

September 02, 2020

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,

**Sub: Intimation of Investor Meet**

Pursuant to the provisions of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the schedule of Analyst / Investor Meet to be held on Thursday, September 03, 2020.

We also enclose herewith our presentation on the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended June 30, 2020 which would be presented before the investors.

Please note that the above schedule is subject to changes, if any.

Kindly take the same on record.

Thanking You,

Yours faithfully,

For **Khadim India Limited**

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

Encl: As above

**KHADIM INDIA LIMITED**

REGD. OFFICE: 'KANKARIA ESTATE' 5<sup>TH</sup> FLOOR, 6, LITTLE RUSSELL STREET  
KOLKATA-700 071, INDIA, Tel No. +91-33-4009 0501, Fax No. + 91-33-4009 0500  
E-mail: [compliance@khadims.com](mailto:compliance@khadims.com); Website: [www.khadims.com](http://www.khadims.com)  
CIN: L19129WB1981PLC034337

*IDFC Securities invites you to the*

**Q1FY21 Earnings call of**

**Khadim India**

**Thursday, 3<sup>rd</sup> September 2020 at 14:30 hrs IST**

**Khadim India's management will be represented by:**

**Mr Siddhartha Roy Burman - CMD**

**Ms. Namrata Chotrani - CEO**

**Mr Indrajit Chowdhury - CFO**

**Diamond Passcode link:** [Click here](#)

**Universal Access:** +91 22 6280 1384  
+91 22 7115 8285

*The numbers listed above are universally accessible from all networks and all countries.*

**Local Access Number:** +91-7045671221

**Toll Free Number:**

Hong Kong	800964448
Singapore	8001012045
UK	08081011573
USA	18667462133

**Toll Number:**

HongKong	85230186877
Singapore	6531575746
UK	442034785524
USA	13233868721

*Please dial-in at least 5-10 minutes prior to the conference schedule to ensure that you are connected to the call in time.*

For further information please contact

**Mehul Desai / Rohit Dokania**

**IDFC Securities Ltd**

Tel: 91-22-4202 2640 / 2567

Email: mehul.desai@idfc.com / rohit.dokania@idfc.com



**KHADIM INDIA LIMITED**  
**Q1 FY21 RESULTS PRESENTATION**  
SEPTEMBER 2020

***Khadi*m's<sup>®</sup>**

## DISCLAIMER

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

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

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

# DISCUSSION SUMMARY

- BUSINESS OVERVIEW
- Q1 FY21 RESULTS
- BUSINESS STRATEGY & OUTLOOK
- FINANCIAL & OPERATIONAL SUMMARY
- MANAGEMENT TEAM & SHAREHOLDING PATTERN



# BUSINESS OVERVIEW



BRITISH WALKERS



LAZARD



# QUICK SNAPSHOT

## 1 Leading Footwear Brand in India

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

## 2 Extensive Reach & Presence

- Retail presence across 23 states & 1 union territory
- 796 'Khadim's' branded retail stores (Jun-20)
- Wide network of 581 distributors selling to MBOs across India (Jun-20)

