

July 10, 2024

To,
The Manager,
The Department of Corporate Services
BSE Limited
PJ Towers
Dalal Street, Mumbai – 400001
Scrip code: 540775

The Manager,
The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (East), Mumbai – 400051
Symbol: KHADIM

Dear Sir / Madam,

Sub: Notice convening Meeting of the Equity Shareholders of Khadim India Limited (the 'Company') pursuant to the directions of the Hon'ble National Company Law Tribunal, Kolkata Bench vide Order dated June 18, 2024

1. This is to inform that pursuant to the order dated **June 18, 2024 ("Order")**, the Hon'ble National Company Law Tribunal, Kolkata Bench ("**Tribunal**") in the Company Application (CAA) 120/KB/2024, a meeting of the Equity Shareholders of Khadim India Limited ("**Company**" or "**Demerged Company**") is scheduled to be held on **Monday, August 12, 2024 at 10:30 AM (IST)**, through Video Conferencing ("**VC**") / Other Audio Visual Means ("**OAVM**") ("**Meeting**") for the purpose of considering, and if thought fit, approving the proposed Scheme of Arrangement between the Company and KSR Footwear Limited and their respective shareholders and creditors ("**Scheme**").
2. Voting rights will be reckoned on the paid-up value of the shares registered in the name of the Shareholders of the Company on **July 24, 2024 ('cut-off date')**. Only those Shareholders whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or by e-voting at the Meeting.
3. We enclose herewith the Notice of the aforesaid Meeting along with the Explanatory Statement under Sections 102, 230 - 232 and other applicable provisions of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable SEBI Circulars.

This is for your information and dissemination on your website.

Thanking you,

For **Khadim India Limited**

Company Secretary & Head – Legal
ICSI Membership No.: A21358

Encl.: as above



frontoffice@khadims.com



033-4009 0501



033-4009 0500

www.khadims.com

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

KHADIM INDIA LIMITED

CIN: L19129WB1981PLC034337

Registered Office: 7th Floor, Tower C, DLF IT Park, 8 Major Arterial Road, Block – AF, New Town
(Rajarhat), Kolkata – 700 156,
West Bengal, India

Tel: +91 33 4009 0501 | **Fax:** + 91 33 4009 0500

E-mail: compliance@khadims.com | **Website:** www.khadims.com

**NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF
KHADIM INDIA LIMITED**

**(PURSUANT TO ORDER DATED JUNE 18, 2024 OF THE
HON'BLE NATIONAL COMPANY LAW TRIBUNAL, KOLKATA BENCH)**

| MEETING | |
|--|---|
| Day | Monday |
| Date | August 12, 2024 |
| Time | 10:30 a.m. (IST) |
| Mode of Meeting | Through Video Conferencing (VC) / Other Audio Visual Means (OAVM) |
| Cut-off date for e-voting | Wednesday, July 24, 2024 |
| Remote e-voting start date and time | Monday, July 29, 2024 at 9:00 a.m. (IST) |
| Remote e-voting end date and time | Sunday, August 11, 2024 at 5:00 p.m. (IST) |

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The Notice of the Meeting, Explanatory Statement, Instructions and Annexures I to XVII constitute a single and complete set of documents and should be read in conjunction with each other, as they form an integral set of documents.

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, KOLKATA BENCH COMPANY
APPLICATION (CAA) NO. 120/KB/2024**

**IN THE MATTER OF SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF
THE COMPANIES ACT, 2013**

AND

**IN THE MATTER OF SCHEME OF ARRANGEMENT BETWEEN KHADIM INDIA LIMITED
AND KSR FOOTWEAR LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

In the Matter of:
The Companies Act, 2013

And

In the Matter of:
An application made under Sections 230 and 232
along with other applicable provisions of the
Companies Act, 2013 Act and Rules framed there
under as in force from time to time.

And

In the matter of:
KHADIM INDIA LIMITED, a company incorporated
under the provisions of the Companies Act, 1956,
and being a Company within the meaning of the
Companies Act, 2013, having its Registered Office at
7th Floor, Tower C, DLF IT Park, 08 Major Arterial
Road, Block-AF, New Town (Rajarhat), Kolkata -
700156, CIN - L19129WB1981PLC034337, within
the aforesaid jurisdiction.

And

In the matter of:
KSR FOOTWEAR LIMITED, a company
incorporated under the provisions of the Companies
Act, 2013, having its Registered Office at Flat No.
4A, 4th Floor, Kalyani Complex, P-22, Block - A,
Bangur Avenue, North 24 Parganas - 700055, CIN -
U46413WB2023PLC264443, within the aforesaid
jurisdiction.

NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS

**To
The Equity Shareholders of
Khadim India Limited**

1. **NOTICE** is hereby given that, pursuant to the directions of the Hon'ble National Company Law Tribunal, Kolkata Bench (**'Tribunal'**) vide Order dated June 18, 2024 (**'Tribunal Order'**), a meeting of the Equity Shareholders of Khadim India Limited will be held on **Monday, August 12, 2024, at 10:30 a.m. (IST) ('Meeting')** for the purpose of considering, and if thought fit, approving the proposed Scheme of Arrangement between Khadim India Limited (**'KIL'** or **'Demerged Company'** or **'Company'**) and KSR Footwear Limited (**'KFL'** or **'Resulting Company'**) and their respective shareholders and creditors (**'Scheme'**).

2. Pursuant to the Tribunal Order and as directed therein, the Meeting will be held through Video Conferencing / Other Audio Visual Means, in compliance with the applicable provisions of the Companies Act, 2013 (**‘the Act’**), the Circulars issued thereunder, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to consider, and if thought fit, to pass the following resolution for approval of the Scheme by requisite majority, as prescribed under Section 230(6) of the Act:

“RESOLVED THAT in accordance with the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) read with the Rules framed thereunder, including the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by the Securities and Exchange Board of India (**‘SEBI’**) and any other Circulars / Guidelines issued by SEBI applicable to schemes of arrangement from time to time, Section 2(19AA) and other relevant provisions of the Income-tax Act, 1961 and the Rules framed thereunder [including, in each case, any amendment(s), statutory modification(s) or re-enactment(s), for the time being in force] and pursuant all other provisions of applicable laws read with the relevant clauses of the Memorandum and Articles of Association of Khadim India Limited, and subject to the approval of the Hon’ble National Company Law Tribunal, Kolkata Bench (**‘Tribunal’**), and such other approvals as may be necessary or as may be directed by the Tribunal and subject to such amendments or modifications as may be deemed appropriate by the parties to the Scheme, at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or as may be prescribed or imposed by the Tribunal or by any regulatory or other authorities, while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (**‘the Board’**), which term shall be deemed to mean and include Committee(s) of directors constituted by the Board or any other person(s) authorised by the Board of Directors to exercise its power including the powers conferred by this Resolution), the Scheme of Arrangement between Khadim India Limited and KSR Footwear Limited and their respective shareholders and creditors (**‘Scheme’**) be and is hereby approved.

RESOLVED FURTHER THAT the Board of Khadim India Limited be and is hereby authorised to perform and execute all such acts, deeds, matters and things, including delegation of all or any of the powers conferred herein, as it may, in its absolute discretion deem necessary, proper or expedient to give effect to this Resolution and for the matters connected therewith or incidental thereto, and to effectively implement the arrangement embodied in the Scheme and to make any modification(s) or amendment(s) to the Scheme at any time and for any reason whatsoever, and to accept such modification(s), amendment(s) or condition(s), if any, which may be required and / or imposed by the Tribunal while sanctioning the Scheme or by any authorities under law, and to waive any condition(s) of the Scheme, and also to settle any issue, question, difficulty or doubt that may arise in this regard, including passing of such accounting entries and / or making adjustments in the books of accounts of Khadim India Limited and deciding on transfer / vesting of assets and liabilities, as the Board in its absolute discretion may deem fit, proper or desirable, subject to compliance with the applicable laws and regulations, without the Board being required to seek any further consent / approval of the Shareholders.”

3. **TAKE FURTHER NOTICE** that the Equity Shareholders shall have the facility of casting their votes on the Resolution for approval of the Scheme either by (a) remote electronic voting (**‘remote e-voting’**) or by (b) e-voting at the Meeting, during the respective voting period as stated below:

| Manner of voting | Commencement of voting | End of voting |
|--------------------------------|--|---|
| Remote e-voting | Monday, July 29, 2024 at 9:00 a.m. (IST) | Sunday, August 11, 2024 at 5:00 p.m. (IST) |
| E-voting at the Meeting | Monday, August 12, 2024 (Upon voting being announced by the Chairperson of the Meeting) | Monday, August 12, 2024 (Till 15 minutes after the conclusion of the proceedings of the Meeting) |

Remote e-voting and e-voting at the Meeting shall not be allowed beyond the respective voting period, as stated above. Shareholders may exercise their votes in only one mode i.e., either by remote e-voting or by e-voting at the Meeting. Shareholders who cast their votes by remote e-voting

may attend the Meeting, but will not be entitled to cast their votes again. Once the vote on a resolution is cast by the Shareholder, the Shareholder shall not be allowed to change it subsequently.

4. Voting rights will be reckoned on the paid-up value of the shares registered in the name of the Shareholders of the Company on Wednesday, July 24, 2024 (**'cut-off date'**). Only those Shareholders whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or by e-voting at the Meeting. Those who are not Shareholders as on the cut-off date should accordingly treat this Notice for information purpose only.
5. The Company has engaged National Securities Depository Limited (**'NSDL'**) as the agency for providing the platform for both remote e-voting and e-voting at the Meeting.
6. The Tribunal has appointed (a) Ms. Madhuja Barman, Advocate, to be the Chairperson of the Meeting, and (b) Mr. M.R. Goenka, Practising Company Secretary to be the Scrutinizer for the Meeting.
7. The voting results shall be declared by the Chairperson of the Meeting within two working days from the conclusion of the Meeting and the same shall be displayed on the Notice Board of the Company at its Registered Office and posted on the websites of the Company at <https://www.khadims.com/demerger-distribution-business>, and NSDL at www.evoting.nsdl.com. The results shall also be forwarded to the National Stock Exchange of India Limited ('NSE'), and BSE Limited ('BSE'), where the Company's shares are listed.
8. The Resolution for approval of the Scheme shall, if passed by a majority in number representing three-fourths in value of the Equity Shareholders of the Company casting their votes, as aforesaid, pursuant to Section 230(6) of the Act, shall be deemed to have been duly passed on the date of the Meeting i.e., Monday, August 12, 2024.
9. The Scheme, if approved at the aforesaid Meeting, will be subject to the subsequent sanction of the Tribunal and such other approval(s), permission(s) and sanction(s) of regulatory or other authorities, as may be necessary.
10. A copy each of the Scheme and the Explanatory Statement under Sections 230 and 232 read with Section 102 and other applicable provisions of the Act and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 along with all the Annexures are enclosed herewith. A copy of this Notice and the Explanatory Statement together with the accompanying documents are also placed on the websites of the Company at <https://www.khadims.com/demerger-distribution-business>, NSDL at www.evoting.nsdl.com, NSE at <https://www.nseindia.com>, and BSE at www.bseindia.com.

