phase -III, Kolkata - 700107</p> <p><b>Panpur Factory</b> Khadim India Limited 25/1, 25/2 &amp; 25/3, Panpur Road, Mouza-Madral, P.O.- Narayanpur, P.S. Jagatdal, Dist- 24 Parganas (N)-743126</p> <p><b>Howrah Factory</b> Khadim India Limited NH-6, Village Baniara Jalan Complex, Gate No. 1, Howrah - 711411</p>
p. Details of Suspension of Securities from trading, if any	Not applicable
q. Commodity price risk or foreign exchange risk and hedging activities	The Company does not have commodity price risk. The details of foreign exchange exposures and hedging activities are provided in the Notes to the Financial Statements.
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.

# Annexure - VI

**j. Market Price Data: High and Low from April 01, 2020 to March 31, 2021 are mentioned below:**

[All prices in ₹]

Month	BSE		NSE	
	High	Low	High	Low
April , 2020	111.10	71.00	111.95	73.00
May, 2020	98.00	77.10	96.00	76.65
June, 2020	177.90	79.00	177.00	79
July, 2020	134.00	105.35	136.10	108.00
August, 2020	133.80	103.95	132.10	104.00
September, 2020	120.50	101.05	122.85	99.55
October, 2020	120.00	101.10	121.00	105.00
November, 2020	121.30	100.35	122.00	100.05
December, 2020	149.00	108.80	144.00	106.85
January, 2021	149.00	118.00	138.00	119.20
February, 2021	171.40	121.40	171.55	121.00
March, 2021	187.00	142.20	185.90	130.50

**k. Summary of Shareholding Pattern as on March 31, 2021**

Category of Shareholder	Number of Shareholders	Number of Shares held	Percentage of Shareholding
Promoter & Promoter Group	8	1,09,74,438	61.0722
Public	42,470	69,95,176	38.9278
<b>Total</b>	<b>42,478</b>	<b>1,79,69,614</b>	<b>100.00</b>

**l. Distribution of Shareholding as on March 31, 2021**

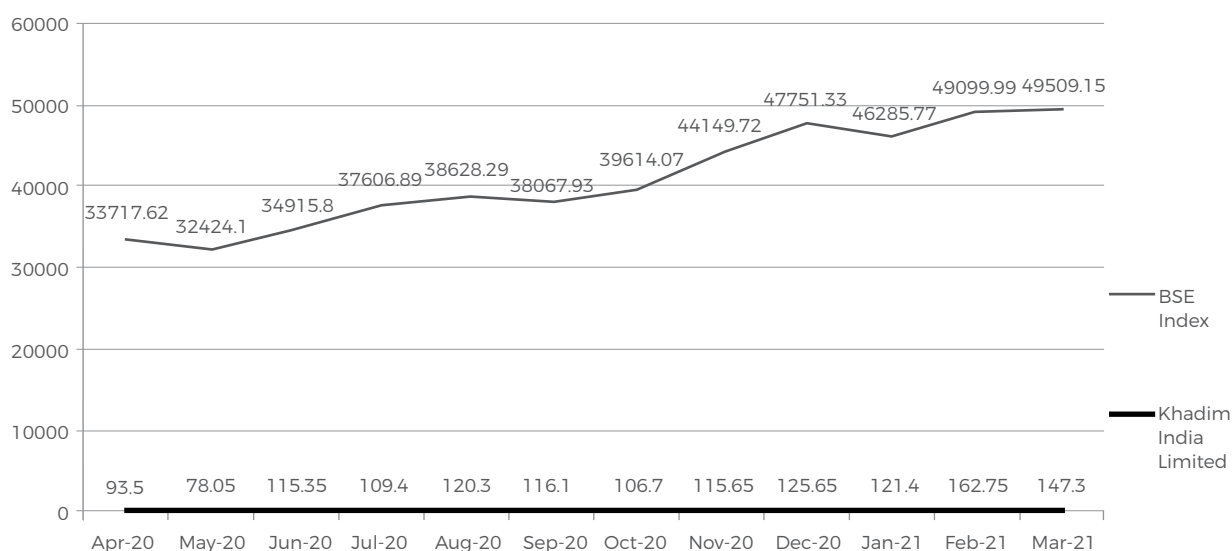
Category of Shareholder	Number of Shareholders	Number of Shares held	Percentage of Shareholding
1 - 500	41,480	16,91,920	9.42
501 - 1000	514	4,08,682	2.27
1001 - 2000	248	3,75,583	2.09
2001 - 3000	81	2,10,391	1.17
3001 - 4000	32	1,16,978	0.65
4001 - 5000	24	1,12,220	0.62
5001 - 10000	43	3,22,365	1.79
10001 and Above	56	1,47,31,475	81.98
<b>Total</b>	<b>42,478</b>	<b>1,79,69,614</b>	<b>100.00</b>

# Annexure - VI

## m. Bifurcation of shares held in physical and demat form as on March 31, 2021

Particulars	No. of Shares	Percentage (%)
Physical Shares (I)	20	0.00
Sub-Total	20	0.00
Demat Shares (II)		
NSDL (A)	56,00,841	31.17
CDSL (B)	1,23,68,753	68.83
Sub-Total (A+B)	1,79,69,594	100.00
<b>Total (I+II)</b>	<b>1,79,69,614</b>	<b>100.00</b>

## n. 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 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.

# Annexure - VI

## **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 8/2011 dated April 21, 2011 and April 29, 2011 respectively, has allowed companies to send official documents to their shareholders electronically as a part of its green initiatives in corporate governance.

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

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

**For and on behalf of the Board of Directors**

Place: Kolkata  
Date: June 17, 2021

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



# Annexure - VI

## Corporate Governance Certificate

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 13 October, 2020.
2. We, Deloitte Haskins & Sells, 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 2021, 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 Reports 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 and 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, 2021.
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 Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 302009E)

Place: Mumbai  
Date: 17 June, 2021

**Ketan Vora**  
Partner  
(Membership No. 100459)  
(UDIN: 21100459AAAAKR9172)

# Annexure - VI

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To  
The Members of  
**Khadim India Limited**  
"Kankaria Estate", 5<sup>th</sup> Floor,  
6, Little Russell Street Kolkata - 700 071

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 "Kankaria Estate", 5<sup>th</sup> Floor, 6, Little Russell Street, Kolkata - 700 071 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub Clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its Officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended March 31, 2021 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 & COMPANYY**  
Company Secretaries

**(BINOD KUMAR GUPTA)**  
Partner

(ACS-12965, C. P. No.- 3242)  
UDIN: A012965C000480476

Place: Kolkata  
Date: 17/06/2021

# **Financial Statements**

# Independent Auditor's Report

To The Members of **Khadim India Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Khadim India Limited ("the Company"), which comprise the Balance Sheet as at 31 March, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2021, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our 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 standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<b>Revenue Recognition</b>  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.  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.  The Company operates through two different revenue streams - sale to Wholesale customers and Retail customers.	<b>Principal Audit Procedures</b>  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: <ul style="list-style-type: none"> <li>• Assessing the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof.</li> <li>• Evaluating the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls.</li> </ul>

# Independent Auditor's Report

Sr. Key Audit Matter No.	Auditor's Response
<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 3.9 to the Standalone Financial Statements - Significant Accounting Policies.</p>	<ul style="list-style-type: none"> <li>• Evaluating the design and implementation of Company's controls in respect of revenue recognition.</li> <li>• Testing the effectiveness of such controls over the timing of recognition of revenue at the year-end.</li> <li>• Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the correct period.</li> <li>• Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.</li> </ul>

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone 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 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.

## Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, cash flows and changes in equity of the Company in accordance with the Ind AS 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

# Independent Auditor's Report

## Auditor's Responsibility 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 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 Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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 the economic decisions of a reasonably knowledgeable user of the standalone 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.

# Independent Auditor's Report

## 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.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 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 A". 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 36 of the standalone financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm Registration No. 302009E)

**Ketan Vora**  
(Partner)

Place: Mumbai  
Date: 17 June, 2021

(Membership No. 100459)  
(UDIN: 21100459AAAAKP5449)

# Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Khadim India Limited of even date)

## **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Khadim India Limited (“the Company”) as of 31 March, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 Companies Act, 2013.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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



# Annexure “A” to the Independent Auditor’s Report

(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)

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm Registration No. 302009E)

**Ketan Vora**  
(Partner)

(Membership No. 100459)  
(UDIN: 21100459AAAAKP5449)

Place: Mumbai  
Date: 17 June, 2021

# Annexure “B” to the Independent Auditor’s Report

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

- (i) 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 of property, plant and equipment.
  - (b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) With respect to immovable properties of acquired buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of making investments. According to the information and explanations given to us, the Company during the year has not granted any loan or provided any guarantee or security.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. There are no unclaimed deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Customs Duty, Cess, Goods and Services Tax and other material statutory dues applicable to it to the appropriate authorities. Sales Tax, Service Tax, Excise Duty and Value Added Tax were not applicable to the Company during the year.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Customs Duty, Cess, Goods and Services Tax and other material statutory dues in arrears as at 31 March, 2021 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.

## Annexure “B” to the Independent Auditor’s Report

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

- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Excise Duty, Customs Duty and Value Added Tax which have not been deposited as on 31 March, 2021 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount (Rupees in millions)
Income Tax Act, 1961	Income Tax	Deputy Commissioner of Income Tax	2007-09	1.11
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax Appeals	2016-18	0.41
West Bengal Value Added Tax Act, 2003	Sales Tax	West Bengal Taxation Tribunal	2011- 12 and 2015-16	1.08
Bihar Value Added Tax Act, 2005	Sales Tax	Joint commissioner of Commercial Tax (Appeals)	2012-15	2.93
<b>Total</b>				<b>5.53</b>

Out of the total disputed dues aggregating Rs. 5.53 million as above, Rs. 2.94 million pertains to matters which have been stayed for recovery by the relevant authorities.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings taken from banks. The Company has not taken any loan or borrowing from financial institutions and Government and not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

# Annexure “B” to the Independent Auditor’s Report

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

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding Company, or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm Registration No. 302009E)

**Ketan Vora**  
(Partner)

(Membership No. 100459)  
(UDIN: 21100459AAAAKP5449)

Place: Mumbai  
Date: 17 June, 2021

# Balance Sheet

as at 31<sup>st</sup> March 2021

(All amounts in Rupees millions unless otherwise stated)

	Notes	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>ASSETS</b>			
<b>1 Non - current assets</b>			
(a) Property, Plant and Equipment	4A	1,140.68	1,299.69
(b) Capital work - in - progress	4B	9.50	5.52
(c) Right of Use Asset	4C	1,153.45	1,467.56
(d) Intangible assets	4D	3.18	3.65
(e) Intangible assets under development	4E	1.49	0.88
(f) Financial Assets			
(i) Investments	5	0.85	0.85
(ii) Others	6	179.32	174.93
(g) Deferred tax assets (net)	7	197.99	101.23
(h) Income tax assets (net)	8	46.96	49.65
(i) Other non-current assets	9	97.89	116.34
<b>2 Current assets</b>			
(a) Inventories	10	1,406.79	1,696.50
(b) Financial Assets			
(i) Trade receivables	11	1,206.97	1,189.77
(ii) Cash and cash equivalents	12	12.14	43.00
(iii) Other Bank balances	13	26.83	36.00
(iv) Others	14	101.26	89.45
(c) Other current assets	15	719.59	709.63
<b>Total Assets</b>		<b>6,304.89</b>	<b>6,984.65</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	16	179.70	179.70
(b) Other Equity		1,829.61	2,155.28
<b>LIABILITIES</b>			
<b>1 Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	192.86	-
(ii) Lease liabilities	18	1,172.56	1,489.12
(b) Provisions	19	5.23	5.06
(c) Other non-current liabilities	20	1.92	2.92
<b>2 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	21	821.08	1,160.47
(ii) Lease liabilities	18	209.66	216.05
(iii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,670.27	1,581.65
(iv) Other financial liabilities	22	166.03	132.04
(b) Other current liabilities	23	54.51	57.74
(c) Provisions	24	1.46	2.81
(d) Income Tax Liabilities (net)	25	-	1.81
<b>Total Equity and Liabilities</b>		<b>6,304.89</b>	<b>6,984.65</b>

See accompanying notes to the financial statements.

In terms of our Report attached

For and on behalf of Board of Directors

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Ketan Vora**  
Partner

**Siddhartha Roy Burman**  
Chairman & Managing Director

**Rittick Roy Burman**  
Wholetime Director

**Namrata Ashok Chotrani**  
Chief Executive Officer

**Indrajit Chaudhuri**  
Chief Financial Officer

Place: Mumbai  
Date: 17th June 2021

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

# Statement of Profit and Loss

for the year ended 31<sup>st</sup> March 2021  
(All amounts in Rupees millions unless otherwise stated)

Particulars	Notes	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>I. Revenue From Operations</b>	26	6,261.78	7,718.68
<b>II. Other Income</b>	27	180.79	66.71
<b>III. Total Income ( I + II )</b>		<b>6,442.57</b>	<b>7,785.39</b>
<b>IV. Expenses :</b>			
Cost of materials consumed		1,416.00	1,708.36
Purchases of Stock-in-Trade		2,751.65	3,368.35
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	28	290.89	(164.49)
Employee benefits expense	29	608.06	732.70
Finance costs	30	253.75	292.79
Depreciation and amortization expense	4F	392.40	419.36
Other expenses	31	1,161.06	1,768.60
<b>Total expenses (IV)</b>		<b>6,873.81</b>	<b>8,125.67</b>
<b>V Loss before tax (III - IV)</b>		<b>(431.24)</b>	<b>(340.28)</b>
<b>VI Tax expense:</b>	32		
(1) Current tax		(4.73)	-
(2) Deferred tax		(97.36)	(28.13)
		<b>(102.09)</b>	<b>(28.13)</b>
<b>VII. Loss for the year ( V - VI )</b>		<b>(329.15)</b>	<b>(312.15)</b>
<b>VIII. Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss			
- Re-measurement gains/(losses) on defined benefit plans	36.2	2.37	(0.46)
(ii) Income tax relating to items that will not be reclassified to profit or loss	32	(0.60)	0.12
<b>Other Comprehensive Income/(Loss) for the year</b>		<b>1.77</b>	<b>(0.34)</b>
<b>IX Total Comprehensive Loss for the year</b>		<b>(327.38)</b>	<b>(312.49)</b>
<b>X. Earnings per equity share : [Nominal Value per Share ₹10/- (Previous year ₹10/-)]</b>	33		
(1) Basic (In ₹)		(18.32)	(17.37)
(2) Diluted (In ₹)		(18.32)	(17.37)

See accompanying notes to the financial statements.

In terms of our Report attached

For and on behalf of Board of Directors

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Ketan Vora**  
Partner

**Siddhartha Roy Burman**  
Chairman & Managing Director

**Rittick Roy Burman**  
Wholetime Director

**Namrata Ashok Chotrani**  
Chief Executive Officer

**Indrajit Chaudhuri**  
Chief Financial Officer

Place: Mumbai  
Date: 17th June 2021

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

# Statement of Changes in Equity

for the year ended 31<sup>st</sup> March 2021

(All amounts in Rupees millions, unless otherwise stated)

## (a) Equity Share Capital

Particulars	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
For the year ended 31 <sup>st</sup> March 2020	179.70	-	179.70
For the year ended 31 <sup>st</sup> March 2021	179.70	-	179.70

## (b) Other Equity

Particulars	Reserves and surplus				Total other equity
	Capital reserve -Amalgamation Reserve	Securities premium	Share options outstanding account	Retained earnings	
<b>As at 1<sup>st</sup> April 2019</b>	<b>231.92</b>	<b>1,221.83</b>	<b>8.27</b>	<b>1,235.00</b>	<b>2,697.02</b>
Loss for the year	-	-	-	(312.15)	(312.15)
Other comprehensive loss (net of tax)	-	-	-	(0.34)	(0.34)
<b>Total comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(312.49)</b>	<b>(312.49)</b>
Recognition of share based payment	-	-	1.04	-	1.04
Transfer from share option reserve on lapse	-	-	(0.86)	0.86	-
Amount adjusted from reserves on transition to Ind AS 116	-	-	-	(320.70)	(320.70)
Deferred tax asset recognised on transition to Ind AS 116	-	-	-	112.07	112.07
Dividend paid	-	-	-	(17.97)	(17.97)
Income tax on dividend paid	-	-	-	(3.69)	(3.69)
<b>As at 31<sup>st</sup> March 2020</b>	<b>231.92</b>	<b>1,221.83</b>	<b>8.45</b>	<b>693.08</b>	<b>2,155.28</b>
Loss for the year	-	-	-	(329.15)	(329.15)
Other comprehensive income (net of tax)	-	-	-	1.77	1.77
<b>Total comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(327.38)</b>	<b>(327.38)</b>
Recognition of share based payment	-	-	1.71	-	1.71
<b>As at 31<sup>st</sup> March 2021</b>	<b>231.92</b>	<b>1,221.83</b>	<b>10.16</b>	<b>365.70</b>	<b>1,829.61</b>

# Statement of Changes in Equity

for the year ended 31<sup>st</sup> March 2021  
(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 1<sup>st</sup> 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 **Deloitte Haskins & Sells**  
Chartered Accountants

**Ketan Vora**  
Partner

**Siddhartha Roy Burman**  
Chairman & Managing Director

**Rittick Roy Burman**  
Wholetime Director

**Namrata Ashok Chotrani**  
Chief Executive Officer

**Indrajit Chaudhuri**  
Chief Financial Officer

Place: Mumbai  
Date: 17th June 2021

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



# Cash Flow Statement

for the year ended 31<sup>st</sup> March 2021

(All amounts in Rupees millions, unless otherwise stated)

	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before Tax for the year	(431.24)	(340.28)
Adjustments for:		
Depreciation and amortization expense	392.40	419.36
Share based payments to employees	1.71	1.04
Loss on disposal of property, plant and equipment (net)	22.13	9.00
Interest Received	(25.14)	(17.74)
Gain arising on sale of financial assets mandatorily measured at Fair Value through Profit and Loss	(0.27)	(1.41)
Liabilities/Provisions no longer required written back	(113.81)	(6.93)
Government grant received	(1.05)	(1.21)
Provision for doubtful debts, advances and other assets	6.13	24.73
Debts/Advances written off	6.06	8.70
Foreign currency translations and transactions - Net	(0.59)	1.93
Finance costs	253.75	292.79
<b>Operating Profit before Working Capital Changes</b>	<b>110.08</b>	<b>389.98</b>
Adjustments for:		
Trade Receivables, Loans and Advances and Other Assets	(17.05)	72.22
Inventories	289.71	(146.55)
Trade Payables, Other Liabilities and Provisions	90.53	279.11
<b>Cash Generated from Operations</b>	<b>473.27</b>	<b>594.76</b>
Income taxes paid	5.62	(23.49)
<b>Net Cash generated from Operating Activities</b>	<b>478.89</b>	<b>571.27</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, intangible assets	(34.16)	(166.17)
Sale of property, plant and equipment, intangible assets	1.63	0.08
Investments in bank deposits	(35.38)	(6.75)
Maturity of bank deposits	43.01	17.69
Investment in Wholly-Owned Subsidiary	-	(0.85)
Purchase of Current Investments	(10.50)	(77.50)
Sale of Current Investments	10.77	78.91
Interest Received	3.96	2.62
<b>Net Cash used in Investing Activities</b>	<b>(20.67)</b>	<b>(151.97)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(125.91)	(139.08)
Dividend paid	-	(17.97)
Income tax on dividend paid	-	(3.69)
Repayment of lease liability	(261.50)	(325.50)
Payment of initial direct cost recognised as Right of Use Asset	(0.78)	(2.78)
Proceeds from issue of Commercial Paper	-	850.00
Redemption of Commercial Paper	-	(850.00)
Long term loans taken	260.00	-
Long term loans repaid	(21.50)	-
Short term loans taken/(repaid)	(295.68)	230.68
<b>Net Cash used in Financing Activities</b>	<b>(445.37)</b>	<b>(258.34)</b>
Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C)	12.85	160.96
Cash and Cash Equivalents at beginning of year	(620.79)	(781.75)
<b>Cash and Cash Equivalents at end of year</b>	<b>(607.94)</b>	<b>(620.79)</b>

# Cash Flow Statement

for the year ended 31<sup>st</sup> March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## Notes:

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

	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Cash Credit facilities	(620.08)	(663.79)
Cash and cash equivalents (Note 12)	12.14	43.00
<b>Cash and cash equivalents as above</b>	<b>(607.94)</b>	<b>(620.79)</b>

See accompanying notes to the financial statements.

In terms of our Report attached

For and on behalf of Board of Directors

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Ketan Vora**  
Partner

**Siddhartha Roy Burman**  
Chairman & Managing Director

**Rittick Roy Burman**  
Wholetime Director

**Namrata Ashok Chotrani**  
Chief Executive Officer

**Indrajit Chaudhuri**  
Chief Financial Officer

Place: Mumbai  
Date: 17th June 2021

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

# Notes to Financial Statements

for the year ended 31st March 2021

(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 "Kankaria Estate", 5th Floor, 6, Little Russell Street, Kolkata - 700071. The Company listed its equity shares on 14th November 2017 on BSE and NSE.

## 2 Adoption of new and revised Standards

### Impact of the initial application of new and amended Ind ASs that are effective for the current year

In the current year, the Company has applied the below amendments to Ind ASs that are effective for an annual period that begins on or after 1 April 2020.

#### I Amendments to Ind AS 116 - Covid-19 Related Rent Concessions:

The Company has adopted the amendments to Ind AS 116 for the first time in the current year. The amendments provide practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to Ind AS 116. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying Ind AS 116 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- (a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
- (c) There is no substantive change to other terms and conditions of the lease.

The Company has applied the practical expedient retrospectively to all eligible rent concessions and has not restated prior period figures.

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 ₹73.23 million has been accounted for as a negative variable lease payment in 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

#### II Amendments to Ind AS 103 - Definition of a business

The Company has adopted the amendments to Ind AS 103 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired. The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or Company of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 April 2020. The adoption of the amendments has not had any material impact on the disclosures or on the amounts

# Notes to Financial Statements

for the year ended 31st March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## II Amendments to Ind AS 103 - Definition of a business (Contd..)

reported in these financial statements.

## III Amendments to Ind AS 1 and Ind AS 8 - Definition of “material”

The Company has adopted the amendments to Ind AS 1 and Ind AS 8 for the first time in the current year. The amendments make the definition of material in Ind AS 1 easier to understand and are not intended to alter the underlying concept of materiality in Ind ASs. The concept of ‘obscuring’ material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from ‘could influence’ to ‘could reasonably be expected to influence’. The definition of material in Ind AS 8 has been replaced by a reference to the definition of material in Ind AS 1. In addition, the MCA amended other Standards that contain the definition of ‘material’ or refer to the term ‘material’ to ensure consistency.

The adoption of the amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements.

## IV Amendments to Ind AS 109 and 107 - Interest Rate Benchmark Reform

These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms. The amendments are not relevant to the Company given that it does not apply hedge accounting to its benchmark interest rate exposures.

## 3 Significant accounting policies

### 3.1 Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind ASs) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy as mentioned in Note 2.

### 3.2 Basis of preparation

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- I In the principal market for the asset or liability, or
- II In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

# Notes to Financial Statements

for the year ended 31st March 2021

(All amounts in Rupees millions, unless otherwise stated)

## 3.2 Basis of preparation (Contd..)

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.