## 5 Strong Design Capabilities

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

***Khadim's***<sup>®</sup>

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

## 3 Two-pronged Market Strategy

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

## 4 Asset Light Model for Growth

### Retail business

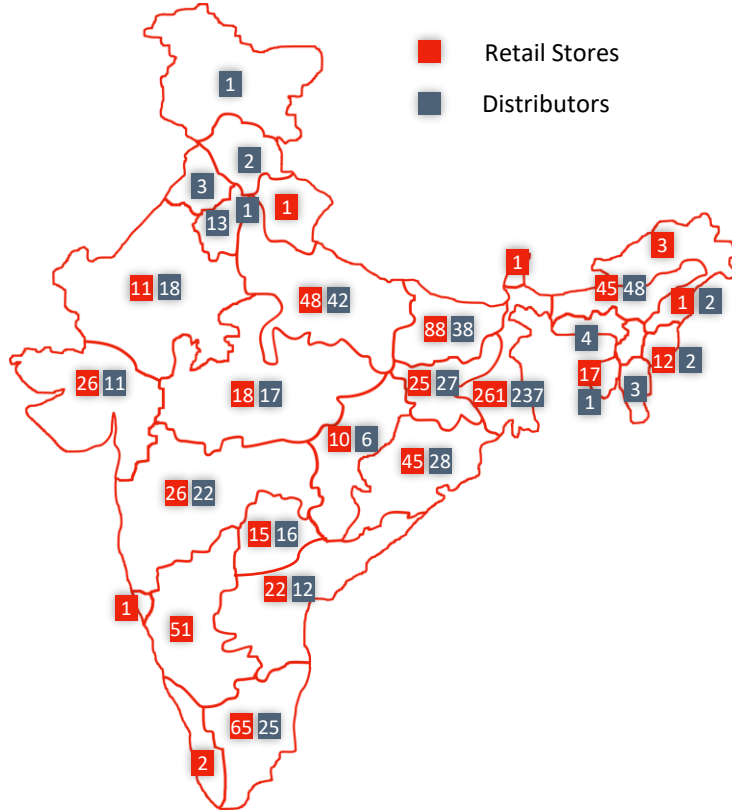
- 72% of retail presence through franchise route
- Outsource 91% of product requirement (FY20)

### Distribution business

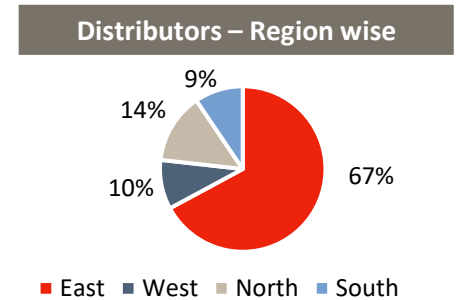
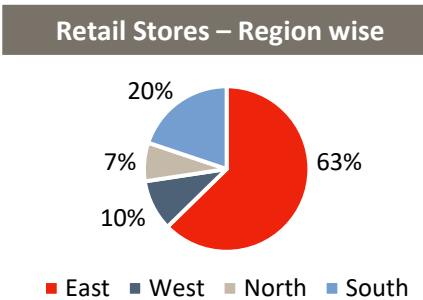
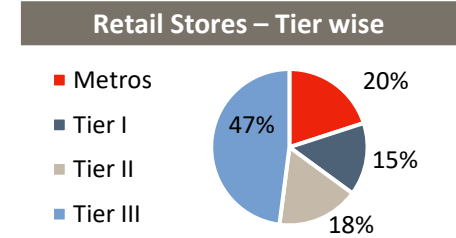
- Highly scalable model on the front end
- Mix of in-house and contract manufacturing

# EXTENSIVE GEOGRAPHICAL REACH & PENETRATION

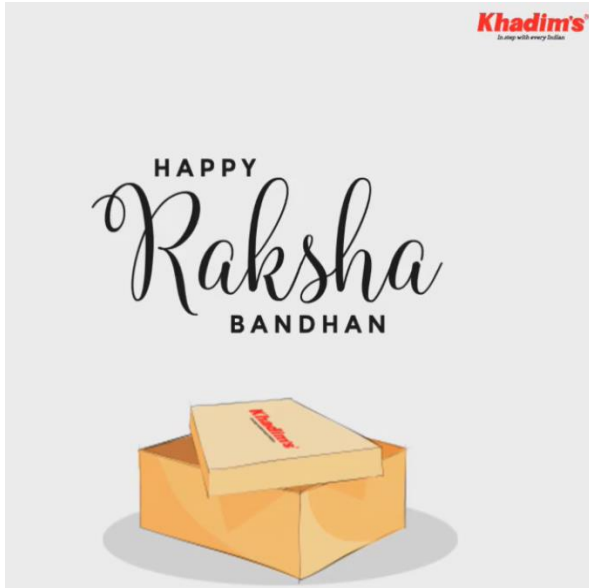
Presence in 23 States & 1 Union Territory



Brand Network	Jun '20
<b>Retail Stores</b>	<b>796</b>
- COCO	223
- Franchises	573
<b>Distributors</b>	<b>581</b>