Sd/-
Advocate Madhuja Barman
Chairperson appointed by
the Tribunal for the meeting

Kolkata, July 08, 2024

NOTES:

- i. Pursuant to the directions of the Tribunal vide its order dated June 18, 2024, the Meeting is being conducted through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) facility to transact the business as set out in the Notice convening this Meeting.
- ii. Explanatory Statement under Sections 230 and 232 read with Section 102 and other applicable provisions of the Companies Act, 2013 (**‘the Act’**) and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 is enclosed to this Notice as *Exhibit A*. Further, additional information as required under the SEBI Master Circular dated June 20, 2023 are also enclosed.
- iii. Pursuant to the provisions of the Act, a Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote at the Meeting on his / her behalf and the proxy need not be a Shareholder of the Demerged Company. Since this Meeting is being held through VC / OAVM, (a) Shareholders will not be able to appoint proxies for the Meeting, and (b) Attendance Slip & Route Map are not annexed to this Notice.
- iv. Pursuant to the provisions of the Act, the Institutional / Corporate Shareholders (i.e., other than individuals / HUF, NRI, etc.) are required to send legible scan of certified true copy of its Board or governing body Resolution / Power of attorney / Authority letter etc. authorizing their representative to attend this Meeting, through e-mail to the Scrutinizer at goenkamohan@gmail.com with a copy marked to evoting@nsdl.com.
- v. In case of joint holders, only such joint holder who is higher in the order of names in the Register of Members of the Company or in the Register of Beneficial Owners maintained by National Securities Depository Limited (**‘NSDL’**) / Central Depository Services (India) Limited (**‘CDSL’**) (hereinafter collectively referred to as ‘Depositories’) in respect of such joint holding, will be entitled to attend and vote.
- vi. Shareholders are requested to quote the ledger folio / DP ID and Client ID in all communication with the Company.
- vii. The Notice and the Explanatory Statement together with the accompanying documents are being sent only through electronic mode to those Shareholders who have registered their e-mail addresses with the Company or with the Depositories. These documents are also available on the Company’s corporate website at <https://www.khadims.com/demerger-distribution-business>.
- viii. Shareholders desirous of obtaining physical copies of the said Notice and the Explanatory Statement together with the accompanying documents, free of charge, may send a request to the Company Secretary & Head - Legal, mentioning their name and DP ID & Client ID / folio number, through e-mail at compliance@khadims.com.
- ix. Shareholders who hold shares in the certificate form / demat mode and who have not registered their e-mail addresses with the Company / RTA or with the Depositories and wish to receive the Notice and the Explanatory Statement together with the accompanying documents, or attend the Meeting, or cast their votes through remote e-voting or by e-voting at the Meeting, are required to register their e-mail address by sending email to the Company at compliance@khadims.com and / or as per the instructions provided elsewhere in this Notice.
- x. Equity Shareholders attending the Meeting through VC / OAVM shall be reckoned for the purpose of quorum. Quorum for the Meeting shall be in terms of the Tribunal Order and Section 103 of the Act.
- xi. Shareholders who would like to express their views or ask questions during the Meeting with respect to the agenda item of the Meeting will be required to register themselves as speaker by sending e-mail to the Company Secretary & Head – Legal at compliance@khadims.com from their registered e-mail address from **Thursday, August 01, 2024 (10:00 a.m. IST) to Wednesday, August 07, 2024 (5:00 p.m. IST)**, mentioning their name, DP ID & Client ID / folio number, PAN and mobile number. Only those Shareholders who have registered themselves as speaker will be allowed to speak at the Meeting. The Chairperson of the Meeting reserves the right to restrict the number of

questions and / or number of speakers, depending upon availability of time, for smooth conduct of the Meeting.

Further, Shareholders who would like to have their questions / queries responded to during the Meeting are requested to send such questions / queries in advance to the Company Secretary & Head – Legal at compliance@khadims.com within the aforesaid time period.

xii. Procedure for attending the Meeting through VC / OAVM:

- a. Shareholders will be able to attend the Meeting through VC / OAVM through the NSDL e-voting system.
- b. The facility of joining the Meeting through VC / OAVM will be opened 30 minutes before and will remain open upto 15 minutes after the scheduled start time of the Meeting, i.e., from 10:00 a.m. IST to 10:45 a.m. IST and will be available for 1,000 Shareholders on a first-come first-served basis. This restriction would however not apply to participation of Shareholders holding 2% or more shareholding of the Company, promoters, institutional investors, directors, key and senior managerial personnel, auditors, scrutinizer, etc.
- c. The instruction to attend the Meeting through VC / OAVM is enclosed herewith and marked as **Exhibit B** and the same shall form part of this Notice.

xiii. Voting through electronic means:

- a. As stated in the Notice, Shareholders shall have the facility and option of casting their votes on the Resolution for approval of the Scheme either by remote e-voting or by e-voting at the Meeting. The Company has engaged NSDL as the agency for providing the platform for both remote e-voting and e-voting at the Meeting.
- b. Detailed instruction for e-voting is enclosed herewith and marked as **Exhibit C** and the same shall form part of this Notice.

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, KOLKATA BENCH
COMPANY APPLICATION (CAA) NO. 120/KB/2024**

**IN THE MATTER OF SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF
THE COMPANIES ACT, 2013**

AND

**IN THE MATTER OF SCHEME OF ARRANGEMENT BETWEEN KHADIM INDIA LIMITED
AND KSR FOOTWEAR LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

In the Matter of:
The Companies Act, 2013

And

In the Matter of:
An application made under Sections 230 and 232 along with other applicable provisions of the Companies Act, 2013 Act and Rules framed there under as in force from time to time.

And

In the matter of:
KHADIM INDIA LIMITED, a company incorporated under the provisions of the Companies Act, 1956, and being a Company within the meaning of the Companies Act, 2013, having its Registered Office at 7th Floor, Tower C, DLF IT Park, 08 Major Arterial Road, Block-AF, New Town (Rajarhat), Kolkata-700156, CIN - L19129WB1981PLC034337, within the aforesaid jurisdiction.

And

In the matter of:
KSR FOOTWEAR LIMITED, a company incorporated under the provisions of the Companies Act, 2013, having its Registered Office at Flat No. 4A, 4th Floor, Kalyani Complex, P-22, Block - A, Bangur Avenue, North 24 Parganas - 700055, CIN - U46413WB2023PLC264443, within the aforesaid jurisdiction.

EXPLANATORY STATEMENT UNDER SECTIONS 230 AND 232 READ WITH SECTION 102 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

1. Meeting to consider the Scheme of Arrangement

- a) Pursuant to the Order dated June 18, 2024 ('Tribunal Order') of the Hon'ble National Company Law Tribunal, Kolkata Bench ('**Tribunal**'), the Meeting of the Equity Shareholders of Khadim India Limited is being convened on Monday, August 12, 2024, at 10:30 a.m. (IST) through Video Conferencing / Other Audio Visual means, in compliance with the applicable provisions of the Companies Act, 2013 ('**the Act**'), the circulars issued thereunder, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), for considering, and if thought fit, approving the proposed Scheme of Arrangement between Khadim India Limited ('KIL' or 'Demerged Company' or 'Company') and KSR Footwear Limited ('KFL' or 'Resulting Company') and their respective

shareholders and creditors ('Scheme'). This is a Statement accompanying the Notice convening such Meeting of the Equity Shareholders of the Demerged Company.

- b) The Scheme, inter alia, provides for:
- (i) Demerger of the Demerged Undertaking (as defined in the Scheme) of the Demerged Company comprising of the Distribution Business i.e., the Demerged Company's distribution segment which provides branded and affordable footwear in the mass footwear category, into the Resulting Company on a going concern basis and in consideration, the issuance of equity shares by the Resulting Company to all the Equity Shareholders of the Demerged Company as per the Share Entitlement Ratio i.e., 1 (One) equity share of face value of INR 10/- each fully paid up of the Resulting Company for every 1 (One) equity share of face value of INR 10/- each fully paid up held by Equity Shareholders of the Demerged Company, and in accordance with the provisions of Section 2(19AA) read with other relevant provisions of the Income-tax Act, 1961 ('IT Act');
 - (ii) Reduction and cancellation of the existing paid-up share capital of the Resulting Company;
 - (iii) Listing of equity shares of the Resulting Company on National Stock Exchange of India Limited ('NSE'), and BSE Limited ('BSE'); and
 - (iv) various other matters consequential or otherwise integrally connected herewith.

A copy of the Scheme is enclosed as **Annexure I**.

2. Rationale and Benefits of the Scheme

The Demerged Company has 2 (two) distinct businesses viz. (i) Retail Business and (ii) Distribution Business. The retail business operates through 848 retail stores (as on June 30, 2023) and caters to the middle and upper middle-income consumers, while the distribution business operates through a wide network of 732 distributors (as on June 30, 2023) selling to multi-brand-outlets across India and caters to lower and middle-income consumers. The transfer and vesting of the Demerged Undertaking (as defined in the Scheme) comprising of Distribution Business into the Resulting Company pursuant to this Scheme shall be in the interest of all concerned stakeholders including shareholders, customers, creditors, employees and general public, in the following ways:

- (i) The Demerged Undertaking and the Remaining Business (as defined in the Scheme) address different market segments with divergic dynamics in terms of business strategy, customer set and distinct capital requirements. The transfer of the Demerged Undertaking into the Resulting Company will enable both the Demerged and Resulting Company to focus on their activities in the respective segments. This would help to improve their competitiveness, operational efficiency, agility and strengthen their position in relevant markets.
- (ii) The nature of risk, competition, challenges, opportunities, market segment, target customer and business methods for the Distribution Business (as defined in the Scheme) is separate and distinct from the Remaining Business (as defined in the Scheme) carried out by the Demerged Company.
- (iii) The segregation of the business vertical shall enable them to move forward independently, with specialization building on their respective capabilities. It will also help to channelize resources required for all the businesses to focus on the growing businesses and attracting right talent and providing enhanced growth opportunities to existing talent in line with a sharper strategic focus on each business segment under separate entities.
- (iv) The Scheme will also enable the Demerged Company and the Resulting Company to focus and enhance their respective management structure ensuring better and more efficient management control.
- (v) Bifurcation of these businesses will enable unlocking value of each vertical thereby paving way for focused growth with a view to create significant stakeholder value, will attract distinct

investor base and at the same time allow investors to allocate their portfolio into separate entities, focused on the distinct entities. Further, it will enable independent and distinct capital allocation approach and balance sheet management based on the distinct needs of each business.

(vi) Thus, the demerger would help in achieving the desired operating structure and shall inter alia have following benefits:

- Create sector focused companies;
- Attract business specific investors;
- Streamline the management structure;
- Unlock value for shareholders;
- Ring-fence businesses from each other;
- Better risk management; and
- Better Management Bandwidth utilization.

3. Background of the companies

I. Particulars of the Demerged Company:

- (a) Khadim India Limited was incorporated on December 03, 1981 as a private company limited by shares under the provisions of the Companies Act, 1956 under the name and style of “S. N. Footwear Industries Private Limited”. Subsequently, with effect from April 17, 1998, the name was changed to “Khadim Chain Stores Private Limited”. Thereafter, the Demerged Company was converted into a public limited company. Upon conversion into public limited company, with effect from June 24, 2005, the name was changed to “Khadim Chain Stores Limited”. Thereafter, again with effect from August 26, 2005, the name was changed to its present name, “Khadim India Limited”. The Demerged Company is a company within the meaning of the Act.
- (b) The Corporate Identification Number of the Demerged Company is L19129WB1981PLC034337 and its Permanent Account Number allotted by the Income Tax Department is AABCK3341A. The Demerged Company has its Registered Office at 7th Floor, Tower C, DLF IT Park, 8 Major Arterial Road, Block AF, New Town (Rajarhat), Kolkata – 700156, West Bengal, India. The email address of the Demerged Company is compliance@khadims.com and its website is www.khadims.com. The Demerged Company is engaged in the manufacturing / retail business of footwear and accessories.
- (c) During the last five years, there has been no change in the objects clause and name of the Company. However, the registered office of the Demerged Company has been changed from “Kankaria Estate, 5th Floor, 6, Little Russell Street, Kolkata -700 071” to “7th Floor, Tower C, DLF IT Park, 08 Major Arterial Road, Block - AF, New Town (Rajarhat), Kolkata - 700156”, with effect from September 01, 2021”.
- (d) The equity shares of the Demerged Company are listed on the National Stock Exchange of India Limited (‘NSE’) and BSE Limited (‘BSE’) (hereinafter collectively referred to as ‘Stock Exchanges’).
- (e) The main objects of the Demerged Company are contained in Clause III of its Memorandum of Association.

They are, inter alia, as follows:

“A1.To carry on the Business of manufacturer, importer, exporter, buyer, seller, wholesaler, retailer, agency, broker, distributors, dealers, contractors, consignors, consignee and franchisee of various footwear and related accessories of all form, specification, quality, kind, and size made of or out of natural leather, synthetic leather, rubber, plastic, polymers, textile, canvas or any other raw material suitable for human use.”

A2. To carry on the business of manufacturer, importer, exporter, tanner, dealer, processor, agent, broker, distributor and contractor in leather, hides, skin and leather substance.

A3. To manufacture, process, design and decorate, stitch, recondition, repair, manipulate, sale, purchase, export, import, deal, trade, act as an agent in all garments, textiles, all seasonal wear like rain wear, winter wear, gloves, caps, umbrellas, bags, dress materials and related accessories.”

(f) The Share Capital of the Demerged Company as on June 21, 2024 is as follows:

| Particulars | Amount (in INR) |
|--|-----------------|
| Authorised Share Capital | |
| 6,00,00,000 Equity Shares of INR 10/- each | 60,00,00,000/- |
| Issued, Subscribed and Paid-up Share Capital | |
| 1,82,98,382 Equity Shares of INR 10/- each fully paid up | 18,29,83,820/- |

The Demerged Company had allotted 4,08,768 fully convertible equity share warrants ('warrants') on February 02, 2024 on a preferential basis.