## 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 1<sup>st</sup> April 2016 measured as per the previous GAAP.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

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

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

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

Buildings	- 30 – 60 Years
Leasehold Improvements	- Shorter of lease period or over 6 years
Plant and Equipment	- 5 – 15 Years
Furniture and Fixtures	- 10 Years
Vehicles	- 10 Years
Office Equipment	- 5 Years

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

# Notes to Financial Statements

for the year ended 31st March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## 3.5 Intangible Assets

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

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

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

## 3.6 Impairment of Tangible and Intangible Assets

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

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

## 3.7 Assets held for disposal

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

## 3.8 Inventories

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

## 3.9 Revenue Recognition

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

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made and the Company has performed its obligations. Revenue is measured at the fair value of the consideration received or receivable for goods supplied, net of returns and discounts to customers.

# Notes to Financial Statements

for the year ended 31st March 2021

(All amounts in Rupees millions, unless otherwise stated)

## 3.9 Revenue Recognition (Contd..)

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

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

## 3.10 Government Grant

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

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

## 3.11 Foreign Currency Transactions

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

## 3.12 Borrowing Cost

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

## 3.13 Retirement and Other Employee Benefits

### I Short-term employee benefits

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

### II Defined contribution plan

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

# Notes to Financial Statements

for the year ended 31st March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## 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.

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 2021

(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

# Notes to Financial Statements

for the year ended 31st March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## Deferred tax (Contd..)

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.

## 3.16 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 2021

(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.

## 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.

# Notes to Financial Statements

for the year ended 31st March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## 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 and 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 2021

(All amounts in Rupees millions, unless otherwise stated)

## 4A PROPERTY, PLANT AND EQUIPMENT

	GROSS BLOCK						
	As at 1 <sup>st</sup> April 2019	Additions during the year	Disposal/ adjustment during the year	As at 31 <sup>st</sup> March 2020	Additions during the year	Disposal/ adjustment during the year	As at 31 <sup>st</sup> March 2021
Buildings	649.36	47.71	-	697.07	1.29	-	698.36
Leasehold Improvements	319.82	43.25	11.20	351.87	9.15	34.57	326.45
Plant and equipment	591.28	69.28	19.39	641.17	14.61	2.02	653.76
Furniture and Fixtures	164.87	18.39	4.23	179.03	2.41	6.86	174.58
Vehicles	9.91	0.58	0.04	10.45	-	-	10.45
Office Equipment	33.57	8.22	2.28	39.51	1.18	0.47	40.22
<b>Total</b>	<b>1,768.81</b>	<b>187.43</b>	<b>37.14</b>	<b>1,919.10</b>	<b>28.64</b>	<b>43.92</b>	<b>1,903.82</b>
<b>4B Capital work - in - progress</b>	<b>17.08</b>			<b>5.52</b>			<b>9.50</b>

4A	ACCUMULATED DEPRECIATION/AMORTIZATION						NET BLOCK		
	As at 1 <sup>st</sup> April 2019	Additions during the year	Disposal/ adjustment during the year	As at 31 <sup>st</sup> March 2020	Additions during the year	Disposal/ adjustment during the year	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Buildings	49.69	18.65	-	68.34	18.66	-	87.00	611.36	628.73
Leasehold Improvements	142.84	55.28	10.19	187.93	43.59	16.19	215.33	111.12	163.94
Plant and equipment	179.13	85.12	12.88	251.37	76.24	0.42	327.19	326.57	389.80
Furniture and Fixtures	64.34	21.96	2.80	83.50	19.10	3.41	99.19	75.39	95.53
Vehicles	2.99	1.37	0.04	4.32	1.37	-	5.69	4.76	6.13
Office Equipment	21.57	4.51	2.13	23.95	4.99	0.20	28.74	11.48	15.56
<b>Total</b>	<b>460.56</b>	<b>186.89</b>	<b>28.04</b>	<b>619.41</b>	<b>163.95</b>	<b>20.22</b>	<b>763.14</b>	<b>1,140.68</b>	<b>1,299.69</b>
<b>4B Capital work - in - progress</b>							<b>9.50</b>		<b>5.52</b>

### Note:

The amount of expenditures recognized in the carrying amount of property, plant and equipment in the course of construction is ₹47.71 millions (Previous Year - ₹ 3.79 millions)

## 4C Right-to-use Assets

	GROSS BLOCK		
	Buildings	Land*	Total
<b>Recognition on initial application of Ind AS 116 as at 1<sup>st</sup> April 2019</b>	1,248.14	-	1,248.14
Reclassified on account of adoption of Ind AS 116	9.43	119.81	129.24
Additions during the year	337.66	-	337.66
Deletions during the year	(21.78)	-	(21.78)
<b>Gross Carrying Value as at 31<sup>st</sup> March 2020</b>	<b>1,573.45</b>	<b>119.81</b>	<b>1,693.26</b>
Additions during the year	74.32	-	74.32
Deletions during the year	(219.14)	-	(219.14)
<b>Gross Carrying Value as at 31<sup>st</sup> March 2021</b>	<b>1,428.63</b>	<b>119.81</b>	<b>1,548.44</b>

# Notes to Financial Statements

for the year ended 31st March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## 4C (Contd..)

	ACCUMULATED DEPRECIATION		
	Buildings	Land*	Total
<b>Accumulated Depreciation as at 1<sup>st</sup> April 2019</b>	-	-	-
Depreciation Expenses	225.70	2.19	227.89
Deductions / Adjustments	(2.19)	-	(2.19)
<b>Accumulated Depreciation as at 31<sup>st</sup> March 2020</b>	<b>223.51</b>	<b>2.19</b>	<b>225.70</b>
Depreciation Expenses	223.80	2.19	225.99
Deductions / Adjustments	(56.70)	-	(56.70)
<b>Accumulated Depreciation as at 31<sup>st</sup> March 2021</b>	<b>390.61</b>	<b>4.38</b>	<b>394.99</b>

	NET CARRYING VALUE		
	Buildings	Land*	Total
<b>Net Carrying Value as at 1<sup>st</sup> April 2019</b>	<b>1,248.14</b>	-	<b>1,248.14</b>
<b>Net Carrying Value as at 31<sup>st</sup> March 2020</b>	<b>1,349.94</b>	<b>117.62</b>	<b>1,467.56</b>
<b>Net Carrying Value as at 31<sup>st</sup> March 2021</b>	<b>1,038.02</b>	<b>115.43</b>	<b>1,153.45</b>

\*This includes land of ₹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 measuring 34.25 cottahs is under dispute for which legal proceeding is pending.

## 4D INTANGIBLE ASSETS

	GROSS BLOCK						
	As at 1 <sup>st</sup> April 2019	Additions during the year	Disposal/ adjustment during the year	As at 31 <sup>st</sup> March 2020	Additions during the year	Disposal/ adjustment during the year	As at 31 <sup>st</sup> March 2021
Computer software (acquired)	23.69	-	4.91	18.78	1.99	10.88	9.89

INTANGIBLE ASSETS	ACCUMULATED DEPRECIATION/AMORTIZATION						NET BLOCK		
	As at 1 <sup>st</sup> April 2019	Additions during the year	Disposal/ adjustment during the year	As at 31 <sup>st</sup> March 2020	Additions during the year	Disposal/ adjustment during the year	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Computer software (acquired)	15.46	4.58	4.91	15.13	2.46	10.88	6.71	3.18	3.65

## 4E INTANGIBLE ASSETS UNDER DEVELOPMENT

	GROSS BLOCK						
	As at 1 <sup>st</sup> April 2019	Additions during the year	Disposal/ adjustment during the year	As at 31 <sup>st</sup> March 2020	Additions during the year	Disposal/ adjustment during the year	As at 31 <sup>st</sup> March 2021
Computer software (acquired)	0.30			0.88			1.49

# Notes to Financial Statements

for the year ended 31st March 2021  
(All amounts in Rupees millions, unless otherwise stated)

4F DEPRICIATION AND AMORTIZATION EXPENSE	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Tangible Assets	163.95	186.89
Right-to-Use Assets	225.99	227.89
Intangible Assets	2.46	4.58
<b>Total</b>	<b>392.40</b>	<b>419.36</b>

## 5 INVESTMENTS - NON-CURRENT

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Investment in Equity Instruments (Unquoted)</b>		
<b>In Subsidiary (at cost)</b>		
Khadim Shoe Bangladesh Limited		
99 (Previous Year - 99) ordinary shares of BDT 10,000 each fully paid up	0.85	0.85
	<b>0.85</b>	<b>0.85</b>
Aggregate book value of unquoted investments	0.85	0.85

## 6 OTHER FINANCIAL ASSETS - NON-CURRENT

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Unsecured, Considered Good</b>		
Bank deposits with more than 12 months maturity		
- Against guarantees and letter of credit	9.37	7.47
- As security with Sales Tax Authorities	0.02	0.38
Security and other deposits	169.30	166.70
Employee Advances	0.63	0.38
<b>Total</b>	<b>179.32</b>	<b>174.93</b>

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

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Deferred tax assets	259.90	176.39
Less: Deferred tax liabilities	61.91	75.16
<b>Total</b>	<b>197.99</b>	<b>101.23</b>

### 7.1 Movement in deferred tax liabilities/assets balances

2020-21	Opening balance	Recognized in profit or loss	Recognized in Reserves	Recognized in OCI	Closing balance
<b>Deferred tax liabilities/assets in relation to:</b>					
On fiscal allowances on property, plant and equipment, etc.	74.30	(13.06)	-	-	61.24
On Other assets	0.86	(0.19)	-	-	0.67
<b>Total deferred tax liabilities</b>	<b>75.16</b>	<b>(13.25)</b>	-	-	<b>61.91</b>

# Notes to Financial Statements

for the year ended 31st March 2021  
(All amounts in Rupees millions, unless otherwise stated)

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

### 7.1 Movement in deferred tax liabilities/assets balances (Contd..)

2020-21	Opening balance	Recognized in profit or loss	Recognized in Reserves	Recognized in OCI	Closing balance
On employees' separation and retirement etc.	1.98	0.30	-	(0.60)	1.68
On Right of use asset and lease liabilities	95.85	(2.28)	-	-	93.57
On accumulated business loss	53.68	84.19	-	-	137.87
On Financial assets measured at fair value	4.32	0.43	-	-	4.75
On Provision for Doubtful Debts And Advances	13.03	1.54	-	-	14.57
On Provision for slow moving inventories	7.53	(0.07)	-	-	7.46
<b>Total deferred tax assets</b>	<b>176.39</b>	<b>84.11</b>	<b>-</b>	<b>(0.60)</b>	<b>259.90</b>
	<b>(101.23)</b>	<b>(97.36)</b>	<b>-</b>	<b>0.60</b>	<b>(197.99)</b>
<b>2019-20</b>	<b>Opening balance</b>	<b>Recognized in profit or loss</b>	<b>Recognized in Reserves</b>	<b>Recognized in OCI</b>	<b>Closing balance</b>
<b>Deferred tax liabilities/assets in relation to:</b>					
On fiscal allowances on property, plant and equipment, etc.	79.83	(5.53)	-	-	74.30
On Other assets	(9.01)	9.87	-	-	0.86
<b>Total deferred tax liabilities</b>	<b>70.82</b>	<b>4.34</b>	<b>-</b>	<b>-</b>	<b>75.16</b>
On employees' separation and retirement etc.	5.57	(3.71)	-	0.12	1.98
On Right of use asset and lease liabilities	-	(16.22)	112.07	-	95.85
On accumulated business loss	-	53.68	-	-	53.68
On Financial assets measured at fair value	6.82	(2.50)	-	-	4.32
On Provision for Doubtful Debts And Advances	8.58	4.45	-	-	13.03
On Provision for slow moving inventories	10.76	(3.23)	-	-	7.53
<b>Total deferred tax assets</b>	<b>31.73</b>	<b>32.47</b>	<b>112.07</b>	<b>0.12</b>	<b>176.39</b>
	<b>39.09</b>	<b>(28.13)</b>	<b>(112.07)</b>	<b>(0.12)</b>	<b>(101.23)</b>



# Notes to Financial Statements

for the year ended 31st March 2021

(All amounts in Rupees millions, unless otherwise stated)

## 8 INCOME TAX ASSETS

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Advance Income Tax (Net of Provision ₹254.89 millions; 31 <sup>st</sup> March 2020: ₹ 381.26 millions)	46.96	49.65
<b>Total</b>	<b>46.96</b>	<b>49.65</b>

## 9 OTHER NON-CURRENT ASSETS

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Unsecured, Considered Good</b>		
Capital Advances	5.73	8.48
Advances other than capital advances:		
Security Deposits	11.33	11.46
Prepaid expenses	63.26	78.88
Other advances	6.08	6.03
Government Grant Receivable	11.49	11.49
<b>Total</b>	<b>97.89</b>	<b>116.34</b>

## 10 INVENTORIES

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Raw Material (including packing material)	166.03	164.85
Work-in-progress	48.87	54.75
Finished goods (manufactured)	176.17	335.91
Stock-in-trade (goods purchased for resale)	1,015.72	1,140.99
<b>Total</b>	<b>1,406.79</b>	<b>1,696.50</b>

### Notes:

- (i) Cost of inventory recognized as an expense during the year ₹4,608.07 millions (Previous Year - ₹ 5,127.90 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 - ₹ 5.19 millions (Previous Year - ₹ 5.93 millions).
- (iii) Refer Note 3.8 for mode of valuation.

## 11 TRADE RECEIVABLES

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Considered good - Secured	37.89	54.97
Considered good - Unsecured*	1,169.08	1,134.80
Considered doubtful	57.88	51.75
	<b>1,264.85</b>	<b>1,241.52</b>
Less : Allowance for doubtful debts	57.88	51.75
<b>Total</b>	<b>1,206.97</b>	<b>1,189.77</b>

\*Includes ₹Nil (31<sup>st</sup> March 2020: ₹0.08 millions) due from KM Khadim and Co. which is a firm in which a director is a partner.

# Notes to Financial Statements

for the year ended 31st March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## 12 CASH AND CASH EQUIVALENTS

	As at 31st March 2021	As at 31st March 2020
Balances with banks		
On Current Accounts	0.87	33.37
Cheques, drafts on hand	4.19	3.72
Cash on hand	7.08	5.91
<b>Total</b>	<b>12.14</b>	<b>43.00</b>

## 13 OTHER BANK BALANCES

	As at 31st March 2021	As at 31st March 2020
Dividend Accounts	0.02	0.02
Fixed Deposits with banks*		
- Against guarantees and letter of credit	26.40	35.96
- As security with Sales Tax Authorities	0.41	0.02
<b>Total</b>	<b>26.83</b>	<b>36.00</b>

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

## 14 OTHER FINANCIAL ASSETS - CURRENT

	As at 31st March 2021	As at 31st March 2020
<b>Unsecured, Considered Good</b>		
Assets held for disposal *	52.49	52.49
Interest Receivable	1.36	1.61
Employee Advances	3.46	3.49
Other receivables (Tender deposits, scrap sales etc.)	43.95	31.86
<b>Total</b>	<b>101.26</b>	<b>89.45</b>

\*Represents certain property, plant and equipment which are not in active use. A Memorandum of Understanding has been signed for disposal of the same and an amount of ₹5.00 millions received as advance against sale consideration which is disclosed under Other Current Liabilities (Refer note 23)

## 15 OTHER CURRENT ASSETS

	As at 31st March 2021	As at 31st March 2020
<b>Unsecured, Considered Good</b>		
Advances other than capital advances:		
Advances to related parties	0.38	0.35
Other advances	31.65	36.50
Prepaid expenses	43.58	51.19
Gratuity	6.18	-
Advance to Government Authorities	637.80	621.59
<b>Total</b>	<b>719.59</b>	<b>709.63</b>

# Notes to Financial Statements

for the year ended 31st March 2021

(All amounts in Rupees millions, unless otherwise stated)

## 16 EQUITY SHARE CAPITAL

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Authorised</b>		
6,00,00,000 (31 <sup>st</sup> March 2020: 6,00,00,000) Equity Shares of ₹10/- each	600.00	600.00
<b>Issued , Subscribed and Paid up</b>		
1,79,69,614 (31 <sup>st</sup> March 2020: 1,79,69,614) Equity Shares of ₹10/- each	179.70	179.70
<b>Total</b>	<b>179.70</b>	<b>179.70</b>

### 16.1 Reconciliation of the number of Equity shares

Particulars	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
	Number	Amount	Number	Amount
Balance as at the beginning of the year	1,79,69,614	179.70	1,79,69,614	179.70
<b>Balance as at the end of the year</b>	<b>1,79,69,614</b>	<b>179.70</b>	<b>1,79,69,614</b>	<b>179.70</b>

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

Particulars	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Knightsville Private Limited (Holding Company)*	87,37,829	48.63	87,37,829	48.63
Siddhartha Roy Burman	16,81,649	9.36	16,42,149	9.14

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

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

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

### 16.5 Equity Shares allotted as fully paid pursuant to contract without payment being received in cash during the period of five years immediately preceding 31<sup>st</sup> March 2021

During the year 2014-15 the Company issued 51,63,293 Equity Shares of face value ₹10 each at a conversion premium of ₹140.03 per share on conversion of Zero Coupon Compulsorily Convertible Debentures (Unsecured) issued in 2013-14, as per the formula set out in, and each with rights, preferences and privileges contained in the Securities Subscription and Share Purchase Agreement.

### 16.6 Shares reserved for issue under Options

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Equity shares of ₹10/- each	34,560	34,560
	<b>34,560</b>	<b>34,560</b>

# Notes to Financial Statements

for the year ended 31st March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## 16 EQUITY SHARE CAPITAL

### 16.6 Shares reserved for issue under Options (Contd..)

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

#### Terms and conditions of Options granted

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

The vesting period for conversion of Options is as follows:

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

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

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

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

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

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

\* Refer Note 37

## 17 BORROWINGS - NON-CURRENT

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>SECURED</b>		
<b>Term Loans from Banks</b>		
State Bank of India Term Loan I [Refer Note 1 of 17.2]	-	-
State Bank of India Term Loan II [Refer Note 2 of 17.2]	68.60	-
HDFC Bank Term Loan [Refer Note 3 of 17.2]	94.00	-
ICICI Bank Term Loan [Refer Note 4 of 17.2]	30.26	-
<b>Total</b>	<b>192.86</b>	<b>-</b>

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

Name of the Bank	2021-22*	2022-23	2023-24	2024-25	2025-26
State Bank of India Term Loan I	43.00	-	-	-	-
State Bank of India Term Loan II	-	17.15	17.15	17.15	17.15
HDFC Bank Term Loan	2.00	24.00	24.00	24.00	22.00
ICICI Bank Term Loan	0.64	7.73	7.73	7.73	7.08
<b>Total</b>	<b>45.64</b>	<b>48.88</b>	<b>48.88</b>	<b>48.88</b>	<b>46.23</b>

\*Represents 'Current maturities of long term debt' (refer Note 22 - Other Financial Liabilities - Current)

# Notes to Financial Statements

for the year ended 31st March 2021

(All amounts in Rupees millions, unless otherwise stated)

## 17 BORROWINGS - NON-CURRENT (Contd..)

### 17.2 Nature of Security of Cash Credit, Working Capital Demand Loans and Short 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 pari-passu basis with other working capital member banks under the consortium.

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, on pari-passu basis with other working capital members banks under the consortium, equitable mortgage of property at Kasba, personal guarantee of Managing Director and corporate guarantee of group company.

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

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, on second pari-passu basis with other working capital members banks under the consortium, and equitable mortgage of property at Kasba

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

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, on second pari-passu basis with other working capital members banks under the consortium.

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

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, on second pari-passu basis with other working capital members banks under the consortium and mortgage of factory building at S19, S20 and S21 at Kasba, Kolkata, retail outlet at Rashbehari Avenue, Kolkata.

## 18 LEASE LIABILITIES

	As at 31 <sup>st</sup> March 2021			As at 31 <sup>st</sup> March 2020		
	Non-Current	Current	Total	Non-Current	Current	Total
Lease Liabilities	1,172.56	209.66	1,382.22	1,489.12	216.05	1,705.17
<b>Total</b>	<b>1,172.56</b>	<b>209.66</b>	<b>1,382.22</b>	<b>1,489.12</b>	<b>216.05</b>	<b>1,705.17</b>

### 18.1 The details of the contractual maturities of lease liabilities as at 31<sup>st</sup> March 2021 on an undiscounted basis are as follows

	As at 31 <sup>st</sup> March 2021
Less than one year	209.66
One to two years	210.94
Two to three years	198.17
Three to four years	171.81
Four to five years	162.58
More than five years	429.06
<b>Total</b>	<b>1,382.22</b>

# Notes to Financial Statements

for the year ended 31st March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## 18 LEASE LIABILITIES (Contd..)

**18.2 (i)** The Company for the year ended 31<sup>st</sup> March 2021 has recognised expenses of ₹ 45.14 millions (Previous year - ₹ 58.68 millions) in relation to short-term leases and recorded as 'Rent expenses' under Other Expenses in Note 31.

**18.2 (ii)** The Company for the year ended 31<sup>st</sup> March 2021 has recognised expenses of ₹1.91 millions (Previous Year - ₹3.75 millions) as variable lease payment for commissioned outlets and ₹0.52 millions (Previous Year - ₹0.92 millions) for leased outlet and recorded as 'Commission and Discount' under Other Expenses in Note 31.

**18.2 (iii)** Additionally, as stated in Note 2, 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 ₹73.23 millions has been accounted for as a negative variable lease payment in profit or loss. The Company has derecognised the part of the lease liability that has been extinguished by the forgiveness of lease payments, consistent with the requirements of Ind AS 109:3.3.1

## 19 PROVISIONS - NON-CURRENT

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Other long term benefits</b>		
Leave Encashment	5.23	5.06
<b>Total</b>	<b>5.23</b>	<b>5.06</b>

## 20 OTHER NON-CURRENT LIABILITIES

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Deferred Government Grant	1.92	2.92
<b>Total</b>	<b>1.92</b>	<b>2.92</b>

## 21 BORROWINGS - CURRENT

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>SECURED</b>		
<b>Loans repayable on demand</b>		
<b>Cash Credit / Working Capital Demand Loans from Banks</b>		
State Bank of India Cash Credit [Refer Note 1 of 21.1]	313.36	399.80
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]	5.41	16.62
ICICI Bank Cash Credit [Refer Note 2 of 21.1]	7.98	52.00
HDFC Bank Cash Credit [Refer Note 2 of 21.1]	293.33	155.37
Axis Bank Demand Loan [Refer Note 2 of 21.1]	36.00	36.00
Kotak Mahindra Bank Demand Loan [Refer Note 2 of 21.1]	-	9.60
HDFC Bank Demand Loan [Refer Note 2 of 21.1]	-	158.08
ICICI Bank Demand Loan I [Refer Note 2 of 21.1]	40.00	18.00
ICICI Bank Demand Loan II [Refer Note 3 of 21.1]	125.00	125.00
HDFC Bank Short Term Loan [Refer Note 4 of 21.1]	-	150.00
<b>Total</b>	<b>821.08</b>	<b>1,160.47</b>

# Notes to Financial Statements

for the year ended 31st March 2021

(All amounts in Rupees millions, unless otherwise stated)

## 21 BORROWINGS - CURRENT (Contd..)

### 21.1 Nature of Security of Cash Credit, Working Capital Demand Loans and Short 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 pari-passu basis with other working capital member banks under the consortium.

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, on pari-passu basis with other working capital members banks under the consortium, equitable mortgage of property at Kasba, personal guarantee of Managing Director and corporate guarantee of group company.

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

Collateral security - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, 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** - Secured by mortgage of factory building at S19, S20 and S21 at Kasba, Kolkata, retail outlet at Rashbehari Avenue, Kolkata and personal guarantee of Managing Director.