# SOCIAL MEDIA & E-COMMERCE ENGAGEMENT



STEAL A DEAL



[@khadimindia](https://www.instagram.com/khadimindia)



[@khadimsindia](https://www.twitter.com/khadimsindia)

**Khadim's**

# OVERCOMING CHALLENGES OF LOCKDOWN



We understood the inability of our patrons to visit stores due to COVID 19 break-out. Hence we took a step to take our products to customers and reach them by launching “On the Go”- a store on wheels; “Hot Spots” – to disseminate Shoe Sanitizer & Masks ; “Khadims Near Me” – exclusive shopping tents setup in residential areas

Q1 FY21  
RESULTS UPDATE



SHARON

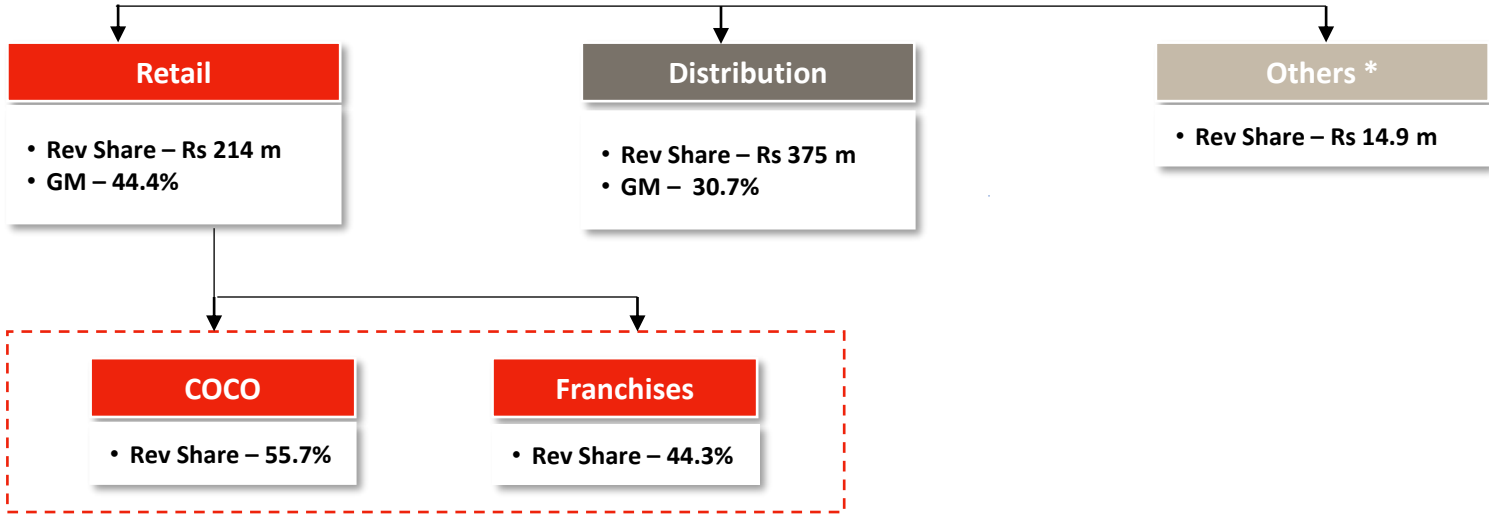


CLEO



## **Khadim's**<sup>®</sup>

Q1 FY21 Revenues  
Rs 603.9 Mn



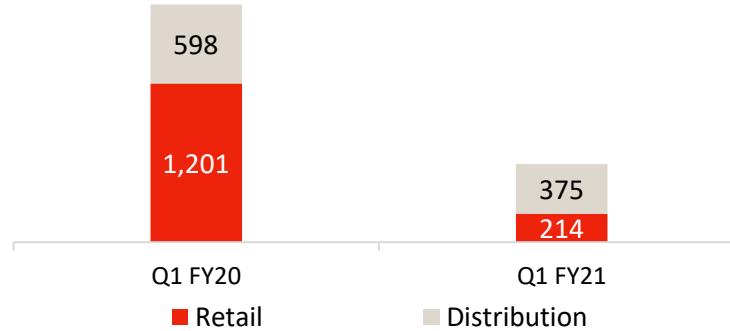
### Asset Light Model for Frontend Expansion and Scalability