Out of 4,08,768 warrants, the Demerged Company has allotted equity shares in the following manner consequent to conversion of 3,28,768 warrants:

- (i) 1,64,384 Equity shares of INR 10/- each on conversion of 1,64,384 warrants on March 22, 2024 to Mr. Siddhartha Roy Burman, one of the Promoters of the Company; and
- (ii) 1,64,384 Equity shares of INR 10/- each on conversion of 1,64,384 warrants on May 29, 2024 to Girish Gulati (HUF), Non-Promoter Entity. However, these 1,64,384 Equity Shares will be credited to the Allottee's account post obtaining listing approval from the stock exchanges.

Accordingly, the Issued, Subscribed and Paid-up Share Capital of the Demerged Company increased to INR 18,29,83,820/- from INR 17,96,96,140/ (as on the date of approval of the Scheme by the Board of Directors of the Demerged Company i.e., as on September 29, 2023).

Subsequent to June 21, 2024, there has been no change in the Authorised, Issued, Subscribed and Paid-up Share Capital of the Resulting Company.

(g) The last annual financial statements of the Demerged Company have been audited for the financial year ended March 31, 2024. The audited Standalone and Consolidated Financial Results of the Demerged Company for the quarter and year ended March 31, 2024 are enclosed as **Annexure II**.

(h) **Details of the Directors and Promoters (as on the date of the Notice):**

The details of the Directors of the Demerged Company as on the date of this Notice, along with their addresses, are mentioned herein below:

| Directors | | | |
|-----------|---------------------------|------------------------------|---|
| SL. No. | Name | Category | Address |
| 1. | Mr. Siddhartha Roy Burman | Chairman & Managing Director | BH-164, Sector – II, P.O. – Mayukh Bhavan, Salt Lake, North 24 Parganas, Kolkata, West Bengal – 700091 |

| | | | |
|----|------------------------------------|--|---|
| 2. | Mr. Rittick Roy Burman | Whole-time Director | BH-164, Sector – II, P.O. – Mayukh Bhavan, Salt Lake, North 24 Parganas, Kolkata, West Bengal – 700091 |
| 3. | Mr. Ritoban Roy Burman | Non-Executive Non Independent Director | BH-164, Sector – II, P.O. – Mayukh Bhavan, Salt Lake, North 24 Parganas, Kolkata, West Bengal – 700091 |
| 4. | Dr. Indra Nath Chatterjee | Non-Executive Independent Director | A/1201, 12 th Floor, Lalani Grandeur, Valentine Complex, Gen. A. K. Vaidya Marg, Malad East, Mumbai, Maharashtra – 400097 |
| 5. | Prof. (Dr.) Surabhi Banerjee | Non-Executive Independent Director | 28/6B, Nakuleshwar Bhattacharjee Lane, P.O. – Kalighat, Kolkata, West Bengal – 700026 |
| 6. | Mr. Alok Chauthmal Churiwala | Non-Executive Independent Director | C/6, Ferreira Mansion, Sitladevi Temple Road, Mahim West, Mumbai, Maharashtra – 400016 |

The details of the Promoters of the Demerged Company as on the date of this Notice, along with their addresses, are mentioned herein below:

| Promoters | | | |
|------------------|--|-----------------|---|
| Sl. No. | Name | Category | Address |
| 1. | Mr. Siddhartha Roy Burman | Promoter | BH-164, Sector – II, P.O. – Mayukh Bhavan, Salt Lake, North 24 Parganas, Kolkata, West Bengal – 700091 |
| 2. | Mrs. Tanusree Roy Burman | Promoter Group | BH-164, Sector – II, P.O. – Mayukh Bhavan, Salt Lake, North 24 Parganas, Kolkata, West Bengal – 700091 |
| 3. | Mr. Rittick Roy Burman | Promoter Group | BH-164, Sector – II, P.O. – Mayukh Bhavan, Salt Lake, North 24 Parganas, Kolkata, West Bengal – 700091 |
| 4. | Khadim Development Company Private Limited | Promoter | 7 th Floor, Tower C, DLF IT Park, 08 Major Arterial Road, Block-AF, New Town (Rajarhat), Kolkata – 700156 |

II. Particulars of the Resulting Company:

- (a) The Resulting Company was incorporated on August 22, 2023 under the provisions of the Act as a public company limited by shares. The Corporate Identification Number of the Resulting Company is U46413WB2023PLC264443 and its Permanent Account Number allotted by the Income Tax Department is AAKCK4627J. The Resulting Company has its Registered Office at Flat No. 4A, 4th Floor, Kalyani Complex, P-22, Block A, Bangur Avenue, North 24 Parganas - 700055, West Bengal, India. The email address of the Resulting Company is ksr082023@gmail.com.

- (b) The Resulting Company is yet to commence its business. As per the main object mentioned in the Memorandum of Association of the Resulting Company, it is engaged in the business of manufacturing and wholesaling of footwear and accessories.
- (c) Since incorporation, there has been no change in the Objects Clause, name and registered office of the Resulting Company.
- (d) Presently, the Equity Shares of the Resulting Company are not listed on any Stock Exchange.
- (e) The main objects of the Resulting Company are contained in Clause III of its Memorandum of Association. They are as follows:

“A1. To carry on the Business of manufacturer, importer, exporter, buyer, seller, wholesaler, agency, broker, distributors, dealers, Job workers, contract manufacturers and seller of other Brands as licensee or otherwise, contractors, consignors and consignee of various footwear and accessories of all form, specification, quality, kind, and size made of or out of natural leather, synthetic leather, rubber, plastic, polymers, textile, canvas or any other raw material suitable for human use.

A2. To carry on the business of manufacturer, importer, exporter, tanner, dealer, processor, agency, broker, distributor and contractor in leather, hides, skin and leather substance.”

- (f) The Share Capital of the Resulting Company as on March 31, 2024 is as follows:

| Particulars | Amount (in INR) |
|--|-----------------|
| Authorised Share Capital | |
| 1,50,000 Equity Shares of INR 10/- each | 15,00,000/- |
| Issued, Subscribed and Paid-up Share Capital | |
| 10,000 Equity Shares of INR 10/- each, fully paid-up | 1,00,000/- |

Subsequent to the date of approval of the Scheme by the Board of Directors of the Resulting Company i.e., as on September 29, 2023, there has been no change in the Authorised, Issued, Subscribed and Paid-up Share Capital of the Resulting Company.

Accordingly, the Issued, Subscribed and Paid-up Share Capital of the Resulting Company as on June 21, 2024 is same as that of March 31, 2024.

- (g) The Resulting Company has prepared its first financial statements for the period from August, 22, 2023 to March 31, 2024. The said audited financial statements are enclosed as **Annexure III**.

(h) Details of the Directors and Promoters (as on the date of the Notice):

The details of the Directors of the Resulting Company as on the date of this Notice, along with their addresses, are mentioned herein below:

| Directors | | | |
|-----------|------------------------|----------|---|
| SL. No. | Name | Category | Address |
| 1. | Mr. Suman Barman Roy | Director | Flat No. 82, 2nd Floor, Ekante Apartment, 23 Prince Park, Kalikapur Kolkata - 700099 |
| 2. | Mr. Rittick Roy Burman | Director | BH-164, Sector - II, P.O. - Mayukh Bhavan, Salt Lake, North 24 Parganas, Kolkata, West Bengal - 700091 |

| | | | |
|----|------------------------|----------|---|
| 3. | Mr. Ritoban Roy Burman | Director | BH-164, Sector - II, P.O. - Mayukh Bhavan, Salt Lake, North 24 Parganas, Kolkata, West Bengal - 700091 |
|----|------------------------|----------|---|

The details of the Promoter of the Resulting Company as on the date of this Notice, along with its address, is mentioned herein below:

| Promoter | |
|----------------------|---|
| Name | Address |
| Khadim India Limited | 7th Floor, Tower C, DLF IT Park, 8 Major Arterial Road, Block AF, New Town (Rajarhat), Kolkata – 700156, West Bengal, India |

4. Salient features of the Scheme

The salient features of the Scheme are stated below. The capitalised terms used in the salient features shall have the same meaning as ascribed to them in Clause 1 of Part A of the Scheme and the salient features are to be read subject to the same rules of interpretation as stated in Clause 2 of Part A of the Scheme.

- (a) The Scheme, inter alia, provides for demerger of the **Demerged Undertaking** comprising the Distribution Business of the Demerged Company, along with all properties, assets, rights, powers, encumbrances, debts, liabilities, duties and obligations relating to the Demerged Undertaking, into the Resulting Company on a going concern basis and in consideration, the consequent issuance and allotment of equity shares by the Resulting Company to all the Equity Shareholders of the Demerged Company as per the **Share Entitlement Ratio** i.e., 1 (One) Equity Share of the face value of INR 10/- each fully paid up of the Resulting Company for every 1 (One) Equity Share of face value of INR 10/- each fully paid up held by Equity Shareholders of the Demerged Company, in accordance with the provisions of Sections 230 to 232 and other applicable provisions of the Act and Section 2(19AA) read with other relevant provisions of the IT Act.
- (b) The Scheme shall be operative from the **Effective Date**, date which will be the first day of the month following the month in which parties mutually acknowledge in writing that all the conditions referred to in Clause 25.1 of the Scheme have occurred or have been fulfilled, obtained or waived, as applicable, in accordance with the Scheme. References in the Scheme to the “date of coming into effect of this Scheme” or “upon the Scheme becoming effective” or “effectiveness of the scheme” shall mean the Effective Date.
- (c) **Appointed Date** shall mean the same date as the Effective Date or such other date as may be mutually agreed by the Companies. The Scheme shall be effective from the Appointed Date and shall be operative from the Effective Date.
- (d) The **Remaining Business** shall continue to belong to and be vested in and be managed by the Demerged Company.
- (e) On the Scheme becoming effective, all the **Transferring Employees** shall be deemed to have become employees of the Resulting Company with effect from the Appointed Date, without any interruption in service, on the terms and conditions not less favourable than those on which they are engaged by the Demerged Company.
- (f) All Equity Shares of the Resulting Company, post the Scheme, will be listed and / or admitted to trading on the NSE and BSE, which have nation-wide trading terminals.
- (g) The fractional entitlements, if any, shall be aggregated and held by the trust nominated by the Board of Directors of the Resulting Company in this behalf, who shall sell such shares in the market at such price, within a period of ninety (90) days from the date of allotment of shares, as per the Scheme and on such sale, shall pay to the Resulting company, the net sale proceeds (after deduction of applicable taxes and other expenses incurred), whereupon the Resulting Company shall, subject to withholding tax, if any, distribute such sale proceeds to

the concerned shareholders of the Demerged Company in proportion to their respective fractional entitlements so sold by the trustee.

- (h) Upon coming into effect of the Scheme and in consideration for the demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company, the Board of the Demerged Company shall decide the manner in which difference in the intrinsic value created pursuant to the demerger of the Distribution Business is to be compensated to the ESOPs holders of the Demerged Company.

The Board of the Demerged company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the aforesaid provisions, if required. Approval granted to the Scheme by the shareholders of the Demerged Company shall also be deemed to be approval granted to any modifications made to the ESOP Plans of the Demerged Company.

Note: The above details are only salient features of the Scheme. Shareholders are requested to read the entire text of the Scheme which is enclosed as Annexure I to get fully acquainted with the provisions thereof.

5. Relationship subsisting between Parties to the Scheme

The Resulting Company is presently a Wholly-owned Subsidiary of the Demerged Company.