- 4** Secured by personal guarantee of Managing Director and mortgage of properties at Tollygunje, Chandannagar and Madhyamgram.

## 22 OTHER FINANCIAL LIABILITIES - CURRENT

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Current maturities of long term debt	45.64	-
Interest accrued and due on borrowings	0.98	5.61
Unpaid Dividend [Refer Note 22.1]	0.02	0.02
Deposits from customers	96.35	102.23
Other payables:		
Payables on purchase of property, plant and equipment	22.51	24.18
Others [Reimbursement claims, etc.]	0.53	-
<b>Total</b>	<b>166.03</b>	<b>132.04</b>

**22.1** There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956/Section 125 of the Companies Act, 2013 as at the year end.

## 23 OTHER CURRENT LIABILITIES

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Advance from customers	31.39	33.04
Advance against sale of Assets held for disposal	5.00	5.00
Statutory remittances (GST, Contribution to Provident and Other Funds, Withholding Tax)	16.46	17.64
Deferred Government Grant	0.99	1.04
Others	0.67	1.02
<b>Total</b>	<b>54.51</b>	<b>57.74</b>

# Notes to Financial Statements

for the year ended 31st March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## 24 PROVISIONS - CURRENT

	As at 31st March 2021	As at 31st March 2020
<b>Post employment benefits</b>		
Gratuity (Refer Note 39.2)	-	1.72
<b>Other long term benefits</b>		
Leave Encashment	1.46	1.09
<b>Total</b>	<b>1.46</b>	<b>2.81</b>

## 25 INCOME TAX LIABILITIES

	As at 31st March 2021	As at 31st March 2020
Provision for Income Tax (Net of advance taxes Nil; 31st March 2020: ₹1.20 millions)	-	1.81
<b>Total</b>	<b>-</b>	<b>1.81</b>

## 26 REVENUE FROM OPERATIONS

	For the year ended 31st March 2021	For the year ended 31st March 2020
Sale of products *	6,179.63	7,612.80
[Refer Note 26.1]		
Other operating revenues [Refer Note 26.2]	82.15	105.88
<b>Total</b>	<b>6,261.78</b>	<b>7,718.68</b>

\* Net of sales returns

### 26.1 Details of sale of products

	For the year ended 31st March 2021	For the year ended 31st March 2020
Footwear and accessories	6,179.63	7,612.80
<b>Total</b>	<b>6,179.63</b>	<b>7,612.80</b>

### 26.2 Details of other operating revenues

	For the year ended 31st March 2021	For the year ended 31st March 2020
Sale of ancillaries	52.37	86.32
Scrap sales	29.78	19.45
Export incentives	-	0.11
<b>Total</b>	<b>82.15</b>	<b>105.88</b>



# Notes to Financial Statements

for the year ended 31st March 2021

(All amounts in Rupees millions, unless otherwise stated)

## 27 OTHER INCOME

	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest income comprises interest from:		
- Deposits with banks - carried at amortised cost	2.68	3.10
- Other financial assets measured at amortised cost	21.43	14.64
- On Income Tax Refunds	1.03	-
Gain arising on sale of financial assets mandatorily measured at Fair Value through Profit and Loss	0.27	1.41
Other non-operating income (Rental income, etc.)	155.38	47.56
<b>Total</b>	<b>180.79</b>	<b>66.71</b>

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

	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Inventories at the end of the year</b>		
Work - in - progress	48.87	54.75
Finished goods	176.17	335.91
Stock-in-trade	1,015.72	1,140.99
	<b>1,240.76</b>	<b>1,531.65</b>
<b>Inventories at the beginning of the year</b>		
Work - in - progress	54.75	47.66
Finished goods	335.91	303.63
Stock-in-trade	1,140.99	1,015.87
	<b>1,531.65</b>	<b>1,367.16</b>
<b>Total</b>	<b>290.89</b>	<b>(164.49)</b>

## 29 EMPLOYEE BENEFITS EXPENSE

	For the year ended 31st March 2021	For the year ended 31st March 2020
Salaries and wages	532.60	647.35
Contribution to Provident and other funds	26.17	25.25
Share based payments to employees	1.71	1.04
Staff Welfare Expenses	47.58	59.06
<b>Total</b>	<b>608.06</b>	<b>732.70</b>

## 30 FINANCE COSTS

	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest expense on financial liabilities measured at amortised cost	121.28	143.58
Interest expense on lease liabilities	132.47	149.21
<b>Total</b>	<b>253.75</b>	<b>292.79</b>

# Notes to Financial Statements

for the year ended 31st March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## 31 OTHER EXPENSES

	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Consumption of Stores	6.07	8.71
Power and Fuel	152.52	179.05
Rent	65.26	73.81
Rates and Taxes	13.38	16.33
Bank Charges	14.20	34.42
Insurance	19.62	20.98
Repairs:		
Plant and Machinery	14.39	12.36
Others	88.99	113.48
Travelling and Conveyance Expenses	24.17	57.19
Printing and Stationery	3.21	3.96
Postage, Telephone and other Communication Expenses	12.78	18.81
Advertising, Marketing and Sales Promotion Expenses	198.99	497.06
Freight Charges, Transport and Delivery	168.56	253.75
Jobwork Charges	190.52	206.45
Professional Fees	28.07	71.19
Commission and Discount	86.96	112.99
Legal Expenses	0.08	0.22
Debts/Advances written off	6.06	8.70
Loss on sale/discard of property, plant and equipments - Net	22.13	9.00
Provision for doubtful debts, advances and other assets	6.13	24.73
Security Hire Charges	15.30	19.88
Miscellaneous Expenses (Refer Note 31.1)	23.67	25.53
<b>Total</b>	<b>1,161.06</b>	<b>1,768.60</b>

### 31.1 Miscellaneous Expenses include :

Amount paid /payable to Auditors (excluding tax)	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
- Statutory Audit	1.80	1.80
- Tax Audit	0.40	0.40
- Other matters	1.75	1.60
- Out of pocket expenses	0.02	0.23
<b>Total</b>	<b>3.97</b>	<b>4.03</b>

# Notes to Financial Statements

for the year ended 31st March 2021

(All amounts in Rupees millions, unless otherwise stated)

## 32 INCOME TAX EXPENSES

### A Amount recognised in profit or loss

	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Current tax</b>		
Income tax for the year		
Current tax	-	-
Adjustments/(credits) related to previous years - Net		
Current tax	(4.73)	-
<b>Total Current tax</b>	<b>(4.73)</b>	<b>-</b>
<b>Deferred tax</b>		
Deferred tax for the year	(97.36)	(28.13)
<b>Total</b>	<b>(102.09)</b>	<b>(28.13)</b>

### B Amount recognised in other comprehensive income

	For the year ended 31st March 2021	For the year ended 31st March 2020
The tax (charge)/credit arising on income and expenses recognised in other comprehensive income is as follows:		
<b>Deferred tax</b>		
On items that will not be reclassified to profit or loss		
Re-measurement (gains)/losses on defined benefit plans	(0.60)	0.12
<b>Total</b>	<b>(0.60)</b>	<b>0.12</b>

### C Reconciliation of effective tax rate

	For the year ended 31st March 2021	For the year ended 31st March 2020
Loss before tax	(431.24)	(340.28)
Applicable tax rate	25.168%	25.168%
Income tax expense on above rate	(108.53)	(85.64)
Adjustment for rate difference (Refer Note 1 below)	-	(10.94)
Expenses not allowable under tax laws	27.57	72.78
Additional expenses allowable under tax laws	(16.40)	(4.33)
	<b>(97.36)</b>	<b>(28.13)</b>
Tax adjustment of prior periods	(4.73)	-
<b>Tax as per statement of profit and loss</b>	<b>(102.09)</b>	<b>(28.13)</b>

#### Notes:

- The Company had elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Company had recognised Provision for Income Tax for the year ended 31st March 2020 and remeasured its Deferred Tax Liabilities based on the rates prescribed in the aforesaid section.

# Notes to Financial Statements

for the year ended 31st March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## 32 INCOME TAX EXPENSES

### C Reconciliation of effective tax rate (Contd..)

- 2 The Company has long term capital losses of ₹49.99 millions (31<sup>st</sup> March 2020 - ₹ 49.99 millions) for which no deferred tax assets have been recognised. These losses are due to expire in the following years:

	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Assessment year 2026-2027	49.99	49.99
	<b>49.99</b>	<b>49.99</b>

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

	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
i. Loss after Tax attributable to the Equity Shareholders	(329.15)	(312.15)
ii. Weighted average number of equity shares outstanding for the purpose of basic earnings per share	1,79,69,614	1,79,69,614
iii. Weighted average number of equity shares in computing diluted earnings per share	1,79,69,614	1,79,69,614
iv. Earnings per share on (loss)/profit for the year (Face value ₹10/- per share)		
- Basic [(i) / (ii)]	(18.32)	(17.37)
- Diluted [(i) / (iii)]	(18.32)	(17.37)

- 34 Miscellaneous Expenses included in "Note 31 - Other Expenses" includes expenditure incurred under Section 135 of the Companies Act, 2013 on Corporate Social Responsibility (CSR) activities and the same represents contributions for promoting health care, education and other expenses. Gross amount required to be spent by the Company is ₹3.35 millions (Previous Year - ₹8.36 millions) and amount spent during the year is ₹3.47 millions (Previous Year - ₹8.36 millions).

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

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

Geographical information	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>Revenue from external customers</b>		
- Within India	6,261.78	7,711.13
- Outside India	-	7.55
<b>Total</b>	<b>6,261.78</b>	<b>7,718.68</b>

Geographical information	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Non-current assets*</b>		
- Within India	2,453.15	2,943.29
- Outside India	-	-
<b>Total</b>	<b>2,453.15</b>	<b>2,943.29</b>

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

# Notes to Financial Statements

for the year ended 31st March 2021

(All amounts in Rupees millions, unless otherwise stated)

## 35 (Contd..)

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

## 36 Contingent Liabilities in respect of -

	As at 31st March 2021	As at 31st March 2020
<b>Claims not acknowledged as debts :</b>		
a. Sales Tax Matters under dispute	6.55	7.04
b. Income Tax Matters under dispute	1.62	1.19

The claims disputed by the Company as above relate to issues of applicability and classification and it is not practicable for the Company to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the above.

**37** Post Completion of IPO on 14th November 2017, the shareholding of Knightville Private Limited has come down to 48.63% from 50.51%. However, Knightville Private Limited remains as Holding Company since it continues to control the Company.

## 38 Commitments

	As at 31st March 2021	As at 31st March 2020
Capital Commitment (Net of capital advances - ₹0.42 millions; 31st March 2020 - ₹2.55 millions)	0.78	3.95

## 39 Employee Benefits

The Company has recognized, in the Statement of Profit and Loss for the year ended 31st March 2021 an amount of ₹21.69 millions (Previous Year - ₹20.21 millions) as expenses under defined contribution plans (Employer's Contribution to Provident and Other Funds) under note 29.

### 39.1 Defined Benefit Plan

#### Description of Plans

The employees' gratuity fund scheme is managed by Life Insurance Corporation Of India (LIC) as a defined benefit plan. The present value of obligation is determined based on 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. A decrease in yields will increase the fund liabilities and vice-versa.

# Notes to Financial Statements

for the year ended 31st March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## 39 Employee Benefits (Contd..)

### 39.1 Defined Benefit Plan (Contd..)

**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	Gratuity (Funded)	
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>I. Components of Employer Expense</b>		
- <b>recognized in Statement of Profit and loss</b>		
a. Current Service cost	4.59	4.56
b. Net Interest cost	(0.11)	0.48
<b>c. Total expense recognized in the Statement of Profit and Loss</b>	<b>4.48</b>	<b>5.04</b>
- <b>Re-measurements recognized in Other Comprehensive Income</b>		
d. Return on plan assets (excluding amounts included in Net interest cost)	0.57	0.05
e. Effect of changes in financial assumptions	0.51	3.43
f. Effect of experience adjustments	(3.45)	(3.02)
<b>g. Total re-measurement loss/(gain) included in Other Comprehensive Income</b>	<b>(2.37)</b>	<b>0.46</b>
<b>h. Total defined benefit cost recognized in Statement of Profit and Loss and Other Comprehensive Income (c+g)</b>	<b>2.11</b>	<b>5.50</b>

The current service cost and net interest cost for the year pertaining to Gratuity expenses have been recognized in "Contribution to Provident and other funds" under Note 29. The remeasurements of the net defined benefit liability are included in Other Comprehensive Income .

	Gratuity (Funded)	
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>II. Actual Returns</b>	<b>3.22</b>	<b>3.32</b>
<b>III. Changes in Defined Benefit Obligation (DBO)</b>		
a. Present value of DBO at the beginning of the year	52.50	50.08
b. Current Service Cost	4.59	4.56
c. Interest Cost	3.68	3.86
d. Re-measurement losses/(gains):		
- Effect of changes in financial assumptions	0.51	3.43
- Effect of experience adjustments	(3.45)	(3.02)
e. Benefits paid	(3.44)	(6.41)
<b>f. Present value of DBO at the end of the year</b>	<b>54.39</b>	<b>52.50</b>

# Notes to Financial Statements

for the year ended 31st March 2021

(All amounts in Rupees millions, unless otherwise stated)

## 39 Employee Benefits (Contd..)

### 39.2 (Contd..)

	Gratuity (Funded)	
	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>IV. Change in the Fair Value of Plan Assets</b>		
a. Plan Assets at the beginning of the year	50.78	40.17
b. Interest income	3.80	3.38
c. Re-measurement losses on plan assets	(0.57)	(0.06)
d. Actual Company contributions	10.00	13.70
e. Benefits paid	(3.44)	(6.41)
<b>f. Plan Assets at the end of the year</b>	<b>60.57</b>	<b>50.78</b>

	Gratuity (Funded)	
	As at 31st March 2021	As at 31st March 2020
<b>V. Net Asset/(Liability) recognized in Balance Sheet</b>		
a. Present value of Defined Benefit Obligation	54.39	52.50
b. Fair value of Plan Assets	60.57	50.78
c. Funded Status [Surplus/(Deficit)]	6.18	(1.72)
<b>d. Net Asset/(Liability) recognized in Balance Sheet</b>	<b>6.18</b>	<b>(1.72)</b>
- Current	6.18	(1.72)
- Non-Current	-	-
<b>VI. Best estimate of Employers' expected contribution for the next year</b>	<b>4.50</b>	<b>5.29</b>

	As at 31st March 2021	As at 31st March 2020
<b>VII. Actuarial Assumptions</b>		
a. Discount Rate (%)	6.90%	7.00%
b. Salary Escalation	5.00%	5.00%
c. Mortality	Indian Assured Lives Mortality (2012-14) table ultimate	

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

	As at 31st March 2021	As at 31st March 2020
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 Companies, 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.

# Notes to Financial Statements

for the year ended 31st March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## 39 Employee Benefits (Contd..)

### 39.2 (Contd..)

#### IX. Net Asset/(Liability) recognized in Balance Sheet (including experience adjustment impact)

	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>Gratuity</b>		
Present value of DBO	54.39	52.50
Fair value of plan assets	60.57	50.78
Funded status [Surplus / (Deficit)]	6.18	(1.72)
Experience gain / (loss) adjustments on plan liabilities	3.45	3.02
Experience gain / (loss) adjustments on plan assets	(0.57)	(0.06)

#### 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.

	Gratuity - DBO as at	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
1. Discount rate + 100 basis points	49.92	48.12
2. Discount rate - 100 basis points	59.50	57.53
3. Salary increase rate + 1%	59.59	57.66
4. Salary increase rate - 1%	49.69	47.87

#### XI. Maturity analysis of the benefit payments

	Gratuity - DBO as at	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
Year 1	3.57	3.01
Year 2	0.87	3.49
Year 3	0.43	3.60
Year 4	1.49	3.31
Year 5	1.35	3.85
Next 5 years	27.07	23.28



# Notes to Financial Statements

for the year ended 31st March 2021

(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	Knightsville Private Limited	
Subsidiary Company	Khadim Shoe Bangladesh Limited*	
Key Management Personnel (KMP)	Mr. Siddhartha Roy Burman - Chairman and Managing Director	
	Mr. Ritoban Roy Burman, Non-Executive Director	
	Dr. Indranath Chatterjee, Non-Executive Independent Director	
	Prof. (Dr.) Surabhi Banerjee, Non-Executive Independent Director	
	Mr. Alok Chauthmal Churiwala, Non-Executive Independent Director	
	Mr. Rittick Roy Burman, Wholtime Director (w.e.f. from 8 <sup>th</sup> November 2019)	
	Ms. Namrata Ashok Chotrani, Chief Executive Officer (w.e.f. from 1 <sup>st</sup> November 2019)	
	[Held the post of Non-Executive Director till 11 <sup>th</sup> September 2019]	
	Ms. Ishani Ray, Chief Executive Officer (till 31 <sup>st</sup> October 2019)	
	Mr. Indrajit Chaudhuri, Chief Financial Officer	
	Mr. Abhijit Dan, Company Secretary and Head Legal	
	Enterprises over which KMP and their relatives exercise significant influence	PU Pillar Consultant and Strategic Solutions Private Limited (erstwhile Khadim Financial Services Private Limited)
		Khadim Development Company Private Limited
Khadim Enterprises		
K.M. Khadim & Co.		
St. Marys' Clinic & Drug Stores		
Sheila Departmental Stores Private Limited		
Bee Tee Enterprise		
Moviewallah Communications Private Limited		
Khadim Estate Advisors Private Limited		
Relatives of KMP		Mrs. Namita Roy Burman (Mother of Mr. Siddhartha Roy Burman)
	Mr. Rittick Roy Burman (Son of Mr. Siddhartha Roy Burman)	

### B) Particulars of transactions during the year ended 31<sup>st</sup> March 2021:

	Year Ended 31 <sup>st</sup> March 2021		Year Ended 31 <sup>st</sup> March 2020	
<b>I) Holding Company</b>		-		-
<b>II) Subsidiary Company</b>		-		-
<b>III) Key Management Personnel*</b>				
a) Remuneration				
- Mr. Siddhartha Roy Burman #	23.49		31.15	
- Mr. Rittick Roy Burman	1.98		1.07	
- Ms. Namrata Ashok Chotrani	5.67		3.06	
- Ms. Ishani Ray	-		4.05	
- Mr. Indrajit Chaudhuri	3.03		4.08	
- Mr. Abhijit Dan	1.69	35.86	2.27	45.68

# Notes to Financial Statements

for the year ended 31st March 2021  
(All amounts in Rupees millions, unless otherwise stated)

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

### B) Particulars of transactions during the year ended 31<sup>st</sup> March 2021: (Contd..)

	Year Ended 31 <sup>st</sup> March 2021		Year Ended 31 <sup>st</sup> March 2020	
b) Share based payments				
- Mr.Indrajit Chaudhuri		0.29		0.46
c) Rent paid to Mr.Siddhartha Roy Burman		0.08		0.08
d) Sitting fees				
- Dr.Indranath Chatterjee	0.38		0.39	
- Prof.(Dr.) Surabhi Banerjee	0.40		0.41	
- Mr.Alok Chauthmal Churiwala	0.38		0.36	
- Ms.Namrata Ashok Chotrani	-		0.12	
- Mr.Ritoban Roy Burman	0.07	1.23	0.11	1.39
e) Commission				
- Dr.Indranath Chatterjee	0.10		-	
- Prof.(Dr.) Surabhi Banerjee	0.10		-	
- Mr.Alok Chauthmal Churiwala	0.10	0.30	-	-
e) Unsecured loan taken from Mr.Siddhartha Roy Burman		50.00		-
f) Unsecured loan repaid to Mr.Siddhartha Roy Burman (including interest of ₹0.76 millions)		50.76		-
<b>IV) Enterprises over which KMP and their relatives exercise significant influence</b>				
a) Royalty received from K M Khadim & Co.		-		0.02
b) Rent paid to Khadim Development Co. Pvt Ltd #		0.84		0.84
c) Commission paid				
- Khadim Enterprises	0.16		0.32	
- Bee Tee Enterprises	0.38		0.72	
- Sheila Departmental Stores Pvt Ltd	0.26		0.66	
- St. Mary's Clinic & Drug Stores	0.05	0.85	0.15	1.85
d) Rent received from K M Khadim & Co.		0.03		0.03
e) Rent received from Khadim Estate Advisors Pvt Ltd		0.05		-
<b>V) Relatives of Key Management Personnel</b>				
Remuneration				
- Mrs.Namita Roy Burman	1.44		1.44	
- Mr.Rittick Roy Burman	-	1.44	1.08	2.52

# Notes to Financial Statements

for the year ended 31st March 2021

(All amounts in Rupees millions, unless otherwise stated)

## 40 Related Party Disclosure as per requirements of Ind AS 24 on "Related Party Disclosures"

### B) Particulars of transactions during the year ended 31<sup>st</sup> March 2021: (Contd..)

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Outstanding Balances</b>		
<b>I) Key Management Personnel</b>		
- Mr.Siddhartha Roy Burman	-	(0.81)
- Mr.Rittick Roy Burman	-	(0.17)
- Dr.Indranath Chatterjee	(0.09)	-
- Prof.(Dr.) Surabhi Banerjee	(0.09)	-
- Mr.Alok Chauthmal Churiwala	(0.09)	-
<b>II) Enterprises over which KMP and their relatives exercise significant influence</b>		
- Khadim Enterprises	(0.04)	0.12
- Bee Tee Enterprises	(0.27)	(0.33)
- Sheila Departmental Stores Pvt Ltd	(0.08)	(3.43)
- St. Mary's Clinic & Drug Stores	0.38	0.23
- Khadim Development Co Pvt Ltd	(0.06)	(0.03)
- Khadim Estate Advisors Pvt Ltd	0.05	-
- K M Khadim & Co.	-	0.08

\* The Company incorporated Khadim Shoe Bangladesh Limited, a wholly owned subsidiary company in Bangladesh on 5th September 2019.

# Also refer Note 21.1 in respect of guarantees given for loans taken by the Company.

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

## 41 Information in respect of Options granted under the Company's Employee Stock Option Scheme ('Scheme'):

Name of the Scheme	Khadim Employee Stock Option Plan 2017
i. Date of Shareholders' approval	: 17 <sup>th</sup> June 2017
ii. Total number of Options approved under the Scheme	: Options equivalent to 1,86,465 equity shares of ₹10/- each
iii. Vesting schedule	: The vesting period for conversion of Options is as follows: On completion of 12 months from the date of grant of the Options - 15% vests On completion of 24 months from the date of grant of the Options - 15% vests On completion of 36 months from the date of grant of the Options - 30% vests On completion of 48 months from the date of grant of the Options - 40% vests
iv. Pricing formula	: Closing market price on the day prior to the date of grant on stock exchange with highest trading volume
v. Maximum term of Options granted	: 5 years from the date of vesting
vi. Source of shares	: Primary issuance
vii. Variation in terms of Options	: None
viii. Method used for accounting of share-based payments plans	: The employee compensation cost has been calculated using the fair value method of accounting for Options under the Company's Employee Stock Option Scheme. The employee compensation cost as per fair value method for the financial year 2020-21 is ₹1.71 millions (Previous Year - ₹1.04 millions).

# Notes to Financial Statements

for the year ended 31st March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## 41 Information in respect of Options granted under the Company's Employee Stock Option Scheme ('Scheme'): (Contd..)