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

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

# Q1 FY21 RESULTS: SEGMENT ANALYSIS

## Q1 FY21 YoY ANALYSIS – REVENUE BREAKUP



Segment Share % *	Q1 FY20	Q1 FY21
Retail	55.6%	35.4%
Distribution	27.7%	62.1%

Gross Margin %	Q1 FY20	Q1 FY21
Retail	45.8%	44.4%
Distribution	29.3%	30.7%

EBITDA Margin %	Q1 FY20	Q1 FY21
Retail	11.2%	-20.9%
Distribution	8.3%	-16.3%

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

# CONSOLIDATED PROFIT & LOSS STATEMENT

Particulars (In Rs Mn)	Q1 FY21	Q1 FY20	YoY %	Q4 FY20	QoQ %	FY20
<b>Revenue</b>	<b>604.0</b>	<b>2,160.7</b>	<b>-72.0%</b>	<b>1,582.2</b>	<b>-61.8%</b>	<b>7,718.7</b>
COGS	431.9	1,371.4	-68.5%	1,108.3	-61.0%	4,912.2
Gross Profit	172.1	789.3	-78.2%	473.9	-63.7%	2806.5
<b>Gross Margin %</b>	<b>28.5%</b>	<b>36.5%</b>	<b>-803 bps</b>	<b>30.0%</b>	<b>-145 bps</b>	<b>36.4%</b>
Employee Expenses	153.3	178.5	-14.1%	183.3	-16.4%	732.7
Other Expenses	161.5	411.1	-60.7%	374.9	-56.9%	1769.1
<b>EBITDA</b>	<b>-142.7</b>	<b>199.7</b>	<b>-</b>	<b>-84.3</b>	<b>-</b>	<b>304.6</b>
<b>EBITDA Margin %</b>	<b>-</b>	<b>9.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.9%</b>
Depreciation	102.4	98.7	3.7%	107.9	-5.0%	419.4
Finance Cost	64.6	64.9	-0.4%	77.7	-16.8%	292.8
Other Income	36.3	16.3	122.5%	15.42	135.2%	66.7
<b>PBT</b>	<b>-273.4</b>	<b>52.4</b>	<b>-</b>	<b>-254.4</b>	<b>7.5%</b>	<b>-340.8</b>
Tax Expense	4.1	18.9	-78.1%	-55.7	-	-28.1
<b>PAT</b>	<b>-277.6</b>	<b>33.5</b>	<b>-</b>	<b>-198.8</b>	<b>39.6%</b>	<b>-312.7</b>