6. Board approvals

- (a) The Board of Directors of the Demerged Company at its Meeting held on September 29, 2023 by unanimous resolution approved the Scheme. The names of the then Directors and their manner of voting are set out below:

| SL. No. | Name of Director | Voted in favour / against / did not participate or vote |
|----------------|------------------------------|--|
| 1. | Mr. Siddhartha Roy Burman | Voted in favour |
| 2. | Mr. Rittick Roy Burman | Voted in favour |
| 3. | Mr. Ritoban Roy Burman | Voted in favour |
| 4. | Dr. Indra Nath Chatterjee | Voted in favour |
| 5. | Prof. (Dr.) Surabhi Banerjee | Voted in favour |
| 6. | Mr. Alok Chauthmal Churiwala | Voted in favour |

- (b) The Board of Directors of the Resulting Company at its Meeting held on September 29, 2023 by unanimous resolution approved the Scheme. The names of the then Directors and their manner of voting are set out below:

| SL. No. | Name of Director | Voted in favour / against / did not participate or vote |
|----------------|-------------------------|--|
| 1. | Mr. Rittick Roy Burman | Voted in favour |
| 2. | Mr. Ritoban Roy Burman | Voted in favour |
| 3. | Mr. Suman Barman Roy | Voted in favour |

7. Interest of Directors, Key Managerial Personnels ('KMPs'), their relatives and Debenture Trustee

- (a) **Khadim India Limited ('Demerged Company'):**

None of the Directors, KMPs (as defined under the Act and rules framed thereunder) of the Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of their directorship and shareholding, if

any, in the Company. The Company has not issued any debentures and hence, does not have Debenture Trustee.

(b) **KSR Footwear Limited ('Resulting Company'):**

None of the Directors, KMPs (as defined under the Act and rules framed thereunder) of the Resulting Company and their respective relatives (as defined under the Act and rules framed thereunder), have any interest in the Scheme except to the extent of their directorship and shareholding, if any in the Resulting Company. The Resulting Company has not issued any debentures and hence, does not have Debenture Trustee.

The Registers of Directors and Key Managerial Personnel and their shareholding of the Demerged Company and the Resulting Company will be available for inspection at the Registered Office of the Demerged Company between 11.00 a.m. to 3.00 p.m. on any working day up to the date of the Meeting, for which purpose Shareholders are required to send an e-mail to the Company Secretary & Head – Legal at compliance@khadims.com.

8. Effect of the Scheme on the stakeholders

The effect of the Scheme on various stakeholders is summarised below:

(a) Shareholders, KMPs, Promoter and Non-Promoter Shareholders

The effects of the Scheme on the Shareholders, KMPs, Promoter and Non-Promoter Shareholders of the Demerged Company and the Resulting Company are mentioned in the Reports adopted by the respective Board of Directors of the said companies at their Meetings held on September 29, 2023, pursuant to the provisions of Section 232(2)(c) of the Act. The said Reports are enclosed as **Annexure IV and V respectively**.

(b) Directors

- (i) The Scheme will have no effect on the office of the existing Directors of the Demerged Company and the Resulting Company. Further, no change in the Board of the Directors of the Demerged Company and the Resulting Company is envisaged on account of the Scheme.
- (ii) It is clarified that the composition of the Board of Directors of the Demerged Company and the Resulting Company may change by appointments, retirements or resignations in accordance with the provisions of the Act, SEBI Listing Regulations, other applicable laws, and the Memorandum and Articles of Association of these companies but the Scheme itself does not affect the office of Directors of such companies.
- (iii) The effect of the Scheme on the Directors of the Demerged Company and the Resulting Company in their capacity as shareholders of the said companies is the same as in case of other shareholders of the said companies, as mentioned in the aforesaid Reports enclosed as **Annexure IV and V** respectively.

(c) Employees

(i) On the Scheme becoming effective, all the Transferring Employees (as defined in the Scheme) shall be deemed to have become employees of the Resulting Company with effect from the Appointed Date, without any interruption in service, on the terms and conditions not less favourable than those on which they are engaged by the Demerged Company, as provided in Clause 9 of the Scheme.

(ii) The Scheme will have no effect on the existing employees, if any, of the Resulting Company.

(d) Creditors

- (i) The demerger of the Demerged Undertaking from the Demerged Company into the Resulting Company will not adversely impact the rights and interests of the creditors of the Demerged Company and the Resulting Company.

- (ii) The creditors of the Demerged Company not forming part of the Demerged Undertaking shall continue to be the creditors of the Demerged Company and shall be paid in the ordinary course of business by the Demerged Company.
- (iii) The creditors of the Demerged Company relating to the Demerged Undertaking will cease to be creditors of the Demerged Company and become creditors of the Resulting Company on the same terms and conditions, as before, and shall be paid in the ordinary course of business by the Resulting Company.
- (iv) The effect of the Scheme on creditors is further detailed in paragraph 10(c) below.

(e) Debenture holders, Debenture Trustees, Depositors and Deposit Trustees

The Demerged Company and the Resulting Company have neither issued any debentures nor taken any public deposits. Hence, there are no debenture holders, debenture trustees, depositors and deposit trustees.

There will be no adverse effect on account of the Scheme on the aforesaid stakeholders. The Scheme is proposed to the advantage of all concerned, including the said stakeholders.

9. No investigation proceedings

There are no investigation proceedings pending under Sections 210 to 227 of the Act against the Demerged Company and / or the Resulting Company.

10. Amounts due to creditors

- (a) The respective amounts due to Secured Creditors are as follows:

| Sl. No. | Company | Amount (in INR) | As on |
|---------|-------------------|------------------|----------------|
| 1. | Demerged Company | 1,46,01,62,016/- | March 01, 2024 |
| 2. | Resulting Company | Nil | March 31, 2024 |

- (b) The respective amounts due to Unsecured Creditors are as follows:

| Sl. No. | Company | Amount (in INR) | As on |
|---------|-------------------|------------------|----------------|
| 1. | Demerged Company | 1,46,82,78,413/- | March 01, 2024 |
| 2. | Resulting Company | 1,38,306/- | March 31, 2024 |

- (c) The Scheme embodies the arrangement between the Demerged Company and the Resulting Company and their respective shareholders and creditors. No change in value or terms or any compromise or arrangement is proposed under the Scheme with any of the creditors of the Demerged Company and the Resulting Company. The Tribunal has therefore dispensed with the meetings of the unsecured creditors of the Demerged Company and the Resulting Company to consider the Scheme, since there is no compromise or arrangement with them and their rights are not affected by the Scheme in any manner.
- (d) The Scheme does not involve any debt restructuring and hence, the requirement to disclose details of debt restructuring is not applicable.

11. Summary of Share Entitlement Ratio Report and Fairness Opinion

- (a) The Share Entitlement Ratio in consideration for the demerger has been fixed on a fair and reasonable basis, based on the Share Entitlement Ratio Report dated September 29, 2023 issued by Mr. Vikram Kumar Singh, Registered Valuer under IBBI (SFA), Regn. No. – IBBI/RV/06/2019/11320, which is enclosed as **Annexure VI**.

- (b) Saffron Capital Advisors Private Limited, an independent SEBI Registered Merchant Banker (SEBI Registration No. INM000011211) in their Fairness Opinion dated September 29, 2023, has also opined that the Share Entitlement Ratio is fair and reasonable from a financial point of view to the Shareholders of the Demerged Company. The said Fairness Opinion is enclosed as **Annexure VII**.
- (c) The Share Entitlement Ratio has accordingly been recommended as follows:
- “1 (One) equity share of the face value of INR 10/- each fully paid-up of the Resulting Company shall be issued and allotted for every 1 (One) equity share of face value INR 10/- each fully paid up held by equity shareholders of the Demerged Company.” (“Share Entitlement Ratio”)*
- (d) The Audit Committee of the Demerged Company at its Meeting held on September 29, 2023 has recommended the Scheme, including the Share Entitlement Ratio, after taking into consideration, inter alia, the aforesaid Report and Opinion. The Independent Directors Committee of the Demerged Company at its Meeting held on September 29, 2023 has also recommended the Scheme.

12. Shareholding pattern and Capital Structure of the Demerged Company and the Resulting Company

- (a) There will be no change in the pre-arrangement and post-arrangement shareholding pattern of the Demerged Company as on June 21, 2024.

The pre-arrangement and post-arrangement shareholding pattern* of the Resulting Company as on June 21, 2024 shall be as follows:

| Pre - Arrangement shareholding pattern as on June 21, 2024 | | |
|---|----------------------|-------------|
| Category | No. of shares | % |
| Promoter | 10,000 | 100% |
| Public | NIL | NIL |
| Total | 10,000 | 100% |

| Post - Arrangement shareholding pattern as on June 21, 2024* | | |
|---|----------------------|-------------|
| Category | No. of shares | % |
| Promoter | 1,09,95,167 | 60.09% |
| Public | 73,03,215 | 39.91% |
| Total | 1,82,98,382 | 100% |

**Post shareholding may vary depending on the actual shareholding as on the record date.*

The detailed pre and post-arrangement shareholding pattern of the Demerged and the Resulting Company as on June 21, 2024, are enclosed as **Annexure VIII**.

- (b) The pre-arrangement capital structure of the Demerged Company and the Resulting Company is given in paragraphs 3(I)(f) and 3(II)(f) respectively.

Upon this Scheme becoming effective, with effect from the Appointed Date, the authorised share capital of the Demerged Company in terms of its Memorandum of Association and Articles of Association shall stand reduced by 2,00,00,000 equity shares of INR 10/- each which shall be transferred to and form part of the authorised share capital of the Resulting Company.

The post-arrangement capital structure of the Resulting Company (based on the shareholding pattern of the Demerged Company as on June 21, 2024) will be as follows:

| Particulars | Amount (in INR) |
|---|-----------------|
| Authorised Share Capital | |
| 2,01,50,000 Equity Shares of INR 10/- each | 20,15,00,000/- |
| Issued, Subscribed and Paid-up Share Capital | |
| 1,82,98,382 Equity Shares of INR 10/- each fully paid up [§] | 18,29,83,820/- |

[§]Post shareholding may vary depending on the actual shareholding as on the record date.

13. Auditors' Certificates of conformity of accounting treatment in the Scheme with the Accounting Standards

The respective Statutory Auditors of the Demerged Company and the Resulting Company have confirmed that the accounting treatment specified in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Act.

14. No-objection of the Stock Exchanges

The Demerged Company had filed the Scheme with NSE and BSE in terms of the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ('SEBI Master Circular') for their approval. Apart from the same, the Demerged Company had also submitted the Report of its Audit Committee on the Scheme and various other documents to the Stock Exchanges, and also displayed the same on its website in terms of the SEBI Master Circular and addressed all queries on the said documents.

Further, the Demerged Company did not receive any complaint relating to the Scheme and 'Nil' Complaint Reports were filed by the Demerged Company with the BSE and NSE in terms of the SEBI Master Circular, copies of which are enclosed as **Annexure IX and X** respectively.

BSE and NSE by their respective Observation Letters dated April 30, 2024 have given their no-objection to the Scheme. Copies of the said Observation Letters issued by BSE and NSE to the Demerged Company are enclosed as **Annexure XI and XII** respectively.

Further documents and information, as advised by the Stock Exchanges, are also provided as under:

- (a) **Annexure XIII:** Details of ongoing adjudication and recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Demerged Company, its Promoters and Directors.
- (b) **Annexure XIV:** Information pertaining to the Resulting Company in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 04, 2022.
- (c) **Annexure XV:**
 - i. Details of assets, liabilities, net worth and revenue of the companies involved, pre and post Scheme (as submitted to the Stock Exchanges).
 - ii. Impact of Scheme on revenue generating capacity of the Demerged Company.
 - iii. Need and Rationale of the Scheme, Synergies of business of the companies involved in the Scheme, Impact of the Scheme on the shareholders and cost benefit analysis of the Scheme (as submitted to the Stock Exchanges).

- iv. Value of assets and liabilities of the Demerged Company that are being transferred to the Resulting Company (as submitted to the Stock Exchanges).
- (d) **Annexure XVI:** Information submitted to NSE and SEBI, as Annexure Y to the application dated October 19, 2023.
- (e) **Annexure XVII:** Information submitted against query 10 raised by the Exchange on the BSE Listing Portal on October 30, 2023.

15. Approvals and intimations in relation to the Scheme

- (a) The details of approvals and no objections required for the proposed arrangement are mentioned in Clause 25 of the Scheme. The Stock Exchanges have since given their no-objection to the Scheme as mentioned in the preceding paragraph. Further, all shareholders of the Resulting Company have given their consent to the Scheme, and therefore, the Tribunal has dispensed with the meeting of the shareholders of the Resulting Company. The companies are in the process of obtaining other approvals and no objections from regulatory and / or government authorities, as required.
- (b) The Scheme, if approved at this Meeting, will be subject to subsequent sanction of the Tribunal and such other approval(s), permission(s) and sanction(s) of regulatory or other authorities, as may be necessary.
- (c) The Demerged Company and the Resulting Company confirm that they have filed the Scheme with the Registrar of Companies, West Bengal. Further, the Demerged Company confirms that the Notice of the Scheme in the prescribed form is also being served on all the Authorities in terms of the Tribunal Order dated June 18, 2024.