Name of the Scheme	Khadim Employee Stock Option Plan 2017
ix. Nature and extent of employee share based payment plan that existed during the period including the general terms and conditions of the plan	: Each option entitles the holder thereof to apply for and be allotted one equity share of ₹10 each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of five years from such date.
x. Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock	: Weighted average exercise price per Option - ₹320 Weighted average fair value per Option - ₹310
xi. Option movements during the year:	
a. Options outstanding at the beginning of the year	: 34,560
b. Options granted during the year	: -
c. Options cancelled and lapsed during the year	: -
d. Options vested and exercisable during the year (net of Options lapsed and exercised)	: 17,028
e. Options exercised during the year	: -
f. Number of equity shares of ₹10 each arising as a result of exercise of Options during the year	: -
g. Options outstanding and exercisable at the end of the year	: 34,560
h. Money realised by exercise of the Options during the year	: -
xii. Weighted average share price of shares arising upon exercise of Options	: No options were exercised during the year
xiii. A description of the method used during the year to estimate the fair value of Options, the weighted average exercise price and weighted average fair value of Options granted	: The fair value of each Option is estimated using the Black Scholes Option Pricing model Weighted average exercise price per Option - ₹320 Weighted average fair value per Option - ₹310
The significant assumptions used to ascertain the above	: The fair value of each Option is estimated using the Black Scholes Option Pricing model after applying the following key assumptions on a weighted average basis: Risk-free interest rate - 8% Expected life - 6 years Expected volatility - 80% Dividend yield - 0% Fair market value of the underlying share in the market at the time of Option grant - ₹400
xiv. Methodology for determination of expected volatility	: The volatility used in the Black Scholes Option Pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. The period considered for the working is based on the daily volatility of the stock prices on National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE) over a period prior to the date of grant corresponding with the expected life of the options.
xv. Options granted to	: No options were granted during the year.

# Notes to Financial Statements

for the year ended 31st March 2021

(All amounts in Rupees millions, unless otherwise stated)

## 41 Information in respect of Options granted under the Company's Employee Stock Option Scheme ('Scheme'): (Contd..)

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 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
	Carrying value	Fair value	Carrying value	Fair value
<b>I Financial assets</b>				
<b>a. Measured at amortised cost</b>				
Trade receivables	1,206.97	1,206.97	1,189.77	1,189.77
Cash and cash equivalents	12.14	12.14	43.00	43.00
Other bank balances	26.83	26.83	36.00	36.00
Other financial assets	280.58	280.58	264.39	264.39
<b>Total Financial assets</b>	<b>1,526.52</b>	<b>1,526.52</b>	<b>1,533.16</b>	<b>1,533.16</b>
<b>II Financial liabilities</b>				
<b>a. Measured at amortised cost</b>				
Lease liabilities	1,382.22	1,382.22	1,705.17	1,705.17
Borrowings	1,013.94	1,013.94	1,160.47	1,160.47
Trade payables	1,670.27	1,670.27	1,581.65	1,581.65
Other financial liabilities	166.03	166.03	132.04	132.04
<b>Total Financial liabilities</b>	<b>4,232.46</b>	<b>4,232.46</b>	<b>4,579.33</b>	<b>4,579.33</b>

#### Note:

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

# Notes to Financial Statements

for the year ended 31st March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## 42 Financial Instruments and related disclosures (Contd..)

### C Financial risk management objectives

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

#### Interest rate risk

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

#### Price risk

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

#### Liquidity Risk

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

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

As at 31 <sup>st</sup> March 2021	Carrying value	Less than 1 year	Between 1 to 5 years	Beyond 5 years	Total
Lease liabilities	1,382.22	209.66	743.50	429.06	1,382.22
Borrowings	1,013.94	821.08	192.86	-	1,013.94
Trade payables	1,670.27	1,670.27	-	-	1,670.27
Other financial liabilities	166.03	166.03	-	-	166.03
<b>Total</b>	<b>4,232.46</b>	<b>2,867.04</b>	<b>936.36</b>	<b>429.06</b>	<b>4,232.46</b>

As at 31 <sup>st</sup> March 2020	Carrying value	Less than 1 year	Between 1 to 5 years	Beyond 5 years	Total
Lease liabilities	1,705.17	216.05	896.64	592.48	1,705.17
Borrowings	1,160.47	1,160.47	-	-	1,160.47
Trade payables	1,581.65	1,581.65	-	-	1,581.65
Other financial liabilities	132.04	132.04	-	-	132.04
<b>Total</b>	<b>4,579.33</b>	<b>3,090.21</b>	<b>896.64</b>	<b>592.48</b>	<b>4,579.33</b>

# Notes to Financial Statements

for the year ended 31st March 2021

(All amounts in Rupees millions, unless otherwise stated)

## 42 Financial Instruments and related disclosures (Contd..)

### C Financial risk management objectives (Contd..)

#### 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 is recognized, where considered appropriate by responsible management. The Company has adopted a simplified approach by computing the expected credit loss allowance for trade receivables based on a provision matrix taking into account historical credit loss experience. The movement of the expected loss provision (allowance for bad and doubtful receivables) made by the Company are as under:

	Expected Loss Provision	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Opening Balance	51.75	27.02
Add: Provisions made (net)	6.13	24.73
<b>Closing Balance</b>	<b>57.88</b>	<b>51.75</b>

Of the trade receivables balance at the end of the year, ₹326 millions (31<sup>st</sup> March 2020: ₹326 millions) is due from a customer, which exceeded 20 per cent of gross financial assets at the end of the year. Management has assessed the recoverability and believes that the amount is fully recoverable. Apart from this, the Company does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

#### Foreign currency Risk

The Company undertakes transactions denominated in foreign currency (mainly US Dollar, Euro and Pound Sterling) which are subject to the risk of exchange rate fluctuations. Financial assets and liabilities denominated in foreign currency are also subject to reinstatement risks.

The carrying amount of foreign currency denominated financial assets and liabilities, are as follows:

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
	USD	USD
Financial assets	2.25	2.32
Financial liabilities	62.10	52.48

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

	Currency	Cross Currency	Buy
As at 31 <sup>st</sup> March 2021	USD	Rupees	0.85
As at 31 <sup>st</sup> March 2020	USD	Rupees	0.69

The aforesaid contracts have a maturity of less than 1 year from the year end.

# Notes to Financial Statements

for the year ended 31st March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## 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.

**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:

	Fair value hierarchy (Level)	Fair value	
		As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>I Financial assets</b>			
<b>a. Measured at amortised cost</b>			
Other financial assets - Non-Current	3	179.32	174.93
<b>Total Financial assets</b>		<b>179.32</b>	<b>174.93</b>
<b>II Financial liabilities</b>			
<b>a. Measured at amortised cost</b>			
Borrowings - Non-Current	3	192.86	-
<b>Total Financial liabilities</b>		<b>192.86</b>	<b>-</b>



# Notes to Financial Statements

for the year ended 31st March 2021

(All amounts in Rupees millions, unless otherwise stated)

## 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

	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
1 Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
Principal	Nil	Nil
Interest	Nil	Nil
2 The amount of interest paid by the buyer in terms of section 16, of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
3 The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	Nil	Nil
4 The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
5 The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	Nil	Nil

**45** The spread of COVID-19 has impacted businesses around the globe. In India, Governments in certain states have imposed various restrictions with the increase in number of COVID 19 cases during the months of March, April and May 2021. The Company has considered various internal and external information available up to the date of approval of these financial statements in assessing the impact of COVID-19 pandemic on the financial statements for the year ended 31st March 2021.

On the basis of assessment done by the Company and based on the internal / external sources of information and application of reasonable estimates, the Company has concluded that it does not foresee any significant incremental risk to the recoverability of its Trade Receivables, Inventories and Other Financial Assets or, in meeting its financial obligations over the foreseeable future and hence no material adjustments are required in the financial statements.

Since the situation is continuously evolving, the impact assessed in future may be different from the estimates made as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions due to uncertainties linked to COVID-19, which may impact the above assessment.

## 46 Recent accounting pronouncement

On 24th March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1<sup>st</sup> April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

### Balance Sheet:

# Notes to Financial Statements

for the year ended 31st March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## 46 Recent accounting pronouncement (Contd..)

- (i) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- (ii) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- (iii) Specified format for disclosure of shareholding of promoters.
- (iv) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- (v) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- (vi) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

### Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

**47** The financial statements were approved for issue by the Board of Directors on 17th June 2021.

For and on behalf of Board of Directors

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Ketan Vora**  
Partner

**Siddhartha Roy Burman**  
Chairman & Managing Director

**Rittick Roy Burman**  
Wholetime Director

**Namrata Ashok Chotrani**  
Chief Executive Officer

**Indrajit Chaudhuri**  
Chief Financial Officer

Place: Mumbai  
Date: 17th June 2021

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

# Form AOC-1

(Pursuant to first proviso to Section 129(3) read with rule 5 of Companies (Accounts) Rules, 2014  
Statement containing salient features of the financial statements of subsidiaries  
(All amounts in Rupees, unless otherwise stated)

	<b>Khadim Shoe Bangladesh Limited</b>
Date since subsidiary was acquired	5 <sup>th</sup> September 2019
Financial Year ending on	31 <sup>st</sup> March 2021
Reporting Currency	Bangladesh taka
Exchange rate as on 31st March 2021	0.87 Indian Rupee
Share Capital	9,90,000
Reserves and Surplus	(9,50,684)
Total Assets	3,74,690
Total Liabilities	3,74,690
Investments (excluding Investments made in subsidiaries)	Nil
Turnover	Nil
Loss before tax	(3,35,828)
Provision for tax	Nil
Loss after tax	(3,35,828)
Proposed Dividend	Nil
% of shareholding	100.00%
Country	Bangladesh

For and on behalf of Board of Directors

**Siddhartha Roy Burman**  
Chairman & Managing Director

**Rittick Roy Burman**  
Wholetime Director

**Namrata Ashok Chotrani**  
Chief Executive Officer

**Indrajit Chaudhuri**  
Chief Financial Officer

Place: Kolkata  
Date: 17<sup>th</sup> June 2021

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

# Independent Auditor's Report

To The Members of **Khadim India Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Khadim India Limited ("the Parent") and its subsidiary, (the Parent and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2021, and their consolidated loss, their consolidated total comprehensive loss, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p data-bbox="204 1626 826 1890">Revenue Recognition</p> <p data-bbox="204 1675 826 1890">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.</p> <p data-bbox="204 1912 826 2067">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 data-bbox="863 1626 1150 1653">Principal Audit Procedures</p> <p data-bbox="863 1675 1473 1798">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 data-bbox="863 1821 1473 1883">Our audit approach was a combination of test of internal controls and substantive procedures including:</p> <ul data-bbox="863 1906 1473 2033" style="list-style-type: none"> <li>Assessing the appropriateness of the Parent's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof.</li> </ul>

# Independent Auditor's Report

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

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiary, and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary is traced from its financial statements.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing,

# Independent Auditor's Report

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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors.

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

# Independent Auditor's Report

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Group as on 31 March, 2021 taken on record by the Board of Directors of the Parent, none of the directors of the Parent are disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Parent.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group- Refer Note 35 to the consolidated financial statements.

# Independent Auditor's Report

- ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm Registration No. 302009E)

**Ketan Vora**  
(Partner)

(Membership No. 100459)  
(UDIN:21100459AAAAKQ7026)

Place: Mumbai  
Date: 17 June, 2021



# Annexure “A” to the Independent Auditor’s Report

(Referred To In Paragraph 1(F) Under ‘Report On Other Legal And Regulatory Requirements’ Section Of Our Report To The Members Of Khadim India Limited Of Even Date)

## **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March, 2021, we have audited the internal financial controls over financial reporting of Khadim India Limited (hereinafter referred to as “Parent”).

### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Parent is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

# Annexure “A” to the Independent Auditor’s Report

(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)

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent, in all material respects, has an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2021, based on the criteria for internal financial control over financial reporting established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm Registration No. 302009E)

**Ketan Vora**  
(Partner)

(Membership No. 100459)  
(UDIN:21100459AAAAKQ7026)

Place: Mumbai  
Date: 17 June, 2021

# Consolidated Balance Sheet

as at 31<sup>st</sup> March 2021

(All amounts in Rupees millions unless otherwise stated)

	Notes	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>ASSETS</b>			
<b>1 Non - current assets</b>			
(a) Property, Plant and Equipment	4A	1,140.68	1,299.69
(b) Capital work - in - progress	4B	9.50	5.52
(c) Right of Use Asset	4C	1,153.45	1,467.56
(d) Intangible assets	4D	3.18	3.65
(e) Intangible assets under development	4E	1.49	0.88
(f) Financial Assets			
Others	5	179.32	174.93
(g) Deferred tax assets (net)	6	197.99	101.23
(h) Income tax assets (net)	7	46.96	49.65
(i) Other non-current assets	8	97.89	116.34
<b>2 Current assets</b>			
(a) Inventories	9	1,406.79	1,696.50
(b) Financial Assets			
(i) Trade receivables	10	1,206.97	1,189.77
(ii) Cash and cash equivalents	11	12.46	43.88
(iii) Other Bank balances	12	26.83	36.00
(iv) Others	13	101.26	89.45
(c) Other current assets	14	719.59	709.63
<b>Total Assets</b>		<b>6,304.36</b>	<b>6,984.68</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	15	179.70	179.70
(b) Other Equity		1,828.80	2,154.76
<b>LIABILITIES</b>			
<b>1 Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	192.86	-
(ii) Lease liabilities	17	1,172.56	1,489.12
(b) Provisions	18	5.23	5.06
(c) Other non-current liabilities	19	1.92	2.92
<b>2 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	821.08	1,160.47
(ii) Lease liabilities	17	209.66	216.05
(iii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,670.52	1,582.17
(iv) Other financial liabilities	21	166.04	132.05
(b) Other current liabilities	22	54.53	57.76
(c) Provisions	23	1.46	2.81
(d) Income Tax Liabilities (net)	24	-	1.81
<b>Total Equity and Liabilities</b>		<b>6,304.36</b>	<b>6,984.68</b>

See accompanying notes to the financial statements.

In terms of our Report attached

For and on behalf of Board of Directors

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Ketan Vora**  
Partner

**Siddhartha Roy Burman**  
Chairman & Managing Director

**Rittick Roy Burman**  
Wholtime Director

**Namrata Ashok Chotrani**  
Chief Executive Officer

**Indrajit Chaudhuri**  
Chief Financial Officer

Place: Mumbai  
Date: 17<sup>th</sup> June 2021

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

# Consolidated Statement of Profit and Loss

for the year ended 31<sup>st</sup> March 2021  
(All amounts in Rupees millions unless otherwise stated)

Particulars	Notes	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>I. Revenue From Operations</b>	<b>25</b>	<b>6,261.78</b>	<b>7,718.68</b>
<b>II. Other Income</b>	<b>26</b>	<b>180.79</b>	<b>66.71</b>
<b>III. Total Income ( I + II )</b>		<b>6,442.57</b>	<b>7,785.39</b>
<b>IV. Expenses :</b>			
Cost of materials consumed		1,416.00	1,708.36
Purchases of Stock-in-Trade		2,751.65	3,368.35
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	27	290.89	(164.49)
Employee benefits expense	28	608.06	732.70
Finance costs	29	253.75	292.79
Depreciation and amortization expense	4F	392.40	419.36
Other expenses	30	1,161.35	1,769.14
<b>Total expenses (IV)</b>		<b>6,874.10</b>	<b>8,126.21</b>
<b>V Loss before tax (III - IV)</b>		<b>(431.53)</b>	<b>(340.82)</b>
<b>VI Tax expense:</b>	<b>31</b>		
(1) Current tax		(4.73)	-
(2) Deferred tax		(97.36)	(28.13)
		<b>(102.09)</b>	<b>(28.13)</b>
<b>VII. Loss for the year ( V - VI )</b>		<b>(329.44)</b>	<b>(312.69)</b>
<b>VIII. Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss			
- Re-measurement gains/(losses) on defined benefit plans	35.2	2.37	(0.46)
(ii) Income tax relating to items that will not be reclassified to profit or loss	31	(0.60)	0.12
B (i) Items that will be reclassified to profit or loss		(0.00)	0.02
- Exchange differences in translating the financial statements of foreign operations			
<b>Other Comprehensive Income/(Loss) for the year</b>		<b>1.77</b>	<b>(0.32)</b>
<b>IX Total Comprehensive Loss for the year (Loss)/Profit for the year attributable to:</b>		<b>(327.67)</b>	<b>(313.01)</b>
Owners of the parent		(329.44)	(312.69)
Non-controlling interests		-	-
<b>Total Comprehensive (Loss)/Income for the year attributable to:</b>			
Owners of the parent		(327.67)	(313.01)
Non-controlling interests		-	-
<b>X. Earnings per equity share : [Nominal Value per Share ₹10/-</b>	<b>32</b>		
(Previous year ₹10/-)]			
(1) Basic (In ₹)		(18.33)	(17.40)
(2) Diluted (In ₹)		(18.33)	(17.40)

See accompanying notes to the financial statements.

In terms of our Report attached

For and on behalf of Board of Directors

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Ketan Vora**  
Partner

**Siddhartha Roy Burman**  
Chairman & Managing Director

**Rittick Roy Burman**  
Wholetime Director

**Namrata Ashok Chotrani**  
Chief Executive Officer

**Indrajit Chaudhuri**  
Chief Financial Officer

Place: Mumbai  
Date: 17<sup>th</sup> June 2021

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

# Consolidated Statement of Changes in Equity

for the year ended 31<sup>st</sup> March 2021

(All amounts in Rupees millions, unless otherwise stated)

## (a) Equity Share Capital

Particulars	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
For the year ended 31 <sup>st</sup> March 2020	179.70	-	179.70
For the year ended 31 <sup>st</sup> March 2021	179.70	-	179.70

## (b) Other Equity

Particulars	Reserves and surplus				Items of other comprehensive income	Attributable to owners of the parent	Non-controlling interests	Total other equity
	Capital reserve -Amalgamation Reserve	Securities premium	Share options outstanding account	Retained earnings				
<b>As at 1<sup>st</sup> April 2019</b>	<b>231.92</b>	<b>1,221.83</b>	<b>8.27</b>	<b>1,235.00</b>	-	<b>2,697.02</b>	-	<b>2,697.02</b>
Loss for the year	-	-	-	(312.69)	-	(312.69)	-	(312.69)
Other comprehensive loss (net of tax)	-	-	-	(0.34)	0.02	(0.32)	-	(0.32)
<b>Total comprehensive loss</b>	-	-	-	<b>(313.03)</b>	<b>0.02</b>	<b>(313.01)</b>	-	<b>(313.01)</b>
Recognition of share based payment	-	-	1.04	-	-	1.04	-	1.04
Transfer from share option reserve on exercise and lapse	-	-	(0.86)	0.86	-	-	-	-
Amount adjusted from reserves on transition to Ind AS 116	-	-	-	(320.70)	-	(320.70)	-	(320.70)
Deferred tax asset recognised on transition to Ind AS 116	-	-	-	112.07	-	112.07	-	112.07
Dividend paid	-	-	-	(17.97)	-	(17.97)	-	(17.97)
Income tax on dividend paid	-	-	-	(3.69)	-	(3.69)	-	(3.69)
<b>As at 31<sup>st</sup> March 2020</b>	<b>231.92</b>	<b>1,221.83</b>	<b>8.45</b>	<b>692.54</b>	<b>0.02</b>	<b>2,154.76</b>	-	<b>2,154.76</b>
Loss for the year	-	-	-	(329.44)	-	(329.44)	-	(329.44)
Other comprehensive income (net of tax)	-	-	-	1.77	(0.00)	1.77	-	1.77
<b>Total comprehensive loss</b>	-	-	-	<b>(327.67)</b>	<b>(0.00)</b>	<b>(327.67)</b>	-	<b>(327.67)</b>
Recognition of share based payment	-	-	1.71	-	-	1.71	-	1.71
<b>As at 31<sup>st</sup> March 2021</b>	<b>231.92</b>	<b>1,221.83</b>	<b>10.16</b>	<b>364.87</b>	<b>0.02</b>	<b>1,828.80</b>	-	<b>1,828.80</b>

# Consolidated Statement of Changes in Equity

for the year ended 31<sup>st</sup> March 2021  
(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 **Deloitte Haskins & Sells**  
Chartered Accountants

**Ketan Vora**  
Partner

**Siddhartha Roy Burman**  
Chairman & Managing Director

**Rittick Roy Burman**  
Wholetime Director

**Namrata Ashok Chotrani**  
Chief Executive Officer

**Indrajit Chaudhuri**  
Chief Financial Officer

Place: Mumbai  
Date: 17<sup>th</sup> June 2021

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

# Consolidated Cash Flow Statement

for the year ended 31<sup>st</sup> March 2021

(All amounts in Rupees millions, unless otherwise stated)

	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before Tax for the year	(431.53)	(340.82)
Adjustments for:		
Depreciation and amortization expense	392.40	419.36
Share based payments to employees	1.71	1.04
Loss on disposal of property, plant and equipment (net)	22.13	9.00
Interest Received	(25.14)	(17.74)
Gain arising on sale of financial assets mandatorily measured at Fair Value through Profit and Loss	(0.27)	(1.41)
Liabilities/Provisions no longer required written back	(113.81)	(6.93)
Government grant received	(1.05)	(1.21)
Provision for doubtful debts, advances and other assets	6.13	24.73
Debts/Advances written off	6.06	8.70
Foreign currency translations and transactions - Net	(0.59)	1.93
Finance costs	253.75	292.79
<b>Operating Profit before Working Capital Changes</b>	<b>109.79</b>	<b>389.44</b>
Adjustments for:		
Trade Receivables, Loans and Advances and Other Assets	(17.05)	72.22
Inventories	289.71	(146.55)
Trade Payables, Other Liabilities and Provisions	90.26	279.68
<b>Cash Generated from Operations</b>	<b>472.71</b>	<b>594.79</b>
Income taxes paid	5.62	(23.49)
<b>Net Cash generated from Operating Activities</b>	<b>478.33</b>	<b>571.30</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, intangible assets	(34.16)	(166.17)
Sale of property, plant and equipment, intangible assets	1.63	0.08
Investments in bank deposits	(35.38)	(6.75)
Maturity of bank deposits	43.01	17.69
Purchase of Current Investments	(10.50)	(77.50)
Sale of Current Investments	10.77	78.91
Interest Received	3.96	2.62
<b>Net Cash used in Investing Activities</b>	<b>(20.67)</b>	<b>(151.12)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(125.91)	(139.08)
Dividend paid	-	(17.97)
Income tax on dividend paid	-	(3.69)
Repayment of lease liability	(261.50)	(325.50)
Payment of initial direct cost recognised as Right of Use Asset	(0.78)	(2.78)
Proceeds from issue of Commercial Paper	-	850.00
Redemption of Commercial Paper	-	(850.00)
Long term loans taken	260.00	-
Long term loans repaid	(21.50)	-
Short term loans taken/(repaid)	(295.68)	230.68
<b>Net Cash used in Financing Activities</b>	<b>(445.37)</b>	<b>(258.34)</b>
Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C)	12.29	161.84
Cash and Cash Equivalents at beginning of year	(619.91)	(781.75)
<b>Cash and Cash Equivalents at end of year</b>	<b>(607.62)</b>	<b>(619.91)</b>

# Consolidated Cash Flow Statement

for the year ended 31<sup>st</sup> March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## Notes:

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

	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Cash Credit facilities	(620.08)	(663.79)
Cash and cash equivalents (Note 11)	12.46	43.88
Cash and cash equivalents as above	(607.62)	(619.91)

See accompanying notes to the financial statements.