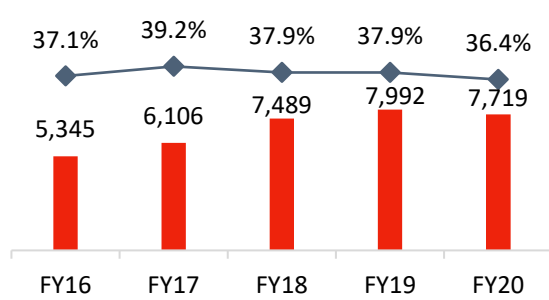
FINANCIAL & OPERATIONAL  
SUMMARY



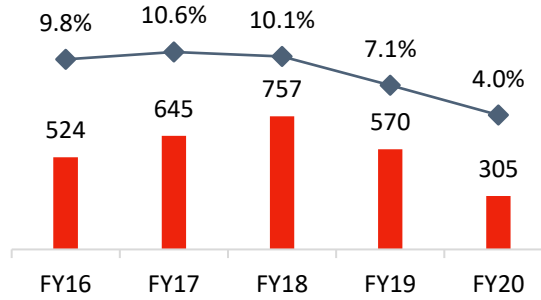
# FINANCIAL SUMMARY\*

In Rs Mn

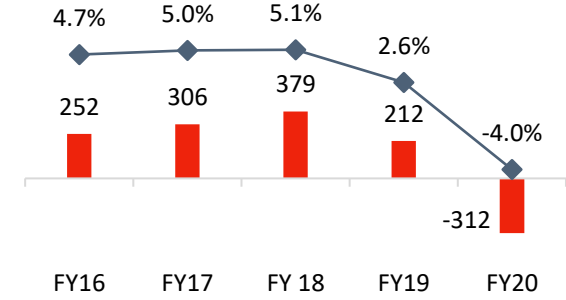
## Revenues & Gross Margin



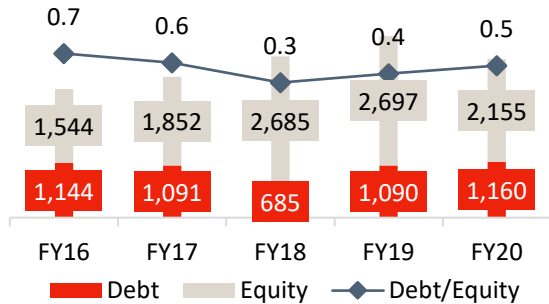
## EBITDA & EBITDA Margin



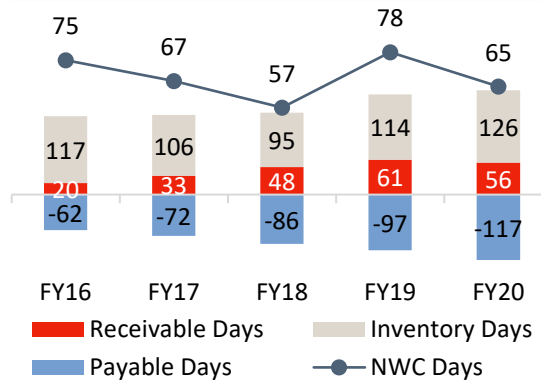
## PAT & PAT Margin



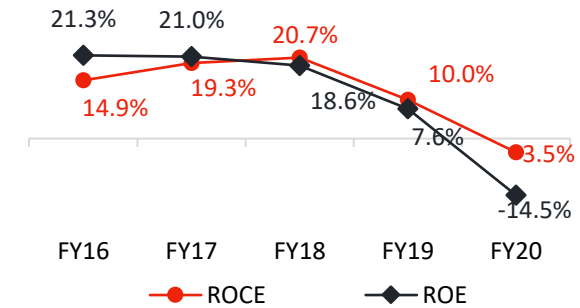
## Leverage Analysis



## Working Capital Analysis



## Return Ratios \*



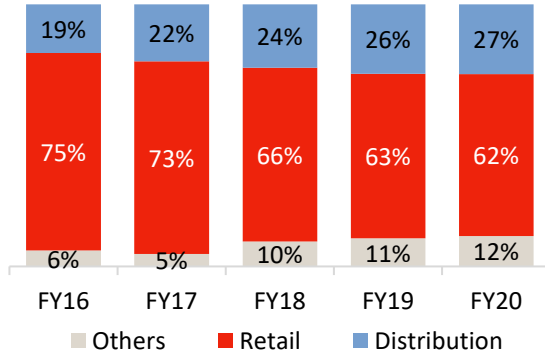
FY17 onwards, numbers are as per IND-AS, while those in previous years are as per I-GAAP. Sales scheme and commissions were included in sales in I-GAAP, these are deducted in IND-AS and net sales are reported

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

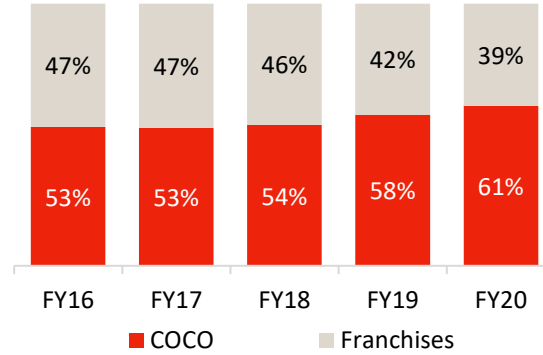
# FINANCIAL SUMMARY

In Rs Mn (I-GAAP)