16. Inspection of Documents

In addition to the documents annexed hereto, copies of the following documents will be available for inspection through electronic mode on the Company's corporate website at <https://www.khadims.com/demerger-distribution-business> and also at the Registered Office of the Company between 11.00 a.m. to 3.00 p.m. on any working day up to the date of the Meeting, for which purpose Shareholders are required to send an e-mail to the Company Secretary & Head – Legal at compliance@khadims.com.

- (a) Copy of the Scheme of Arrangement between Khadim India Limited and KSR Footwear Limited and their respective shareholders and creditors;
- (b) Order dated June 18, 2024 passed by the Tribunal in Company Application (CAA) No. 120/KB/2024;
- (c) Memorandum and Articles of Association of the Demerged Company and the Resulting Company;
- (d) Audited Standalone and Consolidated Financial Results of the Demerged Company for the quarter and year ended March 31, 2024;
- (e) Audited Financial Statements of the Resulting Company for the period ended March 31, 2024;
- (f) Certificates from the respective Statutory Auditors of the Demerged Company and the Resulting Company confirming that the accounting treatment specified in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Act;
- (g) Reports of the Audit Committee and the Independent Directors Committee of the Demerged Company dated September 29, 2023 recommending the Scheme;
- (h) Share Entitlement Ratio Report dated September 29, 2023 issued by Mr. Vikram Kumar Singh, Registered Valuer under IBBI (SFA), Regn. No. – IBBI/RV/06/2019/11320;

- (i) Fairness Opinion dated September 29, 2023 issued by Saffron Capital Advisors Private Limited, an independent SEBI Registered Merchant Banker, SEBI Registration No. INM000011211;
- (j) Information submitted to NSE and SEBI, as Annexure Y to the application, dated October 19, 2023;
- (k) Information submitted against query 10 raised by the Exchange on the BSE Listing Portal on October 30, 2023;
- (l) Net worth certificate of the Demerged Company as on June 30, 2023, both pre and post Scheme;
- (m) Information pertaining to the Resulting Company in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 04, 2022 along with Certificate issued by Saffron Capital Advisors Private Limited, SEBI Registered Merchant Banker, certifying the accuracy and adequacy of disclosures made therein.
- (n) All other documents displayed on the Demerged Company's website in terms of the SEBI Circular.

Shareholders can also obtain extract(s) from or copy(ies) of the documents listed above.

Based on the above, and considering the rationale and benefits, in the opinion of the Board of Directors, the Scheme will be of advantage to, beneficial and in the best interests of the companies and their respective shareholders, creditors, employees and other stakeholders, and the terms thereof are fair and reasonable. The Board of Directors of the Demerged Company recommends the Scheme for the approval of its Shareholders.

Sd/-
Advocate Madhuja Barman
Chairperson appointed by
The Tribunal for the Meeting

Kolkata, July 08, 2024

INSTRUCTIONS FOR ATTENDING THE MEETING THROUGH VC / OAVM

1. Shareholders will be provided with a facility to attend this Meeting through VC / OAVM through the NSDL e-Voting system. Shareholders may access the same by following the instructions mentioned in **Exhibit C** to this Notice. After successful login, you can see “VC / OAVM link” placed under “Join Meeting” menu against the Company name. You are requested to click on VC / OAVM link placed under “Join Meeting” menu. The link for VC / OAVM will be available in Shareholder / Member login where the EVEN of the Company will be displayed. Please note that the Shareholders 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. Shareholders who need assistance before or during the Meeting, can contact Ms. Pallavi Mhatre, Senior Manager, NSDL at evoting@nsdl.com or call 022 - 4886 7000.
3. Shareholders under the category of Institutional Investors are encouraged to attend the Meeting and also vote through remote e-Voting or e-Voting during the Meeting.
4. Shareholders are encouraged to join the Meeting through Laptops for better experience.
5. Further, Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants connecting from Mobile Devices or 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.
7. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video / camera along with good internet speed.

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 the Meeting on NSDL e-Voting system




Details on Step 1 are mentioned below:

a) Login method for e-Voting and joining virtual meeting for Individual Shareholders holding securities in demat mode

In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by 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 data-bbox="513 942 1401 1289">1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider i.e., NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. <li data-bbox="513 1325 1401 1440">2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp <li data-bbox="513 1476 1401 1850">3. 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. A new screen will open. You will have to enter your User ID (i.e., your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider i.e., NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

| Type of shareholders | Login Method |
|---|---|
| | <p>4. Shareholders / Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div> |
| <p>Individual Shareholders holding securities in demat mode with CDSL</p> | <ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing Myeasi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. 3. If the user is not registered for Easi / Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| <p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p> | <p>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 the Company name or e-Voting service provider i.e., NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |

Important note: Shareholders/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 | Shareholders facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000 |
| Individual Shareholders holding securities in demat mode with CDSL | Shareholders facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |

b) Login Method for e-Voting and joining virtual meeting for Shareholders other than Individual Shareholders holding securities in demat mode and Shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder / Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL 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:

| Sl. No. | Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical | Your User ID is: |
|----------------|--|---|
| a. | For Members/Shareholders 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/Shareholders 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/Shareholders holding shares in Physical Form, if any | 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) b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your email ID is not registered, please follow steps mentioned under **"Instructions for Shareholders whose e-mail ids are not registered / updated"**.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on **"Forgot User Details / Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Click on **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number / folio number, your PAN, your name, your registered address etc.
 - d) Shareholders can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
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 all the companies "EVEN" in which you are holding shares and whose voting cycle and the Meeting is in active status.
2. Select "EVEN" of the Company to cast your vote during the remote e-Voting period and casting your vote during the Meeting. For joining virtual meeting, you need to click on "VC / OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the voting page opens.
4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

B. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING ON THE DAY OF THE MEETING:

1. The procedure for e-Voting on the day of the Meeting is same as the instructions mentioned above for remote e-voting.
2. Only those Shareholders who will be present in the Meeting 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 in the Meeting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the Meeting. However, they will not be eligible to vote at the Meeting.
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 Meeting 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 a scanned copy (PDF / JPG Format) of the relevant Board Resolution / Power of Attorney / Authority Letter etc. with attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scruntizer by e-mail to goenkamohan@gmail.com with a copy marked to evoting@nsdl.com.
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, you may refer the “Frequently Asked Questions (FAQs) for Shareholders” and “e-voting user manual for Shareholders” available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager, NSDL at evoting@nsdl.com.
4. The voting rights of the Shareholder 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., Wednesday, July 24, 2024.
5. A person whose name appears in the Register of Members or in the Register of Beneficial owners maintained by the Depositories as on the cut-off date i.e., Wednesday, July 24, 2024 only shall be entitled to avail the facility of remote e-Voting as well as voting at the Meeting through electronic means. A person who is not a member as on the cut-off date, i.e., Wednesday, July 24, 2024 should treat this Notice for information purpose only.
6. Any person holding shares in physical form or non-individual shareholders, who acquires shares of the Company and become a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e., Wednesday, July 24, 2024 may obtain the login User Id and password / PIN by sending a request to NSDL at evoting@nsdl.com or RTA at rnt.helpdesk@linkintime.co.in. However, if you are already registered with NSDL for remote e-Voting then you can use your existing User ID and password / PIN for casting your vote. If you forgot your password, you can reset your password by using “**Forgot User Details / Password?**” or “**Physical User Reset Password?**” option available on www.evoting.nsdl.com or call on 022 - 4886 7000.

In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a member of the Company after sending of the Notice and holding

shares as of the cut-off date i.e., Wednesday, July 24, 2024 may follow steps mentioned above under Step 1: “Access to NSDL e-Voting system”.

7. In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

Instructions for Shareholders whose e-mail ids are not registered / updated:

| | |
|------------------|--|
| Physical Holding | Send a request to the Company at compliance@khadims.com or to the Company’s RTA at rnt.helpdesk@linkintime.co.in by providing Folio No., Name of the Shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy), AADHAAR (self-attested scanned copy) for registering / updating the e-mail address. |
| Demat Holding | Please contact your Depository Participant (DP) and register / update your e-mail address as per the process advised by your DP. The DP ID - Client ID (16 Digit DP ID + Client ID or 16 Digit Beneficiary ID), Name of the Shareholder, client master or copy of consolidated account statement, PAN (self-attested scanned copy), AADHAAR (self-attested scanned copy) shall be required for the aforesaid purpose. |

Alternatively, Shareholder / Member may send an e-mail request to evoting@nsdl.com for obtaining **User Id and Password** by providing the above-mentioned documents.

CERTIFIED TO BE TRUE COPY

SCHEME OF ARRANGEMENT

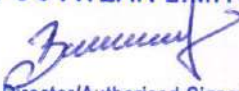
For Khadim India Limited


Abhijit Dan
Company Secretary & Head Legal

BETWEEN

KHADIM INDIA LIMITED
("DEMERGED COMPANY" or "KIL")

KSR FOOTWEAR LIMITED


Director/Authorised Signatory

AND

KSR FOOTWEAR LIMITED
("RESULTING COMPANY" or "KFL")

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(UNDER SECTIONS 230 TO 232 READ WITH SECTION 66 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013)

I. PREAMBLE AND OVERVIEW OF THE SCHEME

1. This Scheme of Arrangement ("Scheme" or "this Scheme", as more particularly defined hereinafter) is presented under Sections 230 to 232 read with Section 66 and other applicable provisions of the Act (as defined below) read with Section 2(19AA) and other applicable provisions of the Income Tax Act, 1961, including the rules and regulations issued thereunder, as may be applicable, between Khadim India Limited ("Demerged Company" or "KIL") and KSR Footwear Limited ("Resulting Company" or "KFL") and their respective shareholders and creditors.
2. This Scheme provides for the following:
 - (i) the transfer by way of a demerger of the Demerged Undertaking (as more particularly defined hereinafter) of the Demerged Company into the Resulting Company on a going concern basis and the consequent issue of New Equity Shares (as defined hereinafter) by the Resulting Company to the shareholders of the Demerged Company;
 - (ii) Reduction and cancellation of the existing paid up share capital of the Resulting Company;
 - (iii) Listing of equity shares of Resulting Company on the Stock Exchanges (as defined hereinafter); and
 - (iv) various other matters consequential or otherwise integrally connected herewith.

II. BACKGROUND AND DESCRIPTION OF THE COMPANIES

1. **Khadim India Limited** (hereinafter referred to as “KIL” or “**Demerged Company**”) is a public listed company engaged in the manufacturing / retail business of footwear and accessories. It was incorporated on December 03, 1981 under the provisions of the Indian Companies Act, 1956, having CIN L19129WB1981PLC034337. Its registered office is situated at 7th Floor, Tower C, DLF IT Park, 08 Major Arterial Road, Block-AF, New Town (Rajarhat), Kolkata - 700156, West Bengal. The equity shares of KIL are listed on the Stock Exchanges (defined below).
2. **KSR Footwear Limited** (hereinafter referred to as “KFL” or “**Resulting Company**”) is an unlisted public company incorporated on August 22, 2023 under the provisions of the Act having CIN U46413WB2023PLC264443. Its registered office is situated at Flat No. 4A, 4th Floor, Kalyani Complex, P-22, Block - A, Bangur Avenue, North 24 Parganas - 700055, West Bengal. It is a Wholly-owned Subsidiary of KIL. As per Memorandum of Association of KFL, it is engaged in the business of manufacturing and wholesaling of footwear and accessories.

III. RATIONALE OF THE SCHEME

The Demerged Company has 2 (two) distinct businesses viz. (i) Retail Business and (ii) Distribution Business. The retail business operates through 848 retail stores (as on June 30, 2023) and caters to the middle and upper middle-income consumers, while the distribution business operates through a wide network of 732 distributors (as on June 30, 2023) selling to multi-brand-outlets across India and caters to lower and middle-income consumers. The transfer and vesting of the Demerged Undertaking (defined hereinafter) comprising of Distribution Business into the Resulting Company pursuant to this Scheme shall be in the interest of all concerned stakeholders including shareholders, customers, creditors, employees and general public, in the following ways:

- (i) The Demerged Undertaking and the Remaining Business (defined hereinafter) address different market segments with divergic dynamics in terms of business strategy, customer set and distinct capital requirements. The transfer of the Demerged Undertaking into the Resulting Company will enable both the Demerged and Resulting Company to focus on their activities in the respective segments. This would help to improve their competitiveness, operational efficiency, agility and strengthen their position in relevant markets.
- (ii) The nature of risk, competition, challenges, opportunities, market segment, target customer and business methods for the Distribution Business (as defined hereinafter) is separate and distinct from the Remaining Business (as defined hereinafter) carried out by the Demerged Company.