In terms of our Report attached

For and on behalf of Board of Directors

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Ketan Vora**  
Partner

**Siddhartha Roy Burman**  
Chairman & Managing Director

**Rittick Roy Burman**  
Wholetime Director

**Namrata Ashok Chotrani**  
Chief Executive Officer

**Indrajit Chaudhuri**  
Chief Financial Officer

Place: Mumbai  
Date: 17<sup>th</sup> June 2021

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



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021

(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 "Kankaria Estate", 5th Floor, 6, Little Russell Street, Kolkata - 700071. The Group listed its equity shares on 14th November 2017 on BSE and NSE.

## 2 Adoption of new and revised Standards

### Impact of the initial application of new and amended Ind ASs that are effective for the current year

In the current year, the Group has applied the below amendments to Ind ASs that are effective for an annual period that begins on or after 1 April 2020.

#### I Amendments to Ind AS 116 - Covid-19 Related Rent Concessions:

The Group has adopted the amendments to Ind AS 116 for the first time in the current year. The amendments provide practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to Ind AS 116. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying Ind AS 116 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- (a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
- (c) There is no substantive change to other terms and conditions of the lease.

The Group has applied the practical expedient retrospectively to all eligible rent concessions and has not restated prior period figures.

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 ₹73.23 million has been accounted for as a negative variable lease payment in profit or loss. The Group has derecognised the part of the lease liability that has been extinguished by the forgiveness of lease payments, consistent with the requirements of Ind AS 109:3.3.1

#### II Amendments to Ind AS 103 - Definition of a business

The Group has adopted the amendments to Ind AS 103 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or Group of similar assets. The amendments are applied prospectively

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021

(All amounts in Rupees millions, unless otherwise stated)

## II Amendments to Ind AS 103 - Definition of a business (Contd..)

to all business combinations and asset acquisitions for which the acquisition date is on or after 1 April 2020.

The adoption of the amendments has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements.

## III Amendments to Ind AS 1 and Ind AS 8 - Definition of "material"

The Group has adopted the amendments to Ind AS 1 and Ind AS 8 for the first time in the current year. The amendments make the definition of material in Ind AS 1 easier to understand and are not intended to alter the underlying concept of materiality in Ind ASs. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in Ind AS 8 has been replaced by a reference to the definition of material in Ind AS 1. In addition, the MCA amended other Standards that contain the definition of 'material' or refer to the term 'material' to ensure consistency.

The adoption of the amendments has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements.

## IV Amendments to Ind AS 109 and 107 - Interest Rate Benchmark Reform

These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms. The amendments are not relevant to the Group given that it does not apply hedge accounting to its benchmark interest rate exposures.

## 3 Significant accounting policies

### 3.1 Statement of Compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind ASs) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. The consolidated financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy as mentioned in Note 2.

### 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

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021

(All amounts in Rupees millions, unless otherwise stated)

## 3.2 Basis of preparation (Contd..)

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.

## 3.3 Basis of Consolidation

A) The consolidated financial statements relate to Khadim India Limited (the “Company”), its subsidiary Khadim Shoe Bangladesh Limited, together constitute the “Group”. The consolidated financial statements have been prepared on the following basis:

- i) The financial statements of the company and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and unrealized profits or losses as per Ind AS 110 ‘Consolidated Financial Statements’, as specified under section 133 of the Companies Act, 2013.
- ii) The financial statements of subsidiary, consolidated are drawn upto the same reporting date as that of the company.
- 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

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021

(All amounts in Rupees millions, unless otherwise stated)

## 3.5 Property, Plant and Equipment – Tangible Assets (Contd..)

major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

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

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

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

Buildings - 30 – 60 Years

Leasehold Improvements - Shorter of lease period or over 6 years

Plant and Equipment - 5 – 15 Years

Furniture and Fixtures – 10 Years

Vehicles - 10 Years

Office Equipment - 5 Years

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

## 3.6 Intangible Assets

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

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

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

## 3.7 Impairment of Tangible and Intangible Assets

At the end of each reporting period, the Group reviews the carrying amount of its tangible and intangible assets to determine whether there is any indicator that those assets have suffered an impairment loss. If any such indicator exists, the recoverable amount of the asset is estimated in order 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.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021

(All amounts in Rupees millions, unless otherwise stated)

## 3.7 Impairment of Tangible and Intangible Assets (Contd..)

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

## 3.8 Assets held for disposal

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

## 3.9 Inventories

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

## 3.10 Revenue Recognition

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

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made and the Group has performed its obligations. Revenue is measured at the fair value of the consideration received or receivable for goods supplied, net of returns and discounts to customers.

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

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

## 3.11 Government Grant

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

- a. related to or used for assets are included in the Consolidated Balance Sheet as deferred income and recognized as income over the useful life of the assets.
- 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.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021

(All amounts in Rupees millions, unless otherwise stated)

## 3.12 Foreign Currency Transactions

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

## 3.13 Borrowing Cost

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

## 3.14 Retirement and Other Employee Benefits

### I Short-term employee benefits

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

### II Defined contribution plan

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

### III Defined benefit plan

The Group maintains Gratuity Plan for all its eligible employees and the same is a defined benefit plan. The cost of providing benefits under the defined benefit gratuity obligation is determined by independent actuary at each balance sheet date using the projected unit credit method.

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

### IV Other long term employee benefits

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

### V Employee Share Based Compensation

Stock Options are granted to eligible employees in accordance with the 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 31<sup>st</sup> March 2021

(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 31<sup>st</sup> March 2021  
(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 31<sup>st</sup> March 2021

(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 consolidated financial statements.

## 3.20 Cash and cash equivalents

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

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

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

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

### Financial assets

#### Recognition

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

#### Classification

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

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

"Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair 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.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## 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 Consolidated 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 and on expiry.

## Offsetting Financial Instruments

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

## Equity Instruments

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

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021

(All amounts in Rupees millions, unless otherwise stated)

## 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.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## 4A PROPERTY, PLANT AND EQUIPMENT

	GROSS BLOCK						
	As at 1 <sup>st</sup> April 2019	Additions during the year	Disposal/ adjustment during the year	As at 31 <sup>st</sup> March 2020	Additions during the year	Disposal/ adjustment during the year	As at 31 <sup>st</sup> March 2021
Buildings	649.36	47.71	-	697.07	1.29	-	698.36
Leasehold Improvements	319.82	43.25	11.20	351.87	9.15	34.57	326.45
Plant and equipment	591.28	69.28	19.39	641.17	14.61	2.02	653.76
Furniture and Fixtures	164.87	18.39	4.23	179.03	2.41	6.86	174.58
Vehicles	9.91	0.58	0.04	10.45	-	-	10.45
Office Equipment	33.57	8.22	2.28	39.51	1.18	0.47	40.22
<b>Total</b>	<b>1,768.81</b>	<b>187.43</b>	<b>37.14</b>	<b>1,919.10</b>	<b>28.64</b>	<b>43.92</b>	<b>1,903.82</b>
<b>4B Capital work - in - progress</b>	<b>17.08</b>			<b>5.52</b>			<b>9.50</b>

	ACCUMULATED DEPRECIATION/AMORTIZATION						NET BLOCK		
	As at 1 <sup>st</sup> April 2019	Additions during the year	Disposal/ adjustment during the year	As at 31 <sup>st</sup> March 2020	Additions during the year	Disposal/ adjustment during the year	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Buildings	49.69	18.65	-	68.34	18.66	-	87.00	611.36	628.73
Leasehold Improvements	142.84	55.28	10.19	187.93	43.59	16.19	215.33	111.12	163.94
Plant and equipment	179.13	85.12	12.88	251.37	76.24	0.42	327.19	326.57	389.80
Furniture and Fixtures	64.34	21.96	2.80	83.50	19.10	3.41	99.19	75.39	95.53
Vehicles	2.99	1.37	0.04	4.32	1.37	-	5.69	4.76	6.13
Office Equipment	21.57	4.51	2.13	23.95	4.99	0.20	28.74	11.48	15.56
<b>Total</b>	<b>460.56</b>	<b>186.89</b>	<b>28.04</b>	<b>619.41</b>	<b>163.95</b>	<b>20.22</b>	<b>763.14</b>	<b>1,140.68</b>	<b>1,299.69</b>
<b>4B Capital work - in - progress</b>							<b>9.50</b>		<b>5.52</b>

### Note:

The amount of expenditures recognized in the carrying amount of property, plant and equipment in the course of construction is ₹47.71 millions (Previous Year - ₹ 3.79 millions)

## 4C RIGHT-TO-USE ASSETS

	GROSS BLOCK		
	Buildings	Land*	Total
<b>Recognition on initial application of Ind AS 116 as at 1<sup>st</sup> April 2019</b>	1,248.14	-	1,248.14
Reclassified on account of adoption of Ind AS 116	9.43	119.81	129.24
Additions during the year	337.66	-	337.66
Deletions during the year	(21.78)	-	(21.78)
<b>Gross Carrying Value as at 31<sup>st</sup> March 2020</b>	<b>1,573.45</b>	<b>119.81</b>	<b>1,693.26</b>
Additions during the year	74.32	-	74.32
Deletions during the year	(219.14)	-	(219.14)
<b>Gross Carrying Value as at 31<sup>st</sup> March 2021</b>	<b>1,428.63</b>	<b>119.81</b>	<b>1,548.44</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021

(All amounts in Rupees millions, unless otherwise stated)

## 4C RIGHT-TO-USE ASSETS (Contd..)

	ACCUMULATED DEPRECIATION		
	Buildings	Land*	Total
<b>Accumulated Depreciation as at 1<sup>st</sup> April 2019</b>	-	-	-
Depreciation Expenses	225.70	2.19	227.89
Deductions / Adjustments	(2.19)	-	(2.19)
<b>Accumulated Depreciation as at 31<sup>st</sup> March 2020</b>	<b>223.51</b>	<b>2.19</b>	<b>225.70</b>
Depreciation Expenses	223.80	2.19	225.99
Deductions / Adjustments	(56.70)	-	(56.70)
<b>Accumulated Depreciation as at 31<sup>st</sup> March 2021</b>	<b>390.61</b>	<b>4.38</b>	<b>394.99</b>

	NET CARRYING VALUE		
	Buildings	Land*	Total
<b>Net Carrying Value as at 1<sup>st</sup> April 2019</b>	<b>1,248.14</b>	-	<b>1,248.14</b>
<b>Net Carrying Value as at 31<sup>st</sup> March 2020</b>	<b>1,349.94</b>	<b>117.62</b>	<b>1,467.56</b>
<b>Net Carrying Value as at 31<sup>st</sup> March 2021</b>	<b>1,038.02</b>	<b>115.43</b>	<b>1,153.45</b>

\*This includes land of ₹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 measuring 34.25 cottahs is under dispute for which legal proceeding is pending.

## 4D INTANGIBLE ASSETS

	GROSS BLOCK							As at 31 <sup>st</sup> March 2021
	As at 1 <sup>st</sup> April 2019	Additions during the year	Disposal/ adjustment during the year	As at 31 <sup>st</sup> March 2020	Additions during the year	Disposal/ adjustment during the year	As at 31 <sup>st</sup> March 2020	
Computer software (acquired)	23.69	-	4.91	18.78	1.99	10.88	9.89	

INTANGIBLE ASSETS	ACCUMULATED DEPRECIATION/AMORTIZATION							NET BLOCK		
	As at 1 <sup>st</sup> April 2019	Additions during the year	Disposal/ adjustment during the year	As at 31 <sup>st</sup> March 2020	Additions during the year	Disposal/ adjustment during the year	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	
Computer software (acquired)	15.46	4.58	4.91	15.13	2.46	10.88	6.71	3.18	3.65	

## 4E INTANGIBLE ASSETS UNDER DEVELOPMENT

	GROSS BLOCK							As at 31 <sup>st</sup> March 2021
	As at 1 <sup>st</sup> April 2019	Additions during the year	Disposal/ adjustment during the year	As at 31 <sup>st</sup> March 2020	Additions during the year	Disposal/ adjustment during the year	As at 31 <sup>st</sup> March 2020	
Computer software (acquired)	0.30			0.88			1.49	

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## 4F DEPRICIATION AND AMORTIZATION EXPENSE

	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Tangible Assets	163.95	186.89
Right-to-Use Assets	225.99	227.89
Intangible Assets	2.46	4.58
<b>Total</b>	<b>392.40</b>	<b>419.36</b>

## 5 OTHER FINANCIAL ASSETS - NON-CURRENT

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Unsecured, Considered Good</b>		
Bank deposits with more than 12 months maturity		
- Against guarantees and letter of credit	9.37	7.47
- As security with Sales Tax Authorities	0.02	0.38
Security and other deposits	169.30	166.70
Employee Advances	0.63	0.38
<b>Total</b>	<b>179.32</b>	<b>174.93</b>

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

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Deferred tax assets	259.90	176.39
Less: Deferred tax liabilities	61.91	75.16
<b>Total</b>	<b>197.99</b>	<b>101.23</b>

### 6.1 Movement in deferred tax liabilities/assets balances

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

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021

(All amounts in Rupees millions, unless otherwise stated)

## 6 DEFERRED TAX (ASSETS)/LIABILITIES (NET) (Contd..)

### 6.1 Movement in deferred tax liabilities/assets balances (Contd..)

2019-20	Opening balance	Recognized in profit or loss	Recognized in Reserves	Recognized in OCI	Closing balance
<b>Deferred tax liabilities/assets in relation to:</b>					
On fiscal allowances on property, plant and equipment, etc.	79.83	(5.53)	-	-	74.30
On Other assets	(9.01)	9.87	-	-	0.86
<b>Total deferred tax liabilities</b>	<b>70.82</b>	<b>4.34</b>	<b>-</b>	<b>-</b>	<b>75.16</b>
On employees' separation and retirement etc.	5.57	(3.71)	-	0.12	1.98
On Right of use asset and lease liabilities	-	(16.22)	112.07	-	95.85
On accumulated business loss	-	53.68	-	-	53.68
On Financial assets measured at fair value	6.82	(2.50)	-	-	4.32
On Provision for Doubtful Debts And Advances	8.58	4.45	-	-	13.03
On Provision for slow moving inventories	10.76	(3.23)	-	-	7.53
<b>Total deferred tax assets</b>	<b>31.73</b>	<b>32.47</b>	<b>112.07</b>	<b>0.12</b>	<b>176.39</b>
	<b>39.09</b>	<b>(28.13)</b>	<b>(112.07)</b>	<b>(0.12)</b>	<b>(101.23)</b>

## 7 INCOME TAX ASSETS

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Advance Income Tax (Net of Provision ₹254.89 millions; 31 <sup>st</sup> March 2020: ₹381.26 millions)	46.96	49.65
<b>Total</b>	<b>46.96</b>	<b>49.65</b>

## 8 OTHER NON-CURRENT ASSETS

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Unsecured, Considered Good</b>		
Capital Advances	5.73	8.48
Advances other than capital advances:		
Security Deposits	11.33	11.46
Prepaid expenses	63.26	78.88
Other advances	6.08	6.03
Government Grant Receivable	11.49	11.49
<b>Total</b>	<b>97.89</b>	<b>116.34</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## 9 INVENTORIES

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Raw Material (including packing material)	166.03	164.85
Work-in-progress	48.87	54.75
Finished goods (manufactured)	176.17	335.91
Stock-in-trade (goods purchased for resale)	1,015.72	1,140.99
<b>Total</b>	<b>1,406.79</b>	<b>1,696.50</b>

### Notes:

- (i) Cost of inventory recognized as an expense during the year ₹4,608.07 millions (Previous Year - ₹ 5,127.90 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 - ₹ 5.19 millions (Previous Year - ₹ 5.93 millions).
- (iii) Refer Note 3.9 for mode of valuation.

## 10 TRADE RECEIVABLES

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Considered good - Secured	37.89	54.97
Considered good - Unsecured*	1,169.08	1,134.80
Considered doubtful	57.88	51.75
	<b>1,264.85</b>	<b>1,241.52</b>
Less : Allowance for doubtful debts	57.88	51.75
<b>Total</b>	<b>1,206.97</b>	<b>1,189.77</b>

\*Includes ₹Nil (31<sup>st</sup> March 2020: ₹0.08 millions) due from KM Khadim and Co. which is a firm in which a director is a partner.

## 11 CASH AND CASH EQUIVALENTS

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Balances with banks		
On Current Accounts	1.19	34.25
Cheques, drafts on hand	4.19	3.72
Cash on hand	7.08	5.91
<b>Total</b>	<b>12.46</b>	<b>43.88</b>

## 12 OTHER BANK BALANCES

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Dividend Accounts	0.02	0.02
Fixed Deposits with banks*		
- Against guarantees and letter of credit	26.40	35.96
- As security with Sales Tax Authorities	0.41	0.02
<b>Total</b>	<b>26.83</b>	<b>36.00</b>

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



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021

(All amounts in Rupees millions, unless otherwise stated)

## 13 OTHER FINANCIAL ASSETS - CURRENT

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Unsecured, Considered Good</b>		
Assets held for disposal *	52.49	52.49
Interest Receivable	1.36	1.61
Employee Advances	3.46	3.49
Other receivables (Tender deposits, scrap sales etc.)	43.95	31.86
<b>Total</b>	<b>101.26</b>	<b>89.45</b>

\*Represents certain property, plant and equipment which are not in active use. A Memorandum of Understanding has been signed for disposal of the same and an amount of ₹5.00 millions received as advance against sale consideration which is disclosed under Other Current Liabilities (Refer note 22)

## 14 OTHER CURRENT ASSETS

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Unsecured, Considered Good</b>		
Advances other than capital advances:		
Advances to related parties	0.38	0.35
Other advances	31.65	36.50
Prepaid expenses	43.58	51.19
Gratuity	6.18	-
Advance to Government Authorities	637.80	621.59
<b>Total</b>	<b>719.59</b>	<b>709.63</b>

## 15 EQUITY SHARE CAPITAL

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Authorised</b>		
6,00,00,000 (31 <sup>st</sup> March 2020: 6,00,00,000) Equity Shares of ₹10/- each	600.00	600.00
<b>Issued , Subscribed and Paid up</b>		
1,79,69,614 (31 <sup>st</sup> March 2020: 1,79,69,614) Equity Shares of ₹10/- each	179.70	179.70
<b>Total</b>	<b>179.70</b>	<b>179.70</b>

### 15.1 Reconciliation of the number of Equity shares

Particulars	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
	Number	Amount	Number	Amount
Balance as at the beginning of the year	1,79,69,614	179.70	1,79,69,614	179.70
<b>Balance as at the end of the year</b>	<b>1,79,69,614</b>	<b>179.70</b>	<b>1,79,69,614</b>	<b>179.70</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## 15 EQUITY SHARE CAPITAL (Contd..)

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

Particulars	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Knightsville Private Limited (Holding Company)*	87,37,829	48.63	87,37,829	48.63
Siddhartha Roy Burman	16,81,649	9.36	16,42,149	9.14

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

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

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

### 15.5 Equity Shares allotted as fully paid pursuant to contract without payment being received in cash during the period of five years immediately preceding 31<sup>st</sup> March 2021

During the year 2014-15 the Company issued 51,63,293 Equity Shares of face value ₹10 each at a conversion premium of ₹140.03 per share on conversion of Zero Coupon Compulsorily Convertible Debentures (Unsecured) issued in 2013-14, as per the formula set out in, and each with rights, preferences and privileges contained in the Securities Subscription and Share Purchase Agreement.

### 15.6 Shares reserved for issue under Options

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Equity shares of ₹10/- each	34,560	34,560
	<b>34,560</b>	<b>34,560</b>

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

#### Terms and conditions of Options granted

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

The vesting period for conversion of Options is as follows:

- On completion of 12 months from the date of grant of the Options - 15% vests
- On completion of 24 months from the date of grant of the Options - 15% vests
- On completion of 36 months from the date of grant of the Options - 30% vests
- On completion of 48 months from the date of grant of the Options - 40% vests

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

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

\* Refer Note 36

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021

(All amounts in Rupees millions, unless otherwise stated)

## 16 BORROWINGS - NON-CURRENT

		As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>SECURED</b>			
<b>Term Loans from Banks</b>			
State Bank of India Term Loan I	[Refer Note 1 of 16.2]	-	-
State Bank of India Term Loan II	[Refer Note 2 of 16.2]	68.60	-
HDFC Bank Term Loan	[Refer Note 3 of 16.2]	94.00	-
ICICI Bank Term Loan	[Refer Note 4 of 16.2]	30.26	-
<b>Total</b>		<b>192.86</b>	<b>-</b>

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

Name of the Bank	2021-22*	2022-23	2023-24	2024-25	2025-26
State Bank of India Term Loan I	43.00	-	-	-	-
State Bank of India Term Loan II	-	17.15	17.15	17.15	17.15
HDFC Bank Term Loan	2.00	24.00	24.00	24.00	22.00
ICICI Bank Term Loan	0.64	7.73	7.73	7.73	7.08
<b>Total</b>	<b>45.64</b>	<b>48.88</b>	<b>48.88</b>	<b>48.88</b>	<b>46.23</b>

\*Represents 'Current maturities of long term debt' (refer Note 21 - Other Financial Liabilities - Current)

### 16.2 Nature of Security of Cash Credit, Working Capital Demand Loans and Short Term 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 Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, on pari-passu basis with other working capital members banks under the consortium, equitable mortgage of property at Kasba, personal guarantee of Managing Director and corporate guarantee of group company.

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

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, on second pari-passu basis with other working capital members banks under the consortium, and equitable mortgage of property at Kasba

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

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, on second pari-passu basis with other working capital members banks under the consortium.

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

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, on second pari-passu basis with other working capital members banks under the consortium and mortgage of factory building at S19, S20 and S21 at Kasba, Kolkata, retail outlet at Rashbehari Avenue, Kolkata.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## 17 LEASE LIABILITIES

	As at 31 <sup>st</sup> March 2021			As at 31 <sup>st</sup> March 2020		
	Non-Current	Current	Total	Non-Current	Current	Total
Lease Liabilities	1,172.56	209.66	1,382.22	1,489.12	216.05	1,705.17
<b>Total</b>	<b>1,172.56</b>	<b>209.66</b>	<b>1,382.22</b>	<b>1,489.12</b>	<b>216.05</b>	<b>1,705.17</b>

17.1 The details of the contractual maturities of lease liabilities as at 31<sup>st</sup> March 2021 on an undiscounted basis are as follows:

	As at 31 <sup>st</sup> March 2021
Less than one year	209.66
One to two years	210.94
Two to three years	198.17
Three to four years	171.81
Four to five years	162.58
More than five years	429.06
<b>Total</b>	<b>1,382.22</b>

17.2 (i) The Group for the year ended 31<sup>st</sup> March 2021 has recognised expenses of ₹ 45.14 millions (Previous year - ₹ 58.68 millions) in relation to short-term leases and recorded as 'Rent expenses' under Other Expenses in Note 30.

17.2 (ii) The Group for the year ended 31<sup>st</sup> March 2021 has recognised expenses of ₹1.91 millions (Previous Year - ₹3.75 millions) as variable lease payment for commissioned outlets and ₹0.52 millions (Previous Year - ₹0.92 millions) for leased outlet and recorded as 'Commission and Discount' under Other Expenses in Note 30.