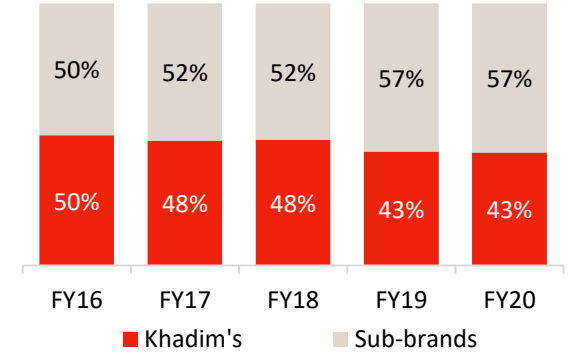
### Revenues – Segment wise



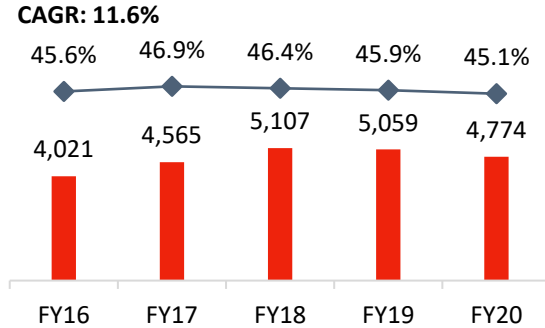
### Retail Revenues – COCO vs Franchises



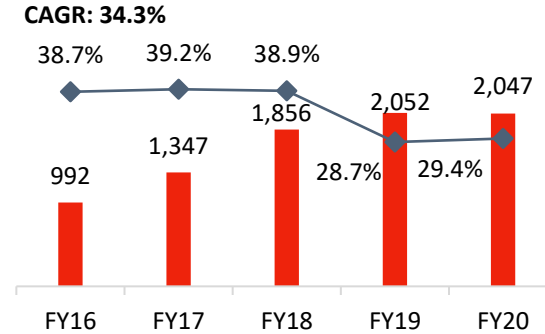
### Retail Revenues – Khadim's vs Sub-brands



### Retail Revenues & Gross Margin



### Distribution Revenues & Gross Margin



BUSINESS STRATEGY  
& OUTLOOK



# TWO-PRONGED BUSINESS MODEL & GROWTH STRATEGY

	Retail Business	Distribution Business
Reach	796 'Khadim's exclusive branded outlets	581 distributors supplying to MBOs across India
Target Segment	Middle & upper middle income consumers in metros (incl. mini metros), Tier I – III cities	Lower & middle income consumers in Tier I – III cities, who shop in MBOs
Price & Product Range	Rs 74 – Rs 3,699 Leather / non-leather sandals, slippers, boots, ballerinas, stilettos, moccasins, sports shoes and accessories*	Rs 64 – Rs 999 EVA, basic and premium Hawaii, PVC, PVC DIP and PU and Stuck On products
Sourcing	91% outsourced (FY20) – smaller quantities of premium high quality products	Own manufacturing and contract manufacturing facilities



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

## Retail Business

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

## Distribution Business

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

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

**Khadim's**

# POSITIVE INDUSTRY OUTLOOK

## Favourable macro and demographic tailwinds

### Market Size

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

### Increasing working women

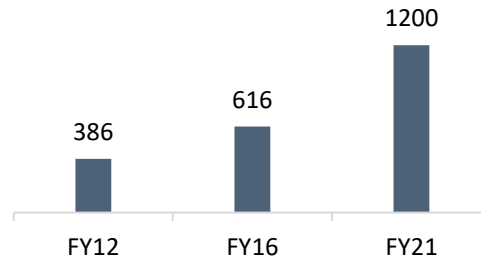
- Increasing number of working women driving the growth of women's footwear market

### Income Growth

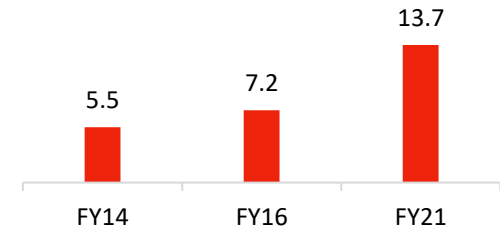
- Increasing disposable income of consumer and higher spending on lifestyle products, leading to shift from unbranded to branded play