- (iii) The segregation of the business vertical shall enable them to move forward independently, with specialization building on their respective capabilities. It will also help to channelize resources required for all the businesses to focus on the growing businesses and attracting right talent and providing enhanced growth opportunities to existing talent in line with a sharper strategic focus on each business segment under separate entities.
- (iv) The Scheme will also enable the Demerged Company and the Resulting Company to focus and enhance their respective management structure ensuring better and more efficient management control.
- (v) Bifurcation of these businesses will enable unlocking value of each vertical thereby paving way for focused growth with a view to create significant stakeholder value, will attract distinct investor base and at the same time allow investors to allocate their portfolio into separate entities, focused on the distinct entities. Further, it will enable independent and distinct capital allocation approach and balance sheet management based on the distinct needs of each business.
- (vi) Thus, the demerger would help in achieving the desired operating structure and shall inter alia have following benefits:
- Create sector focused companies;
 - Attract business specific investors;
 - Streamline the management structure;
 - Unlock value for shareholders;
 - Ring-fence businesses from each other;
 - Better risk management; and
 - Better Management Bandwidth utilization.

IV. PARTS OF THE SCHEME

This Scheme is divided into the following parts:

Part A - Deals with Definitions, Interpretation, Date of taking effect and Share Capital;

Part B - Deals with transfer and vesting of the Demerged Undertaking into the Resulting Company;

Part C - Deals with the general terms and conditions applicable to this Scheme.



V. **TREATMENT OF THE SCHEME FOR THE PURPOSES OF INCOME TAX ACT, 1961**

The provisions of this Scheme have been drawn up to comply with the conditions relating to "Demerger" as defined under Section 2(19AA) read with other applicable provisions of the Income Tax Act, 1961. If, at a later date, any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of Section 2(19AA) of the Income Tax Act, 1961, including as a result of an amendment of law or enactment of new legislation or any other reason whatsoever, the provisions of Section 2(19AA) of the Income Tax Act, 1961, or corresponding provisions of any amended or newly enacted law, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income Tax Act, 1961 or such newly enacted law or new legislation. Such modifications will, however, not affect the other provisions of the Scheme.

PART A

DEFINITIONS, INTERPRETATION, DATE OF TAKING EFFECT AND SHARE CAPITAL

1. **DEFINITIONS**

In this Scheme (as defined hereinafter), unless repugnant to the meaning or context thereof, the following expressions shall have the meanings ascribed herein below:

- 1.1 "Act" means the Companies Act, 2013 and the rules, circulars, notifications made thereunder as the case may be, and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force;
- 1.2 "Applicable Law" means (a) all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, listing agreements, notifications, guidelines or policies of any applicable country and/ or jurisdiction, (b) administrative interpretation, writ, injunction, directions, directives, judgement, arbitral award, decree, orders or governmental approvals of or agreements with any governmental authority or recognized stock exchange, and (c) international treaties, conventions and protocols, as may be in force from time to time.
- 1.3 "Appointed Date" means the same date as the Effective Date or such other date as may be mutually agreed by the Companies;



1.4 **"Appropriate Authority" means:**

1.4.1 the government of any jurisdiction (including any central, state, provincial, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, court, instrumentality, central bank, commission or other authority thereof;

1.4.2 any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, statutory, licensing, competition, tax, importing, exporting or other governmental or quasi-governmental authority including (without limitation) SEBI (as defined hereinafter) and NCLT (as defined hereinafter);

1.4.3 Stock Exchanges (as defined hereinafter);

1.4.4 Such other sectoral regulators or authorities as may be applicable.

1.5 **"Board of Directors" or "Board"** means the Board of Directors of the Demerged Company or of the Resulting Company or both as the context may require and shall, unless it be repugnant to the context or otherwise, include a duly constituted committee of directors or any person(s) authorised by the Board of Directors or such committee of directors;

1.6 **"Demerged Undertaking"** shall mean and include the entire Distribution Business as a going concern including all its activities and operations as identified by the Board of Directors of the Demerged Company, with all properties, assets, technical experience, related employees, personnel and credentials, including all debts, liabilities, duties and obligations, litigations, working capital (including all inventories), whether tangible or intangible, and such other ventures and shall include ancillary and support services in relation to the same, to be transferred to the Resulting Company with effect from the Appointed Date, and shall include (without limitation):

1.6.1 All the movable and immovable properties tangible or intangible, investments, plant and machinery, electrical installations, equipment, furniture, fixtures, vehicles, stocks and inventory, leasehold assets and other properties, real, corporeal or incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets, pertaining to the Distribution Business including cash in hand, amounts lying in the banks, escrow accounts, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, freehold, leasehold rights, brands, sub-letting tenancy rights, leave and license permissions, no objection certificates, goodwill, other intangibles, customer relationships, registration, approvals, permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, and other industrial and intellectual properties and



credential and rights of any nature whatsoever including know-how, websites, portals, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of services of every kind, nature and description whatsoever, provisions, funds, and benefits (including all work-in progress), of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other Person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses, privileges and approvals of whatsoever nature and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Demerged Company in relation to and pertaining to the Distribution Business;

- 1.6.2 All other interests or rights (including claim, arbitration awards, etc.) or, accumulated experience or performance qualifications including financial, technical, manufacturing and other qualifications, in or arising out of relating to the Distribution Business together with all respective powers, interests, charges, privileges, benefits, entitlements, past experience and credentials, business track record, brands and trademarks, patents, copyrights, other intellectual property rights, industrial and other registrations, licenses, quotas, subsidies, grants, powers and facilities of every kind, nature and descriptions whatsoever, income tax (including advance tax, self-assessment tax, regular assessment tax, tax deducted at source) paid by Demerged Company pertaining to Distribution Business, unutilized credits relating to excise duties, sales tax, service tax, Valued Added Tax ("VAT"), Goods and Services Tax ("GST") or any other Taxes by whatever name called belonging to Distribution Business, tax benefits and other claims and powers, rights to use and avail of telephones, facsimile connections and other communication facilities, connections, installations and equipment, utilities, email, internet and leased lines, utilities, electricity, water and other services, and all other interests in connection with or relating to the Distribution Business;
- 1.6.3 Right to use the work experience, credential, qualifications, capabilities, legacies and track record with Government/Non-Government agencies/bodies, contracts with clients and with vendors (including technical parameters, past performance, track record, financials etc.) of the Demerged Company, whether or not pertaining to the Distribution Business, acquired by reason of the completion of various projects and works, certificates of completion of projects or works issued by the clients and the right to use all these for qualifying for any tender or project that may be issued at any time;
- 1.6.4 All receivables, loans and advances, including accrued interest thereon, all advance payments, earnest monies and/or security deposits, payment against warrants, if any, or other entitlements of the Demerged Company in relation to and pertaining to the Distribution Business;



- 1.6.5 All the debts, liabilities, duties and obligations, funded and non-funded facilities, whether secured or unsecured, bank guarantees, performance guarantees, corporate guarantees, letters of credit, deferred tax liabilities including contingent liabilities of the Demerged Company in relation to and pertaining to the Distribution Business after following the due process prescribed by lenders/ Persons wherever required;
- 1.6.6 All contracts (including vendor contracts, lease contracts, customer contracts of every nature and revenue and receipts associated therewith), agreements, entitlements, pre-qualifications, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertaking, memoranda of agreements, memoranda of agreed points, bids, tenders, tariff orders, open order book(s), expression of interest, letter of intent, hire purchase agreements, lease/license agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims and clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder in relation to and pertaining to the Distribution Business;
- 1.6.7 All litigations and proceedings in relation to the Distribution Business;
- 1.6.8 All books, records, files, papers, engineering and process information, records of standard operating procedures, computer programs/ software along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to the Distribution Business; and
- 1.6.9 All Transferring Employees (as defined hereinafter)
- 1.7 **“Distribution business”** means the Company’s distribution segment which provides branded and affordable footwear in the mass footwear category catering to lower- & middle-income consumers in Tier I to Tier III cities. The distribution business operates through a network of 732 distributors selling to multi-brand-outlets across India. The distribution segment manufactures approximately 96% of the products of this category to have better control over quality, supply and cost.
- 1.8 **“Effective Date”** means the date which will be the first day of the month following the month in which parties mutually acknowledge in writing that all the conditions referred to in Clause 25.1 of the Scheme have occurred or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme.



References in this Scheme to the "date of coming into effect of this Scheme" or "upon the Scheme becoming effective" or "effectiveness of the scheme" shall mean the Effective Date;

- 1.9 **"Encumbrance"** means (i) any charge, lien (statutory or other), or mortgage, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any Person; (ii) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, selling, assigning, pledging, hypothecating, or creating a security interest in, place in trust (voting or otherwise), receipt of income or exercise; or (iii) any equity, assignments, hypothecation, title retention, restriction, power of sale or other type of preferential arrangements; or (iv) any agreement to create any of the above; and the terms "Encumber" or "Encumbrances" shall be construed accordingly;
- 1.10 **"ESOP Plans"** means
- Employee Stock Option Plan 2017 approved at the general meeting dated 17th June, 2017 (ratified at the general meeting dated 6th September, 2018. This plan being presently not viable is not in use.
 - Khadim Employee Stock Option Plan 2021 formulated in accordance with special resolutions passed via postal ballot dated 7th May, 2021. However, post the approval, no options have been allotted under the plan.
- 1.11 **"Fund(s)"** shall have the meaning set out in clause 9.2
- 1.12 **"INR"** means Indian Rupee, the lawful currency of the Republic of India;
- 1.13 **"New Equity Shares"** means the equity shares of the Resulting Company issued and allotted pursuant to the Scheme;
- 1.14 **"NCLT" or "Tribunal"** means the relevant bench of the Hon'ble National Company Law Tribunal having jurisdiction over Demerged Company and/or Resulting Company, as the case may be, sanctioning this Scheme pursuant to Sections 230 to 232 and other applicable provisions of the Act;
- 1.15 **"Options"** shall mean the stock options granted by KIL as per the ESOP Plans of KIL;
- 1.16 **"Parties"** shall mean collectively the Demerged Company and the Resulting Company and **"Party"** shall mean each of them, individually;
- 1.17 **"Permits"** means all consents, licences, permissions, authorisations, rights, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, whether governmental, statutory, regulatory under Applicable Law;



- 1.18 "**Person**" means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority;
- 1.19 "**Record Date**" means the date to be fixed by the Board of Directors or a committee thereof, if any, of the Demerged Company and Resulting Company for the purpose of determining the members of the Demerged Company to whom New Equity Shares will be allotted pursuant to the Scheme;
- 1.20 "**Remaining Business**" means all the business, assets and liabilities of the Demerged Company other than those forming part of the Demerged Undertaking, and includes the Retail Business;
- 1.21 "**RoC**" means the relevant Registrar of Companies having jurisdiction over the Parties, as the case may be;
- 1.22 "**Scheme**" or "**this Scheme**" means this scheme of arrangement in its present form or with any modification(s) made under Clause 24 of this Scheme as approved or directed by the Appropriate Authority;
- 1.23 "**SEBI**" means the Securities and Exchange Board of India, established under the Securities and Exchange Board of India Act, 1992;
- 1.24 "**SEBI Circular**" shall mean the circular issued by the SEBI, being Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and any amendments thereof, modifications issued pursuant to Regulations 11, 37 and 94 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended;
- 1.25 "**Stock Exchanges**" means BSE Limited and the National Stock Exchange of India Limited, collectively and Stock Exchange shall mean each of them individually;
- 1.26 "**Taxation**" or "**Tax**" or "**Taxes**" means all forms of taxes and statutory, governmental, state, provincial, international, local governmental or municipal impositions, duties, contributions and levies and whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to the Demerged Company or the Resulting Company or any other Person and all penalties, charges, costs and interest relating thereto;



- 1.27 "Transferring Employees" means (i) all the employees of the Demerged Undertaking, i.e., Distribution Business as on the Effective Date and (ii) such other employees as identified by the Demerged Company as on the Effective Date.

2. INTERPRETATION

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Income-tax Act, 1961, the Securities Contract (Regulation) Act, 1956, the Depositories Act, 1996 or other Applicable Laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time.