17.2 (iii) Additionally, as stated in Note 2, 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 ₹73.23 millions has been accounted for as a negative variable lease payment in profit or loss. The Group has derecognised the part of the lease liability that has been extinguished by the forgiveness of lease payments, consistent with the requirements of Ind AS 109:3.3.1

## 18 PROVISIONS - NON-CURRENT

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Other long term benefits</b>		
Leave Encashment	5.23	5.06
<b>Total</b>	<b>5.23</b>	<b>5.06</b>

## 19 OTHER NON-CURRENT LIABILITIES

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Deferred Government Grant	1.92	2.92
<b>Total</b>	<b>1.92</b>	<b>2.92</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021

(All amounts in Rupees millions, unless otherwise stated)

## 20 BORROWINGS - CURRENT

		As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>SECURED</b>			
<b>Loans repayable on demand</b>			
<b>Cash Credit / Working Capital Demand Loans from Banks</b>			
State Bank of India Cash Credit	[Refer Note 1 of 20.1]	313.36	399.80
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]	5.41	16.62
ICICI Bank Cash Credit	[Refer Note 2 of 20.1]	7.98	52.00
HDFC Bank Cash Credit	[Refer Note 2 of 20.1]	293.33	155.37
Axis Bank Demand Loan	[Refer Note 2 of 20.1]	36.00	36.00
Kotak Mahindra Bank Demand Loan	[Refer Note 2 of 20.1]	-	9.60
HDFC Bank Demand Loan	[Refer Note 2 of 20.1]	-	158.08
ICICI Bank Demand Loan I	[Refer Note 2 of 20.1]	40.00	18.00
ICICI Bank Demand Loan II	[Refer Note 3 of 20.1]	125.00	125.00
HDFC Bank Short Term Loan	[Refer Note 4 of 20.1]	-	150.00
<b>Total</b>		<b>821.08</b>	<b>1,160.47</b>

### 20.1 Nature of Security of Cash Credit, Working Capital Demand Loans and Short 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 pari-passu basis with other working capital member banks under the consortium.

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, on pari-passu basis with other working capital members banks under the consortium, equitable mortgage of property at Kasba, personal guarantee of Managing Director and corporate guarantee of group company.

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

**Collateral security** - Equitable mortgage of properties at Kancharapara, Salt Lake, KG Road, Bangalore and Civil Station, Bangalore, 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** - Secured by mortgage of factory building at S19, S20 and S21 at Kasba, Kolkata, retail outlet at Rashbehari Avenue, Kolkata and personal guarantee of Managing Director.

- 4** Secured by personal guarantee of Managing Director and mortgage of properties at Tollygunje, Chandannagar and Madhyamgram.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## 21 OTHER FINANCIAL LIABILITIES - CURRENT

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Current maturities of long term debt	45.64	-
Interest accrued and due on borrowings	0.98	5.61
Unpaid Dividend [Refer Note 21.1]	0.02	0.02
Deposits from customers	96.35	102.23
Other payables:		
Payables on purchase of property, plant and equipment	22.51	24.18
Others [Reimbursement claims, etc.]	0.54	0.01
<b>Total</b>	<b>166.04</b>	<b>132.05</b>

**21.1** There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956/Section 125 of the Companies Act, 2013 as at the year end.

## 22 OTHER CURRENT LIABILITIES

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Advance from customers	31.39	33.04
Advance against sale of Assets held for disposal	5.00	5.00
Statutory remittances (GST, Contribution to Provident and Other Funds, Withholding Tax)	16.48	17.66
Deferred Government Grant	0.99	1.04
Others	0.67	1.02
<b>Total</b>	<b>54.53</b>	<b>57.76</b>

## 23 PROVISIONS - CURRENT

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Post employment benefits</b>		
Gratuity (Refer Note 38.2)	-	1.72
<b>Other long term benefits</b>		
Leave Encashment	1.46	1.09
<b>Total</b>	<b>1.46</b>	<b>2.81</b>

## 24 INCOME TAX LIABILITIES

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Provision for Income Tax (Net of advance taxes Nil; 31 <sup>st</sup> March 2020: ₹1.20 millions)	-	1.81
<b>Total</b>	<b>-</b>	<b>1.81</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## 25 REVENUE FROM OPERATIONS

	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Sale of products *	6,179.63	7,612.80
[Refer Note 25.1]		
Other operating revenues [Refer Note 25.2]	82.15	105.88
<b>Total</b>	<b>6,261.78</b>	<b>7,718.68</b>

\* Net of sales returns

### 25.1 Details of sale of products

	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Footwear and accessories	6,179.63	7,612.80
<b>Total</b>	<b>6,179.63</b>	<b>7,612.80</b>

### 25.2 Details of other operating revenues

	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Sale of ancillaries	52.37	86.32
Scrap sales	29.78	19.45
Export incentives	-	0.11
<b>Total</b>	<b>82.15</b>	<b>105.88</b>

## 26 OTHER INCOME

	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Interest income comprises interest from:		
- Deposits with banks - carried at amortised cost	2.68	3.10
- Other financial assets measured at amortised cost	21.43	14.64
- On Income Tax Refunds	1.03	-
Gain arising on sale of financial assets mandatorily measured at Fair Value through Profit and Loss	0.27	1.41
Other non-operating income (Rental income, etc.)	155.38	47.56
<b>Total</b>	<b>180.79</b>	<b>66.71</b>

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

	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>Inventories at the end of the year</b>		
Work - in - progress	48.87	54.75
Finished goods	176.17	335.91
Stock-in-trade	1,015.72	1,140.99
	<b>1,240.76</b>	<b>1,531.65</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## 27 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN PROGRESS (Contd..)

	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>Inventories at the beginning of the year</b>		
Work - in - progress	54.75	47.66
Finished goods	335.91	303.63
Stock-in-trade	1,140.99	1,015.87
	<b>1,531.65</b>	<b>1,367.16</b>
<b>Total</b>	<b>290.89</b>	<b>(164.49)</b>

## 28 EMPLOYEE BENEFITS EXPENSE

	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Salaries and wages	532.60	647.35
Contribution to Provident and other funds	26.17	25.25
Share based payments to employees	1.71	1.04
Staff Welfare Expenses	47.58	59.06
<b>Total</b>	<b>608.06</b>	<b>732.70</b>

## 29 FINANCE COSTS

	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Interest expense on financial liabilities measured at amortised cost	121.28	143.58
Interest expense on lease liabilities	132.47	149.21
<b>Total</b>	<b>253.75</b>	<b>292.79</b>

## 30 OTHER EXPENSES

	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Consumption of Stores	6.07	8.71
Power and Fuel	152.52	179.05
Rent	65.30	73.84
Rates and Taxes	13.41	16.42
Bank Charges	14.20	34.42
Insurance	19.62	20.98
Repairs:		
Plant and Machinery	14.39	12.36
Others	88.99	113.48
Travelling and Conveyance Expenses	24.17	57.19
Printing and Stationery	3.21	3.96
Postage, Telephone and other Communication Expenses	12.78	18.81
Advertising, Marketing and Sales Promotion Expenses	198.99	497.06
Freight Charges, Transport and Delivery	168.56	253.75
Jobwork Charges	190.52	206.45



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021

(All amounts in Rupees millions, unless otherwise stated)

## 30 OTHER EXPENSES

	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Professional Fees	28.07	71.41
Commission and Discount	86.96	112.99
Legal Expenses	0.08	0.22
Debts/Advances written off	6.06	8.70
Loss on sale/discard of property, plant and equipments - Net	22.13	9.00
Provision for doubtful debts, advances and other assets	6.13	24.73
Security Hire Charges	15.30	19.88
Miscellaneous Expenses (Refer Note 30.1)	23.89	25.73
<b>Total</b>	<b>1,161.35</b>	<b>1,769.14</b>

### 30.1 Miscellaneous Expenses include :

Amount paid /payable to Auditors (excluding tax)	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
- Statutory Audit	1.97	1.97
- Tax Audit	0.40	0.40
- Other matters	1.79	1.60
- Out of pocket expenses	0.03	0.23
<b>Total</b>	<b>4.19</b>	<b>4.20</b>

## 31 INCOME TAX EXPENSES

### A Amount recognised in profit or loss

	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>Current tax</b>		
Income tax for the year		
Current tax	-	-
Adjustments/(credits) related to previous years - Net		
Current tax	(4.73)	-
<b>Total Current tax</b>	<b>(4.73)</b>	<b>-</b>
<b>Deferred tax</b>		
Deferred tax for the year	(97.36)	(28.13)
<b>Total</b>	<b>(102.09)</b>	<b>(28.13)</b>

### B Amount recognised in other comprehensive income

	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
The tax (charge)/credit arising on income and expenses recognised in other comprehensive income is as follows:		
<b>Deferred tax</b>		
On items that will not be reclassified to profit or loss		
Re-measurement (gains)/losses on defined benefit plans	(0.60)	0.12
<b>Total</b>	<b>(0.60)</b>	<b>0.12</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## 31 INCOME TAX EXPENSES

### C Reconciliation of effective tax rate

	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Loss before tax	(431.53)	(340.82)
Applicable tax rate	25.168%	25.168%
Income tax expense on above rate	(108.61)	(85.78)
Effect of unused tax loss not recognised as deferred tax assets	0.08	0.14
Adjustment for rate difference (Refer Note 1 below)	-	(10.94)
Expenses not allowable under tax laws	27.57	72.78
Additional expenses allowable under tax laws	(16.40)	(4.33)
	<b>(97.36)</b>	<b>(28.13)</b>
Tax adjustment of prior periods	(4.73)	-
<b>Tax as per statement of profit and loss</b>	<b>(102.09)</b>	<b>(28.13)</b>

#### Notes:

- The Group had elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Group had recognised Provision for Income Tax for the year ended 31<sup>st</sup> March 2020 and remeasured its Deferred Tax Liabilities based on the rates prescribed in the aforesaid section.
- The Group has long term capital losses of ₹49.99 millions (31<sup>st</sup> March 2020 - ₹ 49.99 millions) for which no deferred tax assets have been recognised. These losses are due to expire in the following years:

	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Assessment year 2026-2027	49.99	49.99
	<b>49.99</b>	<b>49.99</b>

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

	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
i. Loss after Tax attributable to the Equity Shareholders	(329.44)	(312.69)
ii. Weighted average number of equity shares outstanding for the purpose of basic earnings per share	1,79,69,614	1,79,69,614
iii. Weighted average number of equity shares in computing diluted earnings per share	1,79,69,614	1,79,69,614
iv. Earnings per share on (loss)/profit for the year (Face value ₹10/- per share)		
- Basic [(i) / (ii)]	(18.33)	(17.40)
- Diluted [(i) / (iii)]	(18.33)	(17.40)

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021

(All amounts in Rupees millions, unless otherwise stated)

**33** Miscellaneous Expenses included in "Note 30 - Other Expenses" includes expenditure incurred under Section 135 of the Companies Act, 2013 on Corporate Social Responsibility (CSR) activities and the same represents contributions for promoting health care, education and other expenses. Gross amount required to be spent by the Group is ₹3.35 millions (Previous Year - ₹8.36 millions) and amount spent during the year is ₹3.47 millions (Previous Year - ₹8.36 millions).

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

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

Geographical information	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>Revenue from external customers</b>		
- Within India	6,261.78	7,711.13
- Outside India	-	7.55
<b>Total</b>	<b>6,261.78</b>	<b>7,718.68</b>

Geographical information	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Non-current assets*</b>		
- Within India	2,453.15	2,943.29
- Outside India	-	-
<b>Total</b>	<b>2,453.15</b>	<b>2,943.29</b>

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

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

## 35 Contingent Liabilities in respect of -

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Claims not acknowledged as debts :</b>		
a. Sales Tax Matters under dispute	6.55	7.04
b. Income Tax Matters under dispute	1.62	1.19

The claims disputed by the Group as above relate to issues of applicability and classification and it is not practicable for the Group to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the above.

**36** Post Completion of IPO on 14th November 2017, the shareholding of Knightville Private Limited has come down to 48.63% from 50.51%. However, Knightville Private Limited remains as Holding Company since it continues to control the Group.

## 37 Commitments

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Capital Commitment (Net of capital advances - ₹0.42 millions; 31 <sup>st</sup> March 2020 - ₹2.55 millions)	0.78	3.95

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## 38 Employee Benefits

The Group has recognized, in the Consolidated Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2021 an amount of ₹21.69 millions (Previous Year - ₹20.21 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 based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

#### Risk Management

The Defined Benefit Plans expose the Group to risk of actuarial deficit arising out of investment risk, interest rate risk and salary cost inflation risk.

**Investment Risks:** This may arise from volatility in asset values due to market fluctuations and impairment of assets due to credit losses. These Plans primarily invest in debt instruments such as Government securities and highly rated corporate bonds - the valuation of which is inversely proportional to the interest rate movements.

**Interest Rate Risk:** The present value of Defined Benefit Plans liability is determined using the discount rate based on the market yields prevailing at the end of reporting period on Government Bonds. A 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	Gratuity (Funded)	
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>I. Components of Employer Expense</b>		
- recognized in Consolidated Statement of Profit and loss		
a. Current Service cost	4.59	4.56
b. Net Interest cost	(0.11)	0.48
<b>c. Total expense recognized in the Consolidated Statement of Profit and Loss</b>	<b>4.48</b>	<b>5.04</b>
- Re-measurements recognized in Other Comprehensive Income		
d. Return on plan assets (excluding amounts included in Net interest cost)	0.57	0.05
e. Effect of changes in financial assumptions	0.51	3.43
f. Effect of experience adjustments	(3.45)	(3.02)
<b>g. Total re-measurement loss/(gain) included in Other Comprehensive Income</b>	<b>(2.37)</b>	<b>0.46</b>
<b>h. Total defined benefit cost recognized in Consolidated Statement of Profit and Loss and Other Comprehensive Income (c+g)</b>	<b>2.11</b>	<b>5.50</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## 38 Employee Benefits

### 38.2 (Contd..)

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 .

	Gratuity (Funded)	
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>II. Actual Returns</b>	<b>3.22</b>	<b>3.32</b>
<b>III. Changes in Defined Benefit Obligation (DBO)</b>		
a. Present value of DBO at the beginning of the year	52.50	50.08
b. Current Service Cost	4.59	4.56
c. Interest Cost	3.68	3.86
d. Re-measurement losses/(gains):		
- Effect of changes in financial assumptions	0.51	3.43
- Effect of experience adjustments	(3.45)	(3.02)
e. Benefits paid	(3.44)	(6.41)
<b>f. Present value of DBO at the end of the year</b>	<b>54.39</b>	<b>52.50</b>

	Gratuity (Funded)	
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>IV. Change in the Fair Value of Plan Assets</b>		
a. Plan Assets at the beginning of the year	50.78	40.17
b. Interest income	3.80	3.38
c. Re-measurement losses on plan assets	(0.57)	(0.06)
d. Actual Company contributions	10.00	13.70
e. Benefits paid	(3.44)	(6.41)
<b>f. Plan Assets at the end of the year</b>	<b>60.57</b>	<b>50.78</b>

	Gratuity (Funded)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>V. Net Asset/(Liability) recognized in Consolidated Balance Sheet</b>		
a. Present value of Defined Benefit Obligation	54.39	52.50
b. Fair value of Plan Assets	60.57	50.78
c. Funded Status [Surplus/(Deficit)]	6.18	(1.72)
<b>d. Net Asset/(Liability) recognized in Consolidated Balance Sheet</b>	<b>6.18</b>	<b>(1.72)</b>
- Current	6.18	(1.72)
- Non-Current	-	-
<b>VI. Best estimate of Employers' expected contribution for the next year</b>	<b>4.50</b>	<b>5.29</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## 38 Employee Benefits

### 38.2 (Contd..)

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>VII. Actuarial Assumptions</b>		
a. Discount Rate (%)	6.90%	7.00%
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

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
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 Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

### IX. Net Asset/(Liability) recognized in Consolidated Balance Sheet (including experience adjustment impact)

	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>Gratuity</b>		
Present value of DBO	54.39	52.50
Fair value of plan assets	60.57	50.78
Funded status [Surplus / (Deficit)]	6.18	(1.72)
Experience gain / (loss) adjustments on plan liabilities	3.45	3.02
Experience gain / (loss) adjustments on plan assets	(0.57)	(0.06)

### 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.

	Gratuity - DBO as at	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
1. Discount rate + 100 basis points	49.92	48.12
2. Discount rate - 100 basis points	59.50	57.53
3. Salary increase rate + 1%	59.59	57.66
4. Salary increase rate - 1%	49.69	47.87

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## 38 Employee Benefits

### 38.2 (Contd..)

#### XI. Maturity analysis of the benefit payments

	Gratuity - DBO as at	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
Year 1	3.57	3.01
Year 2	0.87	3.49
Year 3	0.43	3.60
Year 4	1.49	3.31
Year 5	1.35	3.85
Next 5 years	27.07	23.28

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

### A) List of Related Parties

Holding Company	Knightsville Private Limited
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 (w.e.f. from 8th November 2019)
	Ms. Namrata Ashok Chotrani, Chief Executive Officer (w.e.f. from 1st November 2019)
	[Held the post of Non-Executive Director till 11th September 2019]
	Ms. Ishani Ray, Chief Executive Officer (till 31st October 2019)
	Mr. Indrajit Chaudhuri, Chief Financial Officer
	Mr. Abhijit Dan, Company Secretary and Head Legal
Enterprises over which KMP and their relatives exercise significant influence	PU Pillar Consultant and Strategic Solutions Private Limited (erstwhile Khadim Financial Services Private Limited)
	Khadim Development Company Private Limited
	Khadim Enterprises
	K.M. Khadim & Co.
	St. Marys' Clinic & Drug Stores
	Sheila Departmental Stores Private Limited
	Bee Tee Enterprise
	Moviewallah Communications Private Limited
	Khadim Estate Advisors Private Limited
Relatives of KMP	Mrs. Namita Roy Burman (Mother of Mr. Siddhartha Roy Burman)
	Mr. Rittick Roy Burman (Son of Mr. Siddhartha Roy Burman)

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021  
(All amounts in Rupees millions, unless otherwise stated)

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

### B) Particulars of transactions during the year ended 31<sup>st</sup> March 2021:

	Year Ended 31 <sup>st</sup> March 2021		Year Ended 31 <sup>st</sup> March 2020	
<b>I) Holding Company</b>		-		-
<b>II) Key Management Personnel ^</b>				
a) Remuneration				
- Mr.Siddhartha Roy Burman #	23.49		31.15	
- Mr.Rittick Roy Burman	1.98		1.07	
- Ms.Namrata Ashok Chotrani	5.67		3.06	
- Ms.Ishani Ray	-		4.05	
- Mr.Indrajit Chaudhuri	3.03		4.08	
- Mr.Abhijit Dan	1.69	35.86	2.27	45.68
b) Share based payments				
- Mr.Indrajit Chaudhuri		0.29		0.46
c) Rent paid to Mr.Siddhartha Roy Burman		0.08		0.08
d) Sitting fees				
- Dr.Indranath Chatterjee	0.38		0.39	
- Prof.(Dr.) Surabhi Banerjee	0.40		0.41	
- Mr.Alok Chauthmal Churiwala	0.38		0.36	
- Ms.Namrata Ashok Chotrani	-		0.12	
- Mr.Ritoban Roy Burman	0.07	1.23	0.11	1.39
e) Commission				
- Dr.Indranath Chatterjee	0.10		-	
- Prof.(Dr.) Surabhi Banerjee	0.10		-	
- Mr.Alok Chauthmal Churiwala	0.10	0.30	-	-
e) Unsecured loan taken from Mr.Siddhartha Roy Burman		50.00		-
f) Unsecured loan repaid to Mr.Siddhartha Roy Burman (including interest of ₹0.76 millions)		50.76		-
<b>III) Enterprises over which KMP and their relatives exercise significant influence</b>				
a) Royalty received from K M Khadim & Co.		-		0.02
b) Rent paid to Khadim Development Co. Pvt Ltd #		0.84		0.84
c) Commission paid				
- Khadim Enterprises	0.16		0.32	
- Bee Tee Enterprises	0.38		0.72	
- Sheila Departmental Stores Pvt Ltd	0.26		0.66	
- St. Mary's Clinic & Drug Stores	0.05	0.85	0.15	1.85
d) Rent received from K M Khadim & Co.		0.03		0.03
e) Rent received from Khadim Estate Advisors Pvt Ltd		0.05		-



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021

(All amounts in Rupees millions, unless otherwise stated)

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

### B) Particulars of transactions during the year ended 31<sup>st</sup> March 2021:

	Year Ended 31 <sup>st</sup> March 2021		Year Ended 31 <sup>st</sup> March 2020	
<b>IV) Relatives of Key Management Personnel</b>				
Remuneration				
- Mrs.Namita Roy Burman	1.44		1.44	
- Mr.Rittick Roy Burman	-	1.44	1.08	2.52

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Outstanding Balances</b>		
<b>I) Key Management Personnel<sup>^</sup></b>		
- Mr.Siddhartha Roy Burman#	-	(0.81)
- Mr.Rittick Roy Burman	-	(0.17)
- Dr.Indranath Chatterjee	(0.09)	-
- Prof.(Dr.) Surabhi Banerjee	(0.09)	-
- Mr.Alok Chauthmal Churiwala	(0.09)	-
<b>II) Enterprises over which KMP and their relatives exercise significant influence</b>		
- Khadim Enterprises	(0.04)	0.12
- Bee Tee Enterprises	(0.27)	(0.33)
- Sheila Departmental Stores Pvt Ltd	(0.08)	(3.43)
- St. Mary's Clinic & Drug Stores	0.38	0.23
- Khadim Development Co Pvt Ltd	(0.06)	(0.03)
- Khadim Estate Advisors Pvt Ltd	0.05	-
- K M Khadim & Co.	-	0.08

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

<sup>^</sup> 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
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

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021

(All amounts in Rupees millions, unless otherwise stated)

## 40 Information in respect of Options granted under the Company's Employee Stock Option Scheme ('Scheme'): (Contd..)

Name of the Scheme	Khadim Employee Stock Option Plan 2017
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 2020-21 is ₹1.71 millions (Previous Year - ₹1.04 millions).
ix. Nature and extent of employee share based payment plan that existed during the period including the general terms and conditions of the plan	: Each option entitles the holder thereof to apply for and be allotted one equity share of ₹10 each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of five years from such date.
x. Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock	: Weighted average exercise price per Option - ₹320 Weighted average fair value per Option - ₹310
xi. Option movements during the year:	
a. Options outstanding at the beginning of the year	: 34,560
b. Options granted during the year	: -
c. Options cancelled and lapsed during the year	: -
d. Options vested and exercisable during the year (net of Options lapsed and exercised)	: 17,028
e. Options exercised during the year	: -
f. Number of equity shares of ₹10 each arising as a result of exercise of Options during the year	: -
g. Options outstanding and exercisable at the end of the year	: 34,560
h. Money realised by exercise of the Options during the year	: -
xii. Weighted average share price of shares arising upon exercise of Options	: No options were exercised during the year
xiii. A description of the method used during the year to estimate the fair value of Options, the weighted average exercise price and weighted average fair value of Options granted	: The fair value of each Option is estimated using the Black Scholes Option Pricing model Weighted average exercise price per Option - ₹320 Weighted average fair value per Option - ₹310
The significant assumptions used to ascertain the above	: The fair value of each Option is estimated using the Black Scholes Option Pricing model after applying the following key assumptions on a weighted average basis: Risk-free interest rate - 8% Expected life - 6 years Expected volatility - 80% Dividend yield - 0% Fair market value of the underlying share in the market at the time of Option grant - ₹400

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021

(All amounts in Rupees millions, unless otherwise stated)

## 40 Information in respect of Options granted under the Company's Employee Stock Option Scheme ('Scheme'): (Contd..)

Name of the Scheme	Khadim Employee Stock Option Plan 2017
xiv. Methodology for determination of expected volatility	: The volatility used in the Black Scholes Option Pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. The period considered for the working is based on the daily volatility of the stock prices on National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE) over a period prior to the date of grant corresponding with the expected life of the options.
xv. Options granted to	: No options were granted during the year.
a. Key managerial personnel	: Nil
b. Senior managerial personnel	: Nil
c. Any other employee who received a grant on any one year of Options amounting to 5% or more of the Options granted during the year	: Nil
d. Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant.	: None

## 41 Financial Instruments and related disclosures

### A Capital Management

The Group aims at maintaining a strong capital base safeguarding business continuity and augments its internal generations with a judicious use of borrowing facilities to meet the requirements of working capital that arise from time to time as well as requirements to finance business growth. The Group is not subject to any externally imposed capital requirements.