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

Overall retail market in US \$ Bn

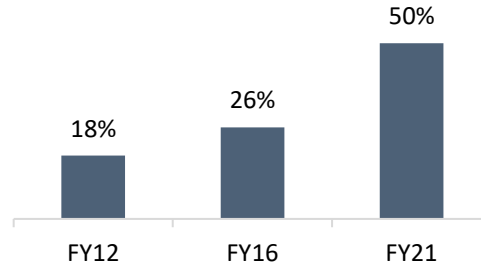


Domestic footwear market at retail price in US \$ Bn

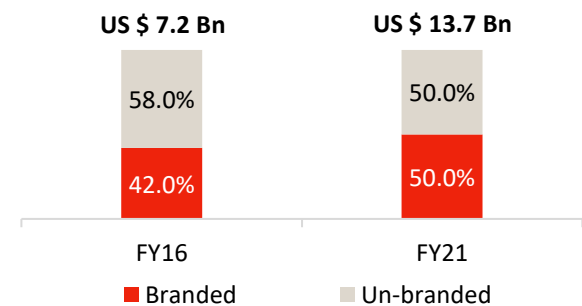


## Continued shift towards organised retail with increasing preference for branded products

Organised footwear as % of footwear industry



Share of Footwear Market



Source: Industry Reports, IBEF

# WIDE PRODUCT RANGE ACROSS VARIOUS CATEGORIES & PRICE POINTS

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



**Khadim's®**

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



- Menswear
- Formal shoes & sandals using premium quality leather



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



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



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



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



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



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



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



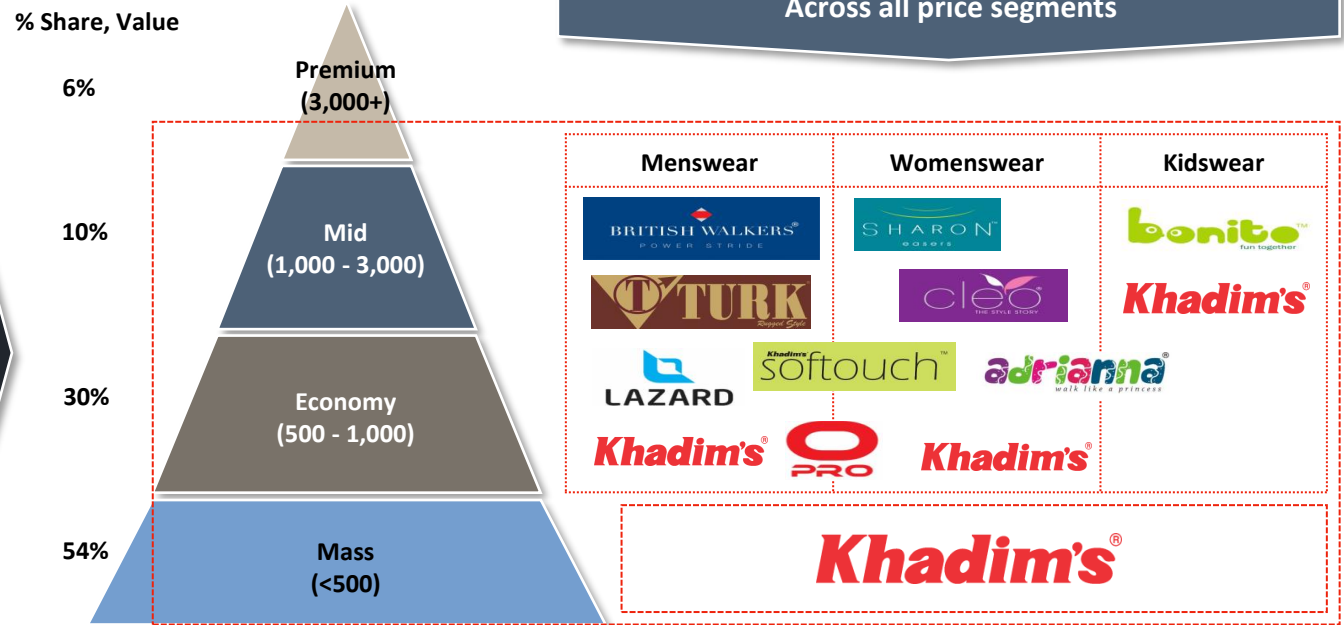
- Kidswear
- Range of fun and colourful shoes for toddlers and children