In this Scheme, unless the context otherwise requires:

- words denoting singular shall include plural and vice-versa;
- headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- references to the word "include" or "including" shall be construed without limitation;
- a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;
- unless otherwise defined, the reference to the word "days" shall mean calendar days;
- references to dates and times shall be construed to be references to Indian dates and times;
- reference to a document includes an amendment or supplement to, or replacement or novation of, that document; and
- reference to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement, re-enactment, restatement or amendment of, that law or legislation or regulation and shall include the rules and regulations thereunder; and word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them.

3. DATE OF TAKING EFFECT

The Scheme in its present form or with any modification(s) approved or directed by the NCLT or any amendment(s) made under Clause 24 of this Scheme shall be deemed to be effective from the Appointed Date but shall be operative from the Effective Date.



4. SHARE CAPITAL

- 4.1 The authorised, issued, subscribed and paid-up share capital of the Demerged Company as on September 22, 2023 is as under:

| Share Capital | Amount (in INR) |
|--|---------------------|
| Authorised Share Capital | |
| 6,00,00,000 Equity Shares of INR 10/- each | 60,00,00,000 |
| TOTAL | 60,00,00,000 |
| Issued, Subscribed and Paid-up Share Capital | |
| 1,79,69,614 Equity Shares of INR 10/- each fully paid up | 17,96,96,140 |
| TOTAL | 17,96,96,140 |

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid-up capital of the Demerged Company until the date of approval of the Scheme by the Board of the Demerged Company.

- 4.2 The authorised, issued, subscribed and paid-up share capital of the Resulting Company as on September 22, 2023 is as under:

| Share Capital | Amount (in INR) |
|---|------------------|
| Authorised Share Capital | |
| 1,50,000 Equity Shares of INR 10/- each | 15,00,000 |
| TOTAL | 15,00,000 |
| Issued, Subscribed and Paid-up Share Capital | |
| 10,000 Equity Shares of INR 10/- each fully paid up | 1,00,000 |
| TOTAL | 1,00,000 |

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid-up capital of the Resulting Company until the date of approval of the Scheme by the Board of the Resulting Company

- 4.3 The Demerged Company may, from time to time, in accordance with the Act, rules and regulations framed by the SEBI including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other Applicable Laws, issue securities to any persons (including by way of a rights issue, preferential allotment or bonus issue).



PART B

TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING INTO THE RESULTING COMPANY

5. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING

- 5.1 Upon the Scheme becoming effective, with effect from the opening of business hours of the Appointed Date, and subject to the provisions of this Scheme and pursuant to Sections 230 to 232 of the Act, the whole of the Demerged Undertaking of the Demerged Company shall stand transferred and vested in the Resulting Company on a going concern basis and all assets, liabilities, contracts, arrangements, employees, permits, licenses, records, no objection certificates, approvals, credentials, litigations, etc. of the Demerged Undertaking shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company, so as to become as and from the Appointed Date, the assets, liabilities, contracts, arrangements, employees, Permits, licenses, records, approvals, etc. of the Resulting Company by virtue of, and in the manner provided in this Scheme.
- 5.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein:
- 5.2.1 Upon the Scheme becoming effective, with effect from the Appointed Date, with respect to the assets of the Demerged Undertaking that are movable in nature or are otherwise capable of being transferred by manual delivery or endorsement and/or delivery, the same may be so transferred by the Demerged Company by operation of law without any further act or execution of an instrument with the intent of vesting such assets with the Resulting Company
- 5.2.2 Upon the Scheme becoming effective, with effect from the Appointed Date, with respect to the assets of the Demerged Undertaking, other than those referred to in Clause 5.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), contracts, deeds, arrangements, investment in shares, fixed deposits, mutual funds, bonds and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances, earnest moneys and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, whether or not the same is held in the name of the Demerged Company, shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company, by way of delivery of the respective documents in this regard in favour of the Resulting Company. It is clarified that all agreements with customer, agreements with SEBI, agreement with banks/funds/vendor agreements, software, trademarks or third party licenses, statutory and regulatory



permissions, environmental approvals and consents, registrations or other licenses and power of attorneys in relation to the Demerged Undertaking would get transferred to and vested in the Resulting Company, with effect from the Appointed Date by operation of law, as the case may be, in favour of the Resulting Company and shall have been deemed to have been entered into by the Resulting Company with such respective parties.

- 5.2.3 Upon the Scheme becoming effective, with effect from the Appointed Date, without prejudice to the aforesaid, all the immovable property whether or not included in the books of the Demerged Company pertaining to the Demerged Undertaking, whether freehold or leasehold (including but not limited to any other document of title, rights, interest and easements in relation thereto, and any shares in cooperative housing societies associated with such immovable property) shall stand transferred to and be vested in the Resulting Company, without any act or deed to be done or executed by the Demerged Company and/or the Resulting Company. The Resulting Company shall be entitled to and shall exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective and with effect from the Appointed date, be made and duly recorded in the name of the Resulting Company by the Appropriate Authorities, pursuant to the sanction of this Scheme by the NCLT in accordance with the terms hereof.
- 5.2.4 Upon the Scheme becoming effective, with effect from the Appointed Date, all debts, liabilities, duties and obligations (debentures, bonds, notes and other debt securities), bank guarantees, performance guarantees, corporate guarantees, letters of credit including contingent liabilities of the Demerged Company in relation to and pertaining to the Demerged Undertaking shall, without any further act, instrument or deed or wherever required after following the due process prescribed by lenders/ Persons, be transferred to, and vested in, and/ or deemed to have been transferred to, and vested in, the Resulting Company, so as to become, the debts, liabilities, duties and obligations (debentures, bonds, notes and other debt securities), bank guarantees, performance guarantees, corporate guarantees, letters of credit including contingent liabilities of the Resulting Company on the same terms and conditions as were applicable to the Demerged Company, and it shall not be necessary to obtain the consent of any Person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause 5.
- 5.2.5 Upon the Scheme becoming effective, with effect from the Appointed Date, all benefits, incentives, losses, credits (including, without limitation Income tax, tax deducted at source, wealth tax, service tax, excise duty, central sales tax, goods and services tax, applicable state value added tax etc.) to which the



Demerged Undertaking of the Demerged Company is entitled to in terms of Applicable Laws shall be available to and vest in the Resulting Company.

- 5.2.6 The vesting of the Demerged Undertaking, as aforesaid, shall be subject to the Encumbrances, if any, over or in respect of any of the assets or any part thereof, in respect of any financing, borrowings and/or debts pertaining to the Demerged Undertaking which shall be transferred to the Resulting Company, provided however that such Encumbrances shall be confined only to the relevant assets of the Demerged Undertaking or part thereof on or over which they are subsisting on and no such Encumbrances shall extend over or apply to any other asset(s) of the Resulting Company. Any reference in any security documents or arrangements (to which the Demerged Company is a party) related to any assets of the Demerged Undertaking shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of the Resulting Company. Similarly, the Resulting Company shall not be required to create any additional security over assets vested under this Scheme for any loans, debentures, deposits or other financial assistance already availed of/to be availed of by it, and the Encumbrances in respect of such indebtedness of the Resulting Company shall not automatically extend or be deemed to extend or apply to the assets so vested.
- 5.2.7 Upon the Scheme becoming effective, with effect from the Appointed Date, the work experience, qualifications, capabilities, legacies and track record with Government / Non-Government agencies / bodies, contracts with clients and with vendors (including technical parameters, past performance, track record, financials, etc.) of the Demerged Company acquired by reason of the completion of various projects and works pertaining to the Demerged Undertaking shall be deemed to be part of and belonging to the Resulting Company and shall for all purposes be regarded as the work experience, credentials and qualification, capabilities and legacies (including technical parameters, past performance, track record, financials etc.) of the Resulting Company.
- 5.2.8 On and from the Effective Date and till such time that the name of the bank accounts of the Demerged Company pertaining to the Demerged Undertaking, if any, has been replaced with that of the Resulting Company, the Resulting Company shall be entitled to maintain and operate the bank accounts of the Demerged Undertaking in the name of the Demerged Company and for such time as may be determined to be necessary by the Resulting Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company and pertaining to the Demerged Undertaking after the Effective Date shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company.



5.2.9 Without prejudice to the foregoing provisions of this Scheme, the Demerged Company and/or the Resulting Company shall be entitled to apply to the Appropriate Authorities as are necessary under any law for such consents, approvals and sanctions which the Resulting Company may require and execute any and all instruments or documents and do all the acts and deeds as may be required, including filing of necessary particulars and/or modification(s) of charge, with the concerned RoC or filing of necessary applications, notices, intimations or letters with any Appropriate Authority or Person, to give effect to the above provisions.

6. PERMITS

6.1 Upon the Scheme becoming effective, with effect from the Appointed Date, all the Permits, estates, assets, title, interests and authorities held or availed of by, and all rights and benefits that have accrued to, the Demerged Company pertaining to the Demerged Undertaking, pursuant to the provisions of Sections 230 to 232 of the Act, shall be transferred to and vested in the Resulting Company and the concerned grantors of such Permits shall endorse where necessary, and record the Resulting Company on such Permits so as to empower and facilitate the approval and vesting of the Demerged Undertaking in the Resulting Company and continuation of operations pertaining to the Demerged Undertaking in the Resulting Company without any hindrance, and shall stand transferred to and vested in or be deemed to have been transferred to, and vested in, and be available to, the Resulting Company so as to become as and from the Appointed Date, the Permits, estates, assets, rights, title, interests and authorities of the Resulting Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in Applicable Laws.

6.2 Upon the Scheme becoming effective, with effect from the Appointed Date, and until the license and/or permit and/or approval are transferred, vested, recorded, effected, and/or perfected, in the record of the Appropriate Authority, in favour of the Resulting Company, the Resulting Company is authorized to carry on business in the name and style of the Demerged Company, and under the relevant license and/or permit and/or approval, as the case may be, and the Resulting Company shall keep a record and/or account of such transactions.

7. CONTRACTS, DEEDS, APPROVALS, EXEMPTIONS, ETC.

7.1 Subject to the other provisions of the Scheme, all contracts, guarantees, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking, to which the Demerged Company is a party and which is subsisting or having effect on or immediately before the Appointed Date shall remain in full force and effect against or in favour of the Resulting Company and shall be binding on and be enforceable by and against the Resulting Company as fully and



effectually as if the Resulting Company had at all material times been a party or beneficiary or obligee thereto. The Resulting Company will, if required, enter into a novation agreement, sub-contracting agreement, deeds, writings, or confirmations in relation to such contracts, deeds, bonds, agreements, arrangements, and other instruments as stated above and, if required, cause such contracts, deeds, bonds, agreements, arrangements and other instruments as stated above to be formally taken on record/ recognized by the Appropriate Authorities.

- 7.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking of the Demerged Company occurs by virtue of this Scheme, the Demerged Company and/or the Resulting Company may, at any time in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give effect to the provisions of this Scheme. The Resulting Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company, to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company pertaining to Demerged Undertaking.
- 7.3 On and from the Effective Date, and thereafter, the Resulting Company shall be entitled to enforce all pending contracts and transactions and to accept stock returns and issue credit notes, where the Demerged Company is a party, in relation to or in connection with the Demerged Undertaking, in the name of the Resulting Company in so far as may be necessary until the transfer of rights and obligations of the Demerged Undertaking to the Resulting Company under this Scheme have been given effect to under such contracts and transactions.
- 7.4 In an event where any contracts, agreements, arrangements, and other instruments of whatsoever nature pertaining to the Demerged Undertaking are not transferrable for any reasons, the Demerged Company shall sub-contract such contracts to the Resulting Company by entering into applicable agreements/ deeds as per the Applicable Law. In such cases, the Resulting Company, if required shall indemnify the Demerged Company for any risks or loss or reward associated with such contracts sub-contracted. Further, if any contracts, agreements, arrangements and other instruments of whatsoever nature pertaining to the Demerged Undertaking are not transferrable for any reasons and cannot be sub-contracted to the Resulting Company then, the Resulting Company shall allow the Demerged Company the right to use such performance qualifications, technical experience and credentials, if required, which will be transferred to the Resulting Company pursuant to this Scheme to complete/ implement only such contracts, agreements, arrangements.