### B Categories of Financial Instruments

Particulars	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
	Carrying value	Fair value	Carrying value	Fair value
<b>I Financial assets</b>				
<b>a. Measured at amortised cost</b>				
Trade receivables	1,206.97	1,206.97	1,189.77	1,189.77
Cash and cash equivalents	12.46	12.46	43.88	43.88
Other bank balances	26.83	26.83	36.00	36.00
Other financial assets	280.58	280.58	264.39	264.39
<b>Total Financial assets</b>	<b>1,526.84</b>	<b>1,526.84</b>	<b>1,534.04</b>	<b>1,534.04</b>
<b>II Financial liabilities</b>				
<b>a. Measured at amortised cost</b>				
Lease liabilities	1,382.22	1,382.22	1,705.17	1,705.17
Borrowings	1,013.94	1,013.94	1,160.47	1,160.47
Trade payables	1,670.52	1,670.52	1,582.17	1,582.17
Other financial liabilities	166.04	166.04	132.05	132.05
<b>Total Financial liabilities</b>	<b>4,232.72</b>	<b>4,232.72</b>	<b>4,579.86</b>	<b>4,579.86</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## 41 Financial Instruments and related disclosures (Contd..)

### C Financial risk management objectives

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

#### Interest rate risk

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

#### Price risk

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

#### Liquidity Risk

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

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

As at 31 <sup>st</sup> March 2021	Carrying value	Less than 1 year	Between 1 to 5 years	Beyond 5 years	Total
Lease liabilities	1,382.22	209.66	743.50	429.06	1,382.22
Borrowings	1,013.94	821.08	192.86	-	1,013.94
Trade payables	1,670.52	1,670.52	-	-	1,670.52
Other financial liabilities	166.04	166.04	-	-	166.04
<b>Total</b>	<b>4,232.72</b>	<b>2,867.30</b>	<b>936.36</b>	<b>429.06</b>	<b>4,232.72</b>

As at 31 <sup>st</sup> March 2020	Carrying value	Less than 1 year	Between 1 to 5 years	Beyond 5 years	Total
Lease liabilities	1,705.17	216.05	896.64	592.48	1,705.17
Borrowings	1,160.47	1,160.47	-	-	1,160.47
Trade payables	1,582.17	1,582.17	-	-	1,582.17
Other financial liabilities	132.05	132.05	-	-	132.05
<b>Total</b>	<b>4,579.86</b>	<b>3,090.74</b>	<b>896.64</b>	<b>592.48</b>	<b>4,579.86</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021

(All amounts in Rupees millions, unless otherwise stated)

## 41 Financial Instruments and related disclosures (Contd..)

### 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 is 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:

	Expected Loss Provision	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Opening Balance	51.75	27.02
Add: Provisions made (net)	6.13	24.73
<b>Closing Balance</b>	<b>57.88</b>	<b>51.75</b>

Of the trade receivables balance at the end of the year, ₹326 millions (31<sup>st</sup> March 2020: ₹326 millions) is due from a customer, which exceeded 20 per cent of gross financial assets at the end of the year. Management has assessed the recoverability and believes that the amount is fully recoverable. Apart from this, the Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

### Foreign currency Risk

The Group undertakes transactions denominated in foreign currency (mainly US Dollar, Euro and Pound Sterling) which are subject to the risk of exchange rate fluctuations. Financial assets and liabilities denominated in foreign currency are also subject to reinstatement risks.

The carrying amount of foreign currency denominated financial assets and liabilities, are as follows:

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
	USD	USD
Financial assets	2.25	2.32
Financial liabilities	62.10	52.48

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

	Currency	Cross Currency	Buy
As at 31 <sup>st</sup> March 2021	USD	Rupees	0.85
As at 31 <sup>st</sup> March 2020	USD	Rupees	0.69

The aforesaid contracts have a maturity of less than 1 year from the year end.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## 42 Fair value measurement

### Fair value hierarchy

Fair value of the financial instruments is classified in various hierarchies based on the following three levels:

**Level 1:** Quoted prices (unadjusted) in active market for identical assets or liabilities

**Level 2:** Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e.as prices) or indirectly (i.e. derived from prices)

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

**Level 3:** Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, current investments, trade payables, other current financial assets and liabilities and short-term borrowings are considered to be equal to the carrying amounts of these items due to their short-term nature and accordingly not included in the below table. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Group has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

	Fair value hierarchy (Level)	Fair value	
		As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>I Financial assets</b>			
<b>a. Measured at amortised cost</b>			
Other financial assets - Non-Current	3	179.32	174.93
<b>Total Financial assets</b>		<b>179.32</b>	<b>174.93</b>
<b>II Financial liabilities</b>			
<b>a. Measured at amortised cost</b>			
Borrowings - Non-Current	3	192.86	-
<b>Total Financial liabilities</b>		<b>192.86</b>	<b>-</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021

(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 Company

Sl. No.	Particulars	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
	Principal	Nil	Nil
	Interest	Nil	Nil
2	The amount of interest paid by the buyer in terms of section 16, of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	Nil	Nil
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	Nil	Nil

**44** The spread of COVID-19 has impacted businesses around the globe. In India, Governments in certain states have imposed various restrictions with the increase in number of COVID 19 cases during the months of March, April and May 2021. The Group has considered various internal and external information available up to the date of approval of these consolidated financial statements in assessing the impact of COVID-19 pandemic on the consolidated financial statements for the year ended 31<sup>st</sup> March 2021.

On the basis of assessment done by the Group and based on the internal / external sources of information and application of reasonable estimates, the Group has concluded that it does not foresee any significant incremental risk to the recoverability of its Trade Receivables, Inventories and Other Financial Assets or, in meeting its financial obligations over the foreseeable future and hence no material adjustments are required in the consolidated financial statements.

Since the situation is continuously evolving, the impact assessed in future may be different from the estimates made as at the date of approval of these consolidated financial statements. The Group will continue to closely monitor any material changes to future economic conditions due to uncertainties linked to COVID-19, which may impact the above assessment.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021  
(All amounts in Rupees millions, unless otherwise stated)

## 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 Loss		Share in Other Comprehensive Loss		Share in Total Comprehensive Loss	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Loss	Amount	As % of Consolidated Other Comprehensive Loss	Amount	As % of Consolidated Total Comprehensive Loss	Amount
<b>Parent</b>								
Khadim India Limited	100.00%	2,008.47	99.91%	(329.15)	99.65%	1.77	99.91%	(327.38)
<b>Subsidiary</b>								
<b>Foreign</b>								
Khadim Shoe Bangladesh Limited	0.00%	0.03	0.09%	(0.29)	0.35%	(0.00)	0.09%	(0.29)
<b>Total</b>	<b>100.00%</b>	<b>2,008.50</b>	<b>100.00%</b>	<b>(329.44)</b>	<b>100.00%</b>	<b>1.77</b>	<b>100.00%</b>	<b>(327.67)</b>

## 46 Recent accounting pronouncement

On 24th March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1<sup>st</sup> April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

### Balance Sheet:

- (i) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- (ii) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- (iii) Specified format for disclosure of shareholding of promoters.
- (iv) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- (v) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- (vi) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

### Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the consolidated financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2021

(All amounts in Rupees millions, unless otherwise stated)

**47** The consolidated financial statements were approved for issue by the Board of Directors on 17<sup>th</sup> June 2021

For and on behalf of Board of Directors

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Ketan Vora**  
Partner

**Siddhartha Roy Burman**  
Chairman & Managing Director

**Rittick Roy Burman**  
Wholetime Director

**Namrata Ashok Chotrani**  
Chief Executive Officer

**Indrajit Chaudhuri**  
Chief Financial Officer

Place: Mumbai  
Date: 17<sup>th</sup> June 2021

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

# NOTICE

**NOTICE** is hereby given that the 40<sup>th</sup> (Fortieth) Annual General Meeting ('AGM') of the members of Khadim India Limited ("the Company") will be held on **Tuesday, September 28, 2021 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, 2021 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint 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 M/s. Ray & Ray, Chartered Accountants as the Statutory Auditors of the Company to fill the casual vacancy**

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

**"RESOLVED THAT** pursuant to the provisions of Section 139(8) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditor) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and upon recommendation of the Audit Committee and Board of Directors, the approval of the Members of the Company be and is hereby accorded for the appointment of M/s. Ray & Ray, Chartered Accountants, (Firm's Registration No. 301072E), having their head office at Webel Bhavan, Ground Floor, Block – EP & GP, Sector – V, Salt Lake, Kolkata – 700091, as the Statutory Auditors of the Company, to fill the casual vacancy caused by the resignation of M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No.: 302009E).

**RESOLVED FURTHER THAT** M/s. Ray & Ray, Chartered Accountants shall hold office from August 12, 2021 till the conclusion of this (40<sup>th</sup>) Annual General Meeting, at a fee to be mutually decided plus out of pocket expenditure, if any, between the Board of Directors and the Statutory Auditors of the Company."

4. **Appointment of M/s. Ray & Ray, Chartered Accountants as the Statutory Auditors of the Company for a period of 5 consecutive years**

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

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditor) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and upon recommendation of the Audit Committee and Board of Directors, the approval of the Members of the Company be and is hereby accorded for the appointment of M/s. Ray & Ray, Chartered Accountants, (Firm's Registration No. 301072E), having their head office at Webel Bhavan, Ground Floor, Block – EP & GP, Sector – V, Salt Lake, Kolkata – 700091, as the Statutory Auditors of the Company for a period of 5 (Five) consecutive years commencing from the conclusion of this (40<sup>th</sup>) Annual General Meeting till the conclusion of the 45<sup>th</sup> Annual General Meeting to be held in the financial year 2026-27, at such remuneration and out-of-pocket expenses, if any, as may be mutually agreed between the Board of Directors and the Statutory Auditors of the Company."

5. **Payment of remuneration to Mr. Siddhartha Roy Burman (DIN: 00043715), Chairman & Managing Director for a further period of 2 years of his remaining tenure w.e.f. April 01, 2022 to 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 Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and Board of Directors and subject to such other consents and permissions, as may be required, the approval of the Members of the Company be and is hereby accorded for the payment of remuneration as set out in the explanatory statement annexed hereto, to Mr. Siddhartha Roy Burman (DIN: 00043715), Chairman & Managing Director of the Company, for a further period of 2 (Two) years of his tenure w.e.f. April 01, 2022 to March

# NOTICE

31, 2024 (both days inclusive), with liberty to the Board of Directors (including any Committee of Directors) to vary, amend or revise the remuneration within the maximum ceiling in accordance with the provisions of the Companies Act, 2013 and as may be agreed to between the Board of Directors and Mr. Siddhartha Roy Burman.

**RESOLVED FURTHER THAT** save and except as aforesaid, the Special Resolution approved and passed by the Members at the 38<sup>th</sup> Annual General Meeting held on August 08, 2019 with respect to the re-appointment of Mr. Siddhartha Roy Burman as Chairman & Managing Director for a period of 5 (Five) years w.e.f. April 01, 2019 shall continue to remain in full force and effect.”

**6. Re-appointment of Prof. (Dr.) Surabhi Banerjee (DIN: 07829304) as an Independent Director of the Company for second term of 5 consecutive years**

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

**RESOLVED THAT** pursuant to the provisions of Sections 149 & 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, the rules thereunder, Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, the approval of the Members of the Company be and is hereby granted for the re-appointment of Prof. (Dr.) Surabhi Banerjee (DIN: 07829304), for a second term of 5 (Five) consecutive years, commencing from May 25, 2022 to May 24, 2027, who is currently holding the office as an Independent Director up to May 24, 2022 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director, as an Independent Director of the Company, not liable to retire by rotation.”

**7. Payment of commission to Independent Directors of the Company for the financial year ended March 31, 2021**

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

**RESOLVED THAT** pursuant to the provisions of Section 149(9), 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and rules made thereunder read with Schedule V to the Act and Regulation 17(6)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company and subject to all other applicable approval(s) as may be required, the consent of the Members of the Company be and is hereby accorded for payment of commission of ₹ 1,00,000/- (Rupees One Lakh Only) to each of the Independent Directors of the Company for the financial year ended March 31, 2021 in addition to the fees / reimbursement of expenses (if any) for attending the meetings of the Board and its Committees.”

**8. To fix minimum fee for serving various documents to the Members of the Company**

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

**RESOLVED THAT** in accordance with the provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to Article 56 (b) and 56 (c) of the Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded to charge from a member in advance, a sum equivalent to the estimated actual expenses of delivery of the document(s), that he / she is entitled to receive as a member under the Companies Act, 2013 and rules made thereunder, through a particular mode (by post or by registered post or by speed post or by courier or such electronic or other mode as may be prescribed, depending on event and circumstance of each case from time to time), pursuant to any request has been made by such member for delivery of such document to him / her through such mode of service provided such request along with the requisite fee has been duly received by the Company at least one week in advance before the dispatch of the document by the Company and that no such request(s) shall be entertained by the Company till receipt of such fees from such member towards the dispatch of such documents by the Company.”

**By Order of the Board of Directors**

**Abhijit Dan**

Company Secretary & Head – Legal  
Membership No.: A21358

Date: August 11, 2021  
Place: Kolkata

# NOTICE

## NOTES:

1. Pursuant to the General Circular Number 20/2020 dated May 5, 2020 read with General Circular No. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs (MCA) (hereinafter collectively referred to as "the MCA Circulars") and Circular Number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular Number SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India (SEBI), the listed Companies are allowed to hold AGM through VC / OAVM without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (as amended) ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the aforesaid Circulars, the AGM of the Company is being held through VC / OAVM.
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 26(4) and 36(3) of the Listing Regulations and the Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India, relating to the re-appointment of Mr. Siddhartha Roy Burman and Prof. (Dr.) Surabhi Banerjee at the AGM, is enclosed herewith and marked as **Annexure-II**.
4. Since the AGM is being held through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not enclosed to this Notice.
5. As per the provisions of the MCA Circulars, Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
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. Corporate members are requested to send to the Company at [compliance@khadims.com](mailto:compliance@khadims.com), a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the AGM.
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 the 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 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., Tuesday, September 28, 2021. Members seeking to inspect such documents can send an e-mail to [compliance@khadims.com](mailto:compliance@khadims.com) mentioning their names, folio numbers / demat account numbers and contact numbers.
10. To support the "Green Initiative" members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices and Circulars etc. from the Company electronically.
11. Pursuant to Section 91 of the Act read with Rule 10 of the Companies (Management and Administration) Rules, 2014 and Regulation 42 of the Listing Regulations, the Register of Members and the Share Transfer books of the Company will remain closed from Wednesday, September 22, 2021 till Tuesday, September 28, 2021 (inclusive of both days) for the purpose of the AGM of the Company.
12. Members are requested to quote the ledger folio / DP ID in all communication with the Company.

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13. Members desirous of making a nomination in respect of their shareholding, under Section 72 of the Act are requested to send their request to the Secretarial Department in the prescribed form.
14. Members are requested to:
- intimate to the Secretarial Department or Company's Registrar and Transfer Agent, Link Intime India Private Limited (LIPL), changes, if any, in their registered addresses, telephone number / mobile number at an early date, along with self-attested copy of address proof i.e. Aadhaar Card / electricity bill / telephone bill / driving license / passport / bank passbook particulars in case of Shares held in physical form; and
  - intimate to the respective Depository Participant, changes, if any, in their registered addresses, telephone number / mobile number at an early date, along with self-attested copy of address proof i.e. Aadhaar Card / electricity bill / telephone bill / driving license / passport / bank passbook particulars in case of Shares held in dematerialized form.
15. **Procedure for registration as speakers / seek clarification:**
- Members willing to express their views or ask questions during the AGM are required to register themselves as speakers by sending their requests from Monday, September 20, 2021 (10:00 a.m. IST) to Thursday, September 23, 2021 (5:00 p.m. IST) at [compliance@khadims.com](mailto:compliance@khadims.com) from their registered e-mail addresses, mentioning their names, folio numbers / demat account numbers, PAN details and mobile numbers. Only those Members who have registered themselves as speakers will be allowed to express their views / ask questions during the AGM. The Company / the Chairman of the Meeting reserves the right to restrict the number of questions, time allotted and number of speakers to ensure smooth conduct of the AGM.
  - Any Member desirous of receiving any information on the Financial Statements or Operations of the Company is requested to forward his / her queries to the Company through e-mail at [compliance@khadims.com](mailto:compliance@khadims.com), mentioning his / her name, folio numbers / demat account numbers, e-mail addresses and mobile numbers, at least seven working days prior to the AGM, so that the required information can be made available during the AGM.
16. As per Regulation 12 of the Listing Regulations read with Schedule - I to the said Regulations, it is mandatory for all the Companies to use bank details furnished by the investors for distributing dividends, interests, redemption or repayment amounts to them through National / Regional / Local Electronic Clearing Services (ECS) or Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT), National Automated Clearing House (NACH) wherever ECS / RTGS / NEFT / NACH and bank details are available. In the absence of electronic facility, Companies are required to mandatorily print bank details of the investors on 'payable-at-par' warrants, cheques or demand draft for distribution of Dividends or other cash benefits to the investors. In addition to that, if bank details of investors are not available, Companies shall mandatorily print the address of the investor on such payment instruments.
- Therefore, Members holding shares in physical mode are requested to update their bank details with the Company or RTA immediately. Members holding shares in demat mode are requested to record the ECS mandate with their DPs concerned.
17. The Company has uploaded the details of unpaid and unclaimed dividend lying with the Company on the website of the Company [www.khadims.com](http://www.khadims.com). Members wishing to claim dividends that remain unclaimed / unpaid are requested to correspond with the RTA as mentioned above, or with the Secretarial Department. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.

The due dates for transfer of the unclaimed / unpaid dividend relating to subsequent years to IEPF are as follows:

Dividend for the financial year ended	Due dates for transfer to IEPF
March 31, 2018	October 12, 2025
March 31, 2019	September 11, 2026

# NOTICE

18. In compliance with the MCA Circulars and the aforesaid SEBI Circular dated May 12, 2020 and January 15, 2021, Notice of the AGM along with the Annual Report is being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories / RTA. Members may note that the Notice and Annual Report will also be available on the website of the Company viz., [www.khadims.com](http://www.khadims.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The Notice of the AGM along with the Annual Report will also be available on the websites of the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).
19. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 01, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated September 07, 2020, read with SEBI circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 02, 2020, had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or RTA in this regard.
20. **Procedure for attending the AGM through VC / OAVM:**
- Members will be able to attend the AGM through VC / OAVM through the NSDL e-voting system.
  - The facility of joining the AGM through VC / OAVM will be opened 15 minutes before and will remain open upto 15 minutes after the scheduled start time of the AGM, i.e. from 11:15 a.m. IST to 11:45 a.m. IST and will be available 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.
  - The instructions to attend the AGM through VC / OAVM is enclosed herewith and marked as **Annexure-III** and the same shall form part of this Notice.
21. **Voting through electronic means:**
- As per the provisions of Section 108 and other applicable provisions, if any, of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 and amendments thereto, read with the MCA Circulars and Regulation 44 of the Listing Regulations, the Company is pleased to facilitate its Members to transact business of the AGM of the Company by voting through electronic means. For this, the Company has engaged the services of NSDL having office at Trade World, A wing, 4<sup>th</sup> Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013, to provide remote e-voting services and e-voting facility during the AGM, who are holding the shares as on the cut-off date.
  - 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.
  - The remote e-voting period commences at 9:00 a.m. IST on Saturday, September 25, 2021 and ends at 5:00 p.m. IST on Monday, September 27, 2021.** 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 21, 2021** 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.
  - 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.

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22. In order to scrutinize the e-voting process in a fair and transparent manner Mr. A.K. Labh, Practicing Company Secretary (FCS-4848 / CP-3238), from M/s. A.K. Labh & Co., Company Secretaries, having office at 40, Weston Street, 3<sup>rd</sup> Floor, Kolkata - 700 013, has been appointed by the Board of Directors of the Company as the Scrutinizer.
23. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through electronic voting system provided during the AGM and remote e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated scrutinizer's report of the total votes cast in favour or against, if any, within 48 hours of conclusion of the AGM, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the results of the voting forthwith. The resolution(s) shall be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes.
24. The results declared along with the scrutinizer's report shall be placed on the website of the Company i.e., www.khadims.com 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.
25. **The note on "Statutory Auditors" mentioned in the Board's Report dated June 17, 2021 would be read as follows:**

M/s. Deloitte Haskins & Sells (Firm Registration No. 302009E, Chartered Accountants) were re-appointed by the members of the Company at the 37<sup>th</sup> Annual General Meeting as Statutory Auditors of the Company for a second term of 5 (Five) consecutive years commencing from the conclusion of the Annual General Meeting held on September 06, 2018 till the conclusion of the 42<sup>nd</sup> Annual General Meeting to be held in the year 2023.

However, they have resigned on August 11, 2021 stating that the reduction in the Audit Fees proposed by the Company's management, as a part of continuous cost-optimisation measures of the Company, is not commensurate with the efforts involved in the audit. M/s. Deloitte Haskins & Sells (Firm Registration No. 302009E, Chartered Accountants) before resigning have issued the limited review report w.r.t the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended June 30, 2021, in compliance with the SEBI Circular CIR/CFD/CMD1/114/2019 dated as on October 18, 2019.

Subject to the approval of the members of the Company at the ensuing 40<sup>th</sup> Annual General Meeting, the Board has appointed M/s. Ray & Ray, Chartered Accountants, (Firm's Registration No. 301072E) to fill the casual vacancy caused by the above resignation, from August 12, 2021 till the conclusion of the ensuing 40<sup>th</sup> Annual General Meeting.

The Board has also appointed M/s. Ray & Ray, Chartered Accountants, for a consecutive period of 5 (Five) years from the conclusion of 40<sup>th</sup> Annual General Meeting till the conclusion of 45<sup>th</sup> Annual General Meeting, subject to the approval of members at the ensuing Annual General Meeting.

# NOTICE

## Annexure-I

### EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF COMPANIES ACT, 2013

#### Item No. 3 & 4

M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No.: 302009E) who was re-appointed by the members of the Company vide its 37<sup>th</sup> Annual General Meeting held on September 06, 2018 as the Statutory Auditors of the Company for a second term of 5 (Five) consecutive years commencing from the conclusion of 37<sup>th</sup> Annual General Meeting till the conclusion of the 42<sup>nd</sup> Annual General Meeting, have resigned from the audit engagement on August 11, 2021 stating that the reduction in the Audit Fees proposed by the Company's management, as a part of continuous cost-optimisation measures of the Company, is not commensurate with the efforts involved in the audit. M/s. Deloitte Haskins & Sells, Chartered Accountants have confirmed to the Audit Committee and the Board of Directors that there were no other concern or issue w.r.t. resignation except for the commercial reason.

In accordance with the SEBI Circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019, M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No.: 302009E) have completed audit w.r.t Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended June 30, 2021 and issued Limited Review Report thereon before resigning.