**Khadim's®**

# DISTINCT BRAND POSITIONING FOR VARIOUS MARKET SEGMENTS

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

Footwear Market Segmentation  
(MRP at retail stores in Rs)



Distinct brand positioning to target customers  
Across all price segments

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

Note: FY20 Revenues – Menswear XX%, Womenswear XX%, Kids wear 15%

# PROMOTER, BOARD OF DIRECTORS & MANAGEMENT TEAM



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

- Associated with the Company since its incorporation. He has 34 years of experience in the footwear industry
- Responsible for the overall strategic decision making and provides leadership to all operations

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

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

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

- Over 20 years experience in capital markets, IIM-A & ISB alumnus
- Former Vice Chairman of BSE Broker Forum, Board member of ICSA (Int. Council for Securities Assoc.) & advisory Board of ICCL (Indian Clearing Corporation Ltd)

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

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

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

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

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

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

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

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

# EXPERIENCED MANAGEMENT TEAM



## **Namrata Chotrani, CEO**

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

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

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

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

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



## **Indrajit Chowdhury, CFO**

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

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

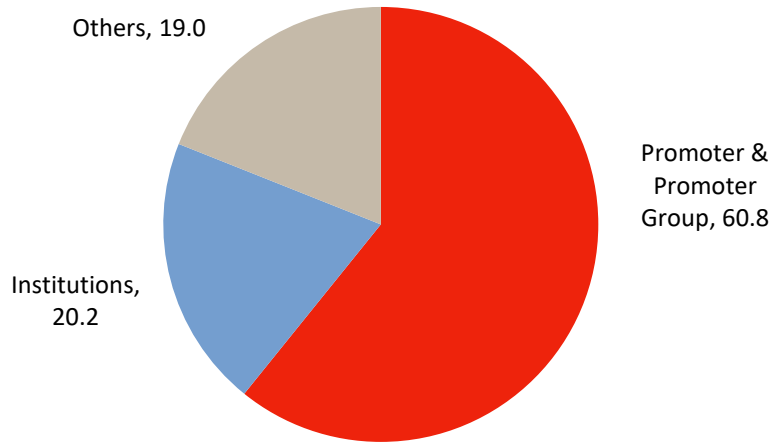
- 17 years of experience in supply chain operations, buying and merchandising
- He is responsible for supply chain, logistics, procurement and merchandising in the company
- Earlier worked with ICI India Limited and ITC Limited

## **Vijay Chandra Khare , AVP – Distribution & Sales**

- MBA from Allahabad University .
- 21 years of experience across sales, strategic planning, distribution channels
- Previously associated with Lakhani Footwear, Scientific Instrument Company

# SHAREHOLDING STRUCTURE

% Shareholding – June '20



Key Institutional Investors

% Holding

IDFC MUTUAL FUND	5.4%
UTI MF	4.8%
SUNDARAM MUTUAL FUND	4.3%
TRUSTLINE DEEP ALPHA	1.9%

Source: BSE

# KEY MILESTONES

1981

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

1993

- Commenced retail business through COOs for footwear products

1999

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

2002

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

2005

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

2019

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

2017

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

2016

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

2015

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

2014

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

2013

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

2010

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



Thank  
you!

## ***Khadim's***<sup>®</sup>

**Namrata Chotrani**

**CEO**

Contact No: +91 33 40090501

Email: namrata.chotrani@khadims.com

**Indrajit Chowdhury**

**CFO**

Contact No : + 91 33 40090505

Email – indrajit.chowdhury@khadims.com

**DICKENSON**

**Vikash Verma/ Nachiket Kale**

**IR Consultant**

Contact: + 91 9664009029/ 9920940808

Email – khadim@dickensonworld.com