In view of the above, the members of the Audit Committee have taken into account the experience and expertise of M/s. Ray & Ray, Chartered Accountants (Firm Registration No.: 301072E) and recommended to the Board for the appointment of M/s. Ray & Ray, Chartered Accountants as the Statutory Auditors of the Company for the periods as specified below, subject to approval of the members at the ensuing 40<sup>th</sup> Annual General Meeting:

- i. From August, 12, 2021 till the conclusion of the ensuing 40<sup>th</sup> Annual General Meeting to fill the casual vacancy caused by the resignation of M/s. Deloitte Haskins & Sells as the Statutory Auditors of the Company.
- ii. From the conclusion of 40<sup>th</sup> Annual General Meeting till the conclusion of 45<sup>th</sup> Annual General Meeting i.e., for a consecutive period of 5 (Five) years.

M/s. Ray & Ray, Chartered Accountants, were acted as the Statutory Auditors of the Company prior to the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, till the financial year 2012-13. Considering their familiarisation with respect to the operations and functions of the Company and their long-standing professional services as an Audit Firm, the Audit Committee has approved their appointment.

Accordingly, in compliance with the provisions of Section 139(8) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditor) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and upon the recommendation of the Audit Committee, the Board of Directors at its meeting held on August 11, 2021 approved the appointment of M/s. Ray & Ray, Chartered Accountants (Firm Registration No.: 301072E) as the Statutory Auditors of the Company for the periods as specified above.

The brief profile of M/s. Ray & Ray, Chartered Accountants w.r.t. their appointment as Statutory Auditors as referred to in Item no. 3 and 4 of the Notice is as under:

*M/s. Ray & Ray, Chartered Accountants, is one of the leading CA firms in India with its head office in Kolkata. The firm has a pan India presence through its branch offices in major metropolitan cities and offers audit, tax and advisory services in India and abroad.*

*M/s. Ray & Ray branch offices are located in major metro cities in India including New Delhi, Mumbai, Bengaluru, Chennai and Hyderabad and have dedicated team of professionals capable of offering services across a range of verticals at any location within India or abroad.*

*M/s. Ray & Ray, over the last nine decades, since its inception in 1922, has grown into an institution that embodies the highest standards of professional integrity, values and expertise.*

*M/s. Ray & Ray has provided services to large number of industries in different sectors and has gained in-depth knowledge in their functioning and acquired the domain experience.*



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M/s. Ray & Ray, Chartered Accountants have conveyed their consent to be appointed as the Statutory Auditors of the Company for the periods as specified above, along with the requisite confirmation that, their appointment, if made by the shareholders, will be within the limits prescribed under the Act.

The Board recommends both the Ordinary resolutions at item no. 3 and 4 for the approval of the Shareholders.

None of the Directors of the Company, Key Managerial Personnel or their respective relatives is in any way concerned or interested, financially or otherwise in the resolutions as set out at item no. 3 and 4 of the Notice.

## Item No. 5

The members of the Company vide its 38<sup>th</sup> Annual General Meeting held on August 08, 2019 had approved the re-appointment of Mr. Siddhartha Roy Burman (DIN: 00043715) as the Chairman & Managing Director (also "Whole-time Key Managerial Personnel") for a further period of 5 years with effect from April 01, 2019 till March 31, 2024 (both days inclusive) at such remuneration (including remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the period of 3 years from the date of his re-appointment) with liberty to the Board of Directors to vary, amend or revise the remuneration within the maximum ceiling in accordance with the provisions of the Companies Act, 2013 and as may be agreed to between the Board of Directors and Mr. Siddhartha Roy Burman.

The Board has, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members, approved payment of remuneration to Mr. Siddhartha Roy Burman, Chairman & Managing Director of the Company for the rest of his tenure w.e.f April 01, 2022 to March 31, 2024.

Members may note that the Company has not committed any default in payment of dues to any bank or public financial institution or any other secured creditor as on date. Further, the Company has not issued any debentures as on date.

The details of remuneration to Mr. Siddhartha Roy Burman are mentioned below:

### Remuneration

Subject to the overall limits laid down in Section 197 and other applicable provisions of the Act read with Schedule - V thereto and / or any re-enactment or amendment thereof, Mr. Siddhartha Roy Burman shall be entitled to receive from the Company the following remuneration:

#### I. Salary

Not exceeding ₹ 22,50,000/- (Rupees Twenty Two Lakh Fifty Thousand Only) per annum with an annual increment up to 20% on the last drawn basic salary.

#### II. Performance Linked Incentive & Commission

Subject to the provisions of the Act, Mr. Siddhartha Roy Burman shall be entitled to get Commission not exceeding 1% of the net profits of the Company computed in the manner laid down in Section 197 and 198 of the Act, as per the recommendation of the Board of Directors and the Nomination & Remuneration Committee (NRC). The said amount of commission payable to Mr. Siddhartha Roy Burman will be based on his performance as evaluated by the Board or the NRC and approved by the Board and will be payable annually after the annual accounts have been approved by the Board.

#### III. Perquisites

In addition to the salary and incentives mentioned above, the following perquisites would be provided:

##### i. Car:

One Company owned and maintained, chauffeur driven car.

##### ii. Medical Facilities:

###### a) Routine and Domiciliary Expenses

Not exceeding 10% of Basic Salary for self, spouse and dependent members of his family.

###### b) Hospitalization Expenses

To be borne by the Company, in India and abroad.

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### iii. Assets provided by the Company:

Depreciation on such assets or cost of hiring of such assets, as may be applicable, not exceeding 10% of Basic Salary.

### iv. Communication Facilities at Residence

Company would maintain one telephone connection and internet connections at the residence of Mr. Siddhartha Roy Burman for official use only, in addition to the cell phone.

### v. Leave Travel Compensation for self and family

LTC will be given at the rate of 12% of yearly Basic Salary payable per year.

## IV. Retiral Benefits

### i. Gratuity:

As per Company Rules read with the Payment of Gratuity Act, 1972.

### ii. Provident Fund:

As per Company Policy read with Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

### iii. Leave

As per Company Rules.

### iv. Leave Encashment:

Mr. Siddhartha Roy Burman shall be entitled to accumulate his leave up to 90 days and shall be entitled to en-cash the unutilized leave at the end of the tenure of this contract. In case of renewal of this Agreement, Mr. Siddhartha Roy Burman shall be entitled to carry the leave standing to his credit at the time of such renewal instead of en-cashing it. However, irrespective of the number of renewals, Mr. Siddhartha Roy Burman shall be entitled to accumulate a maximum of 240 days of leave.

- v. The emoluments and benefits shall be subject to taxes as may be applicable. The Board or its constituted Committee may review from time to time the above remuneration subject however to the approval of the Members of the Company.

### Minimum Remuneration

In the event of absence or inadequacy of profits of the Company in any financial year(s), Mr. Siddhartha Roy Burman shall be entitled to receive such minimum remuneration as specified above subject to the applicable provisions of the Companies Act, 2013 read with rules made thereunder, also read with the terms of Schedule V thereto as applicable. Such minimum remuneration can be payable for a further period of 2 (Two) years of his tenure w.e.f. April 01, 2022 to March 31, 2024 (both days inclusive) in case of loss or inadequacy of profit.

### Sitting Fees

Mr. Siddhartha Roy Burman shall not be entitled to receive any sitting fees from the Company for attending meetings of the Board of Directors or any committee thereof during the tenure of this agreement.

The following additional information as required under Section II of Part II of Schedule V of the Act is given below:

### I. General Information

1. Nature of Industry:  
Footwear Manufacturing, Retailing and Wholeselling.
2. Date or expected date of Commencement of Commercial production:  
Not applicable, the Company is an existing Company.

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3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not applicable.

4. Financial performance based on given indicators:

Please refer audited accounts for the financial year ended March 31, 2021.

5. Foreign Investment or collaborations, if any:

No such investment or collaboration yet.

## II. Information about Mr. Siddhartha Roy Burman:

Particulars	Details
Background Details	Mr. Siddhartha Roy Burman is a Promoter, Chairman & Managing Director of the Company. He holds bachelor's degree in Commerce from the University of Calcutta. He is responsible for the overall strategic decision making of the Company and provides leadership to all operations. Under his leadership and guidance, the Company completed its Initial Public Offering (IPO) and Equity shares were listed on BSE and NSE on November 14, 2017. He has been associated with the Company since incorporation and was appointed as the Managing Director with effect from April 01, 2005 and subsequently on November 26, 2012, he has been re-designated as Chairman & Managing Director and continuing as such. He has 38 years of experience in all segments of Footwear Industry. His expertise include streamlining of operations, processes, HR initiatives and most importantly Brand building. He has great contribution in developing the manufacturing division of the Company.
Past Remuneration	₹ 23.49 million for the financial year ended March 31, 2021
Recognition and Award	Under the Leadership of Mr. Siddhartha Roy Burman, the Company ranked 1 <sup>st</sup> in Footwear Retail as "India's most attractive Brands 2013" based on a study conducted on Top 500 Brands in India by Trust Research Advisory Private Limited and also ranked 200 as most attractive Brand in the Country based on the said study. Further, based on the said study the Company ranked 26 <sup>th</sup> as most attractive brands in eastern India. The Company has won "The Economic Times CHAMPIONS of Rural Market" award in 2018.
Job profile and his suitability	Overall Management of the Company. Being the Key Driver of the business of the Company, Mr. Siddhartha Roy Burman is the most suitable person to continue as such.
Remuneration proposed	As mentioned above
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The proposed remuneration is at par with the Industry standards and on account of the rich experience of Mr. Siddhartha Roy Burman in Footwear domain.
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel or other director, if any	No Pecuniary relationship with the Company except the Contractual payments mentioned above and also whatever disclosed in the Notes to the Audited Financial Statements of the Company for the financial year ended on March 31, 2021 under the head Related Party Disclosure. He is the father of Mr. Ritoban Roy Burman, Non-Executive, Non - Independent Director and Mr. Rittick Roy Burman, Whole-time Director.

# NOTICE

### III. Other Information

a. Reasons for loss or inadequate profits:

The business conditions are dynamic and the Company has incurred loss for the financial year March 31, 2021. Further, considering the unprecedented impact of Covid-19 Pandemic including nationwide / state wise lock down imposed by the Central / various State Governments on the Economy and business, the Company may incur loss during the remaining term of Mr. Siddhartha Roy Burman and in such event Mr. Siddhartha Roy Burman would require to be compensated adequately considering the abilities and varied experience possessed by him.

b. Steps taken or proposed to be taken for improvement:

The Company is improving capacity utilization to the optimum level for all its plants for attaining economies of scale. The Company has increased its concentration towards online sales through effective marketing activities. Furthermore, the Company is also focused towards enhancing its omnichannel sales network by interlinking its e-commerce platform and stores across the country. The Company is in frequent interaction with the customers and other stake holders through digital communication via WhatsApp, Instagram, Facebook etc.

c. Expected increase in productivity and profits in measurable terms:

After taking steps as stated above, the Company shall be in a position to strengthen its capabilities as well as address the future opportunities in India and other markets of choice. The above measures undertaken are expected to yield positive results and improve the financial performance of the Company in the coming years.

In accordance with the provisions of Sections 196, 197, 198 and other applicable provisions of the Act, read with Schedule V to the said Act the terms of remuneration payable to Mr. Siddhartha Roy Burman require approval of the members by passing a Special Resolution.

The Board recommends the special resolution set out at Item No. 5 for approval of the shareholders.

Except Mr. Siddhartha Roy Burman (Self), Mr. Ritoban Roy Burman (Son) and Mr. Rittick Roy Burman (Son), and their relatives, none of the Directors of the Company or their relatives is deemed to be interested or concerned, financially or otherwise in the said resolution.

The brief profile of Mr. Siddhartha Roy Burman as per the requirements of the Act and the Listing Regulations and the rules made thereunder and the Secretarial Standard on General Meetings is given in Annexure-II, which forms part of the notes to the Notice.

### Item No. 6

Prof. (Dr.) Surabhi Banerjee, Independent Director had been appointed by the Members at the Annual General Meeting held on September 6, 2017 for a term of 5 (Five) consecutive years up to May 24, 2022.

Based on professional skill, knowledge, experience, continued valuable guidance to the management and the contributions made by Prof. (Dr.) Surabhi Banerjee during her association with the Company and also on the basis of her performance evaluation, the Board of Directors of the Company has, on the recommendation of the Nomination and Remuneration Committee, considered it desirable that it shall be in the interest of the Company to continue to avail the services of Prof. (Dr.) Surabhi Banerjee, as an Independent Director of the Company.

Further, in the opinion of the Board, Prof. (Dr.) Surabhi Banerjee fulfils the conditions specified in the Act read with Schedule IV to the Act and Rules made thereunder and also under the Listing Regulations for re-appointment as an Independent Director of the Company.

Prof. (Dr.) Surabhi Banerjee is independent of the Management of the Company.

It is therefore proposed to re-appoint Prof. (Dr.) Surabhi Banerjee as an Independent Director of the Company, to hold office for a second term of 5 (Five) consecutive years, commencing from May 25, 2022 to May 24, 2027, with a period of office not liable to retire by rotation.

The details of Prof. (Dr.) Surabhi Banerjee are provided in the Annexure-II to the Notice pursuant to the provisions of the Listing Regulations and Secretarial Standards on General Meetings.

# NOTICE

Prof. (Dr.) Surabhi Banerjee is eligible and is not disqualified from being re-appointed as Director in terms of Section 164 of the Act and has consented to continue as an Independent Director of the Company. The Company has also received a declaration that she meets with the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 25(8) of the Listing Regulations. Further, the Company has pursuant to Section 160 of the Act, received notice, in writing, from a member proposing her candidature for re-appointment as an Independent Director.

All relevant documents concerning re-appointment of Prof. (Dr.) Surabhi Banerjee as an Independent Director shall be open for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e., Tuesday, September 28, 2021.

None of the Directors / Key Managerial Personnel of the Company or their relatives except Prof. (Dr.) Surabhi Banerjee are concerned or interested (financially or otherwise), in the proposed resolution to be passed as a Special Resolution.

The Board recommends the special resolution as set out in Item No. 6 of the Notice, for approval of the members of the Company.

## Item No. 7

The Company is being immensely benefited from the expertise, skill, knowledge, experience, continued valuable guidance provided by the Independent Directors to the management.

The Independent directors devote their valuable time during Board and Committee meetings of the Company and discuss with the management on the strategic and critical issues and provide guidance and suggestions for the same from time to time for the welfare of the Company.

Considering their roles and responsibilities, the Board of Directors of the Company at its meeting held on June 17, 2021 have approved payment of commission of ₹ 1,00,000/- (Rupees One Lakh Only) to each of the Independent Directors of the Company for the financial year ended March 31, 2021 in addition to the fees for attending the meetings of the Board and its Committees, subject to the approval of the members. The amount of commission is determined by the Board of Director as per Remuneration policy of the Company.

In the opinion of the Board of Directors and based on the recommendation of the Nomination and Remuneration Committee, the commission proposed to be paid to Independent Directors is reasonable and justify the expertise, skill, knowledge, experience, guidance and time devoted by Independent Directors for the business affairs of the Company. The Board of Directors recommend passing of this resolution as set out in item No. 7 of this Notice.

Dr. Indra Nath Chatterjee, Prof. (Dr.) Surabhi Banerjee and Mr. Alok Chauthmal Churiwala being Independent Directors may be considered as concerned or interested in this matter. No other Director, Key Managerial Personnel of the Company or their relatives are concerned or interested (financially or otherwise), in the proposed Ordinary resolution to be passed as an Ordinary Resolution.

## Item No. 8

Pursuant to the proviso to Section 20 of the Companies Act, 2013, a member may request for any document through a particular mode, for which the member shall pay such fees as may be determined by the Company in its Annual General Meeting. The cost of providing documents (i.e., cost of dispatch, handling charges etc.) may vary according to the mode of service, weight, its destination (within / outside India) etc. The requisite fee (by way of Demand Draft) has to be sent to the Company by the shareholder clearly stating the document desired to be received through a particular mode.

Further, considering the huge number of shareholders of the Company, it would not be practically feasible to accept lump-sum advances from shareholders and continue maintaining their running ledger balances for this purpose.

The Board recommends the resolution at item no. 8 for the approval of the Shareholders.

None of the Directors of the Company, Key Managerial Personnel or their respective relatives are in any way concerned or interested, financially or otherwise, in this resolution set out at item no. 8 of the Notice.

**By Order of the Board of Directors**

**Abhijit Dan**

Company Secretary & Head - Legal  
Membership No.: A21358

Date: August 11, 2021

Place: Kolkata

# NOTICE

## Annexure – II

### INFORMATION ON DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE FORTHCOMING AGM

[Pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings]

Particulars	(Item No. 2 & 3)	(Item No. 4)
<b>Name of the Director</b>	<b>Mr. Siddhartha Roy Burman (DIN:00043715)</b>	<b>Ms. Surabhi Banerjee (DIN: 07829304)</b>
Date of Birth	19/11/1961	29/10/1951
Age	59 Years	69 Years
Nationality	Indian	Indian
Qualifications	Bachelor's degree in Commerce from the University of Calcutta.	Master's degree in Arts from the University of Leeds, U.K. and a Doctorate in English from University of Calcutta.
Experience and expertise in Specific Functional Areas	Mr. Siddhartha Roy Burman has an overall experience of 38 years in all segments of Footwear Industry. His expertise include streamlining of operations, processes, HR initiatives and most importantly Brand building. He has great contribution in developing the manufacturing division of the Company.	She has 38 years of experience as an academican. Prior to joining the Company, she was associated as Vice Chancellor with Central University of Orissa, University of Gour Banga and Netaji Subhas Open University.
Date of first appointment on the Board	01/04/2005	25/05/2017
Shareholding in the Company	9.36 % (16,81,649 equity shares)	NIL
Relationship with other Directors or with KMP	Father of Mr. Ritoban Roy Burman, Director (Non -Executive, Non - Independent) and Mr. Rittick Roy Burman, Director (Whole-time Director)	None
Number of meetings attended during the financial year 2020-21	Number of Meetings held: 6 Number of Meetings attended: 6	No. of Meetings held: 6 No. of Meetings attended: 6
List of outside Directorships held in other Public Companies (excluding foreign Companies and Companies under Section 8 of the Companies Act, 2013)	None	None
Chairman / Member of the Committees of Board of Directors of other companies in which he is a Director #	None	None

# NOTICE

Particulars	(Item No. 2 & 3)	(Item No. 4)
<b>Name of the Director</b>	<b>Mr. Siddhartha Roy Burman (DIN:00043715)</b>	<b>Ms. Surabhi Banerjee (DIN: 07829304)</b>
Terms and conditions of Appointment or Re-appointment	Mr. Siddhartha Roy Burman who was re-appointed as Chairman & Managing Director for a period of 5 years with effect from April 1, 2019 and whose re-appointment had been confirmed at the Annual General Meeting held on August 08, 2019, is liable to retire by rotation.	As per the resolution at item No. 5 of the Notice convening this Meeting read with Explanatory Statements thereto, Prof. (Dr.) Surabhi Banerjee is proposed to be re-appointed as an Independent Director, not liable to retire by rotation.
Remuneration proposed to be paid	He is entitled to Remuneration as per terms as set out in the explanatory statement annexed hereto of the Agreement dated April 1, 2019.	Prof. (Dr.) Surabhi Banerjee shall be eligible for the following: <ol style="list-style-type: none"> <li>Sitting fees for attending meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board;</li> <li>Reimbursement of expenses for participation in the Board and other meetings; and</li> <li>Commission as may be approved by the members.</li> </ol>
Remuneration last drawn by such person, if applicable (As per last audited balance sheet dated March 31, 2021) *	₹ 23.49 million	₹ 0.50 million

# Includes only Audit Committee and Stakeholders' Relationship Committee.

\* Includes commission of ₹ 0.10 million, to be paid subject to the approval of the members of the Company.

# NOTICE

## Annexure-III

### INSTRUCTIONS TO ATTEND THE AGM THROUGH VC / OAVM:

1. Members will be able to attend the 40<sup>th</sup> AGM through VC / OAVM through the NSDL e-voting system. Members may access to the same by following the instructions mentioned in **Annexure-IV**. After successful login, you can see link of "VC / OAVM link" placed under "Join General meeting" menu against the Company name. You are requested to click on VC / OAVM link placed under Join General Meeting menu. The link for VC / OAVM will be available in Shareholder / Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in **Annexure-IV**. Further, Members can also use the OTP based login for logging into the e-voting system of NSDL.
3. Members who need assistance before or during the AGM, can contact Mr. Amit Vishal, Senior Manager, NSDL and / or Ms. Pallavi Mhatre, Manager, NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call 1800 1020 990 / 1800 22 44 30.
4. Members under the category of Institutional Investors are encouraged to attend the AGM and also vote through remote e-voting or e-voting during the AGM.
5. Members are encouraged to join the Meeting through Laptops for better experience.
6. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
7. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
8. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video / camera along with good internet speed.



# NOTICE

## 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 9, 2020 on e-Voting facility provided by the Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a personal computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on Company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for <b>IDeAS</b> e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder / Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders / Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

**NSDL Mobile App is available on**



# NOTICE

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi / Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e., <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

## Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

### b. Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section.

# NOTICE

3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e., Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300**12*****.
b) For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
- (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- (ii) If your email ID is not registered, please follow steps mentioned below under "**Instructions for Members whose e-mail ids are not registered / updated**".

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details / Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) Click on "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number / folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

# NOTICE

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

## **Details on Step 2 is mentioned below:**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of the Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC / OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

## **B. INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM:**

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
3. Members who have voted through remote e-voting before the AGM will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for remote e-voting.

## **C. GENERAL GUIDELINES FOR SHAREHOLDERS:**

1. Institutional shareholders (i.e., other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature 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.co.in.
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.
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 toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal, Senior Manager and / or Ms. Pallavi Mhatre, Manager at evoting@nsdl.co.in.

# NOTICE

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 21, 2021.
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 21, 2021 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through electronic means.
6. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and become a Member of the Company after despatch of the Notice of the AGM and holding shares as on the cut-off date i.e., Tuesday, September 21, 2021 may obtain the login User Id and password / PIN by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-voting then you can use your existing User ID and password / PIN for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details / Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800 1020 990 and 1800 22 44 30.

In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Tuesday, September 21, 2021 may follow steps mentioned above under Step 1: "Access to NSDL e-Voting system".

#### **Instructions for Members whose e-mail ids are not registered / updated:**

Physical Holding	Send a request to the Company at <a href="mailto:compliance@khadims.com">compliance@khadims.com</a> or to the Company's RTA at <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> providing Folio No., Name of the shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy), AADHAAR (self-attested scanned copy) for registering / updating the e-mail address.
Demat Holding	Please contact your Depository Participant (DP) and register / update your e-mail address as per the process advised by your DP.

Alternatively, Member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User Id and Password by providing the details mentioned in the above point w.r.t Physical Holding along with their Folio No. and DP ID / Client ID as the case may be.







Inauguration ceremony of the new Registered Office of the Company at DLF IT Park, Rajarhat, Kolkata





Website: [www.khadims.com](http://www.khadims.com)  
Tel No: +91 33 4009 0501;  
Fax No: +91 33 4009 0500  
E-mail: [compliance@khadims.com](mailto:compliance@khadims.com)

#### **KHADIM INDIA LIMITED**

**Registered Office:** Kankaria Estate, 5th Floor,  
6, Little Russell Street, Kolkata - 700 071, West Bengal, India

**New Registered Office with effect from September 01, 2021**  
**7th Floor, Tower C, DLF IT Park**  
**08 Major Arterial Road**  
**Block - AF, New Town (Rajarhat)**  
**Kolkata - 700156, West Bengal, India**