8. LEGAL PROCEEDINGS

- 8.1 Upon the coming into effect of this Scheme, proceedings by or against the Demerged Undertaking pending and/or arising on or before the Effective date or which may be instituted at any time thereafter shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme but shall be continued and be enforced by or against the Resulting Company with effect from the Effective Date in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company.
- 8.2 The Resulting Company: (a) shall be replaced/added as party to such proceedings relating to the Demerged Undertaking; and (b) shall prosecute or defend such proceedings at its own cost and the liability of the Demerged Company shall consequently stand nullified.
- 8.3 It is clarified that except as otherwise provided herein, the Demerged Company shall in no event be responsible or liable in relation to any proceedings relating to the Demerged Undertaking that stand transferred to the Resulting Company.

9. STAFF & EMPLOYEES

- 9.1 On the Scheme becoming effective, all the Transferring Employees shall be deemed to have become employees of the Resulting Company with effect from the Appointed Date, without any interruption in service, on the terms and conditions not less favourable than those on which they are engaged by the Demerged Company. The Resulting Company undertakes to continue to abide by any agreement/settlement or arrangement, if any, entered into or deemed to have been entered into by the Demerged Company with any of the aforesaid Transferring Employees or union representing them. The Resulting Company agrees that the services of all such Transferring Employees with the Demerged Company prior to the demerger shall be taken into account for the purposes of all existing benefits to which the said Transferring Employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral / terminal benefits.
- 9.2 The accumulated balances, if any, standing to the credit of such Transferring Employees in the existing provident fund, gratuity fund, superannuation fund or any other special fund / trusts relating to retiral benefits [collectively referred to as the "Fund(s)"] of which they are members will be transferred to such similar Funds nominated by the Resulting Company and/ or such new Funds to be established by the Resulting Company in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities. Pending the transfer as aforesaid, the Fund dues of the said employees would be continued to be deposited in the existing Funds of the Demerged Company. It is clarified that the



services of the Employees forming part of the Demerged Undertaking will be treated as having been continuous for the purpose of the said Funds.

9.3 The decision on whether or not Transferring Employee is part of the Demerged Undertaking shall be decided by the Demerged Company and shall be final and binding on all concerned.

9.4 **Employee stock options:**

9.4.1 Upon coming into effect of the scheme and in consideration for the demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company, the Board of the Demerged Company shall decide the manner in which difference in the intrinsic value created pursuant to the demerger of the Distribution Business is to be compensated to the ESOPs holders of the Demerged Company.

9.4.2 The Board of the Demerged company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of clause 9.4.1, if required. Approval granted to the Scheme by the shareholders of the Demerged Company shall also be deemed to be approval granted to any modifications made to the ESOP Plans of the Demerged Company.

10. OTHER ENTITLEMENTS

10.1 All cheques and other negotiable instruments, payment orders received in the name of Demerged Company in relation to the Demerged Undertaking after the Effective Date shall be accepted by the bankers of Resulting Company and credited to the account of Resulting Company. Similarly, the bankers of Resulting Company shall honour cheques issued by Demerged Company in relation to the Demerged Undertaking for payment after the Effective Date.

10.2 Upon the coming into effect of this Scheme the resolutions, if any, of Demerged Company in relation to the Demerged Undertaking which are valid and subsisting on the Effective Date shall continue to be valid and subsisting and be considered as resolutions of Resulting Company.

11. CONSIDERATION

11.1 Upon the Scheme becoming effective and in consideration of and subject to the provisions of the Scheme, the Resulting Company shall without any application or deed, issue and allot 1,79,69,614 New Equity Shares of face value of INR 10/- each, credited as fully paid up, to the extent indicated below, to the equity shareholders holding fully paid up equity shares of the Demerged Company and whose name appear in the register of members of the Demerged Company as on the Record Date or to such of their



respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Demerged Company in the following proportion, subject to the Clause 11.5 and Clause 11.6 of the Scheme:

"1 (One) equity share of the face value of INR 10/- each fully paid-up of the Resulting Company shall be issued and allotted for every 1 (One) equity share of face value INR 10/- each fully paid up held by equity shareholders of the Demerged Company. ("Share Entitlement Ratio")

- 11.2 The fractional entitlements, if any shall be aggregated and held by the trust nominated by the Board of Directors of the Resulting Company in this behalf, who shall sell such shares in the market at such price, within a period of ninety (90) days from the date of allotment of shares, as per the Scheme and on such sale, shall pay to the Resulting company, the net sale proceeds (after deduction of applicable taxes and other expenses incurred), whereupon the Resulting Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Demerged Company in proportion to their respective fractional entitlements so sold by the trustee.
- 11.3 The New Equity Shares to be issued to the shareholders of the Demerged Company as above shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Resulting Company. Further, the New Equity Shares issued shall rank pari passu with the existing equity shares of the Resulting Company in all respects including dividends, if any that may be declared by the Resulting Company on or after the Scheme becoming effective, as the case may be.
- 11.4 The issue and allotment of the New Equity Shares to the shareholders of the Demerged Company as provided in Clause 11 of this Scheme, is an integral part of the Scheme, and shall be deemed to be carried out without requiring any further act on the part of the Resulting Company or its shareholders as if the procedure laid down under Section 62 of the Act and any other applicable provisions of the Act, were duly complied with.
- 11.5 The New Equity Shares to be issued and allotted by the Resulting Company to the shareholders of the Demerged Company shall be issued in dematerialized form. All the shareholders who hold shares of the Demerged Company in physical form shall receive the equity shares, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to the Demerged Company and/or its Registrar and Transfer Agent on or before the Record Date. If the Resulting Company has not received the demat account details of such shareholders of the Demerged Company, the Resulting Company shall issue and allot such shares in lieu of the new equity share entitlement of such shareholders, into a Demat Suspense account, which shall be operated by one of the directors of the Resulting Company, duly authorised in this regard, who shall upon receipt of appropriate evidence from such shareholders regarding their entitlements, will transfer from such Demat Suspense account



into the individual demat account of such claimant shareholders, such number of shares as may be required in terms of this Scheme.

11.6 Reorganisation of Authorised Share Capital of Demerged and Resulting Company

11.6.1 Upon this Scheme becoming effective, with effect from the Appointed Date, the authorised share capital of the Demerged Company in terms of its Memorandum of Association and Articles of Association shall stand reduced by 2,00,00,000 equity shares of INR 10/- each which shall be transferred to and form part of the authorised share capital of the Resulting Company, without any further act or deed and simultaneously, the authorised share capital of the Resulting Company shall stand increased in accordance with the provisions of section 61 of the Act as follows:

| Authorised Share Capital | Amount (in INR) |
|--|-----------------|
| 2,00,00,000 Equity Shares of INR 10/- each | 20,00,00,000 |

11.6.2 It is hereby clarified that under the accepted principle of single widow clearance, the consent of the shareholders of the Demerged Company and the Resulting Company to this Scheme shall be sufficient for the purposes of effecting the aforesaid amendments in the Memorandum of Association of the Demerged Company and the Resulting Company and that no further resolutions, whether under the applicable provisions of the Act or under the Articles of Association, shall be required to be separately passed.

11.6.3 The fees and the stamp duty if any, paid by the Demerged Company on its authorised share capital shall be set off against any fee payable by the Resulting Company on increase in its authorised capital, subsequent to the demerger and balance fees, if any, shall be duly paid upon the sanctioning of the Scheme. The Demerged Company and the Resulting Company shall file with the jurisdictional RoC, all requisite forms and complete the requirements under the Act, if any.

11.7 In the event that the Companies restructure their equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the share entitlement ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.

11.8 The New Equity Shares to be issued by the Resulting Company pursuant to clause 11.1 of the Scheme in respect of such equity shares of the Demerged Company, the allotment or transfer of which is held in abeyance under Applicable Law shall, pending allotment or settlement of dispute by order of the appropriate court or otherwise, also be kept in abeyance in like manner by the Resulting Company.



12. REDUCTION AND CANCELLATION OF THE EXISTING EQUITY SHARE CAPITAL OF THE RESULTING COMPANY

- 12.1 Upon the Scheme becoming effective, the existing paid up equity share capital of the Resulting Company comprising of 10,000 equity shares of INR 10/- each aggregating to INR 1,00,000/- (Rupees One Lakh Only) ("Resulting Company Cancelled Shares") shall stand reduced and cancelled pursuant to Section 66 and other applicable provisions of the Act.
- 12.2 The aforesaid capital reduction of the paid up equity share capital of the Resulting Company shall have no effect on the authorised share capital of the Resulting Company.
- 12.3 The reduction of the paid up equity share capital of the Resulting Company shall be effected as an integral part of this Scheme itself, without having to follow the process under Sections 66 of the Act separately and the order of the Tribunal sanctioning this Scheme shall be deemed to be an order under Section 66 of the Act confirming the reduction. Further, it is clarified that the approval of the members of the Resulting Company to this Scheme, shall be deemed to be their consent/approval for the reduction of the share capital of the Resulting Company under applicable provisions of the Act.
- 12.4 On effecting the reduction of the share capital as stated in Clause 12.1 above, the share certificates, if any, in respect of the Resulting Company Cancelled Shares held by their respective holders shall also be deemed to have been cancelled.
- 12.5 On the Effective Date, the Resulting Company shall debit its share capital account in its books of account with the aggregate face value of the Resulting Company Cancelled Shares and credit capital reserve for the same amount.
- 12.6 Pursuant to the capital reduction, there shall be no outflow of or payout of any funds from the Resulting Company and hence, the interest of the shareholders/ creditors shall not be affected. Further this capital reduction shall not, in any way, result into extinguishment of any liability or diminution of any liability in respect of unpaid share capital or the payment to any shareholder of any paid-up share capital.
- 12.7 The said capital reduction shall not have any adverse impact on the operations of the Resulting Company or the ability of the Resulting Company to honour its commitment or to pay its debts in the ordinary course of business. Further, the said capital reduction does not in any manner alter, vary or affect the payment of any dues or outstanding amounts including all or any of the statutory dues payable or outstanding.



- 12.8 Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.

13. LISTING OF THE RESULTING COMPANY

- 13.1 Resulting Company shall apply for listing of its equity shares on the Stock Exchanges in terms of and in compliance of SEBI Circular and other relevant provisions as may be applicable. The equity shares allotted by the Resulting Company in terms of Clause 11 above, pursuant to the Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the designated stock exchange.
- 13.2 Further, there shall be no change in the shareholding pattern of or control in the Resulting Company between the Record Date and the listing of the New Equity Shares, which may affect the status of approval of the Stock Exchanges, other than as provided in the Scheme.
- 13.3 Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.

14. ACCOUNTING TREATMENT

- 14.1 The Demerged Company and the Resulting Company shall account for the Scheme in their respective books/financial statements in accordance with applicable Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, and Generally Accepted Accounting Principles in India as amended from time to time including as provided herein below:

Accounting treatment in the books of the Demerged Company:

- 14.1.1 Upon the Scheme becoming effective, with effect from the appointed date, the respective carrying value of assets, liabilities and identified reserves pertaining to the Demerged Undertaking, transferred shall be reduced from the books of accounts of Demerged Company.
- 14.1.2 The Demerged Company shall derecognise the carrying amount of investments, if any, in the Resulting Company pursuant to the Scheme.
- 14.1.3 Loans and advances, receivables, payables and other dues outstanding between the Demerged Company and the Resulting Company relating to the Demerged Undertaking will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 14.1.4 The excess/deficit if any, of the net assets transferred to the Resulting Company pursuant to Clause 14.1.1 after giving effect to investment cancellation as mentioned in Clause 14.1.2 and effect to



elimination of balances as mentioned in Clause 14.1.3, shall be adjusted with the Capital Reserve, General Reserve and Retained Earnings of the Demerged Company.

Accounting treatment in the books of the Resulting Company:

- 14.1.5 The Resulting Company shall record the assets, liabilities and identified reserves pertaining to the Demerged Undertaking, transferred to and vested in it at their respective carrying values as appearing in the books of the Demerged Company.
- 14.1.6 Loans and advances, receivables, payables and other dues outstanding between the Demerged Company and the Resulting Company relating to the Demerged Undertaking will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 14.1.7 The Resulting Company shall credit to its share capital in its books of accounts the aggregate face value of equity shares issued by it to the shareholders of the Demerged Company pursuant to Clause 11 of this Scheme.
- 14.1.8 The excess/deficit if any, of the net assets transferred to the Resulting Company pursuant to Clause 14.1.5 after giving effect to Clause 14.1.6 and Clause 14.1.7, shall be transferred to the Capital Reserve of the Resulting Company.
- 14.1.9 In case of any difference in accounting policy between the Demerged Company and the Resulting Company, the accounting policies followed by the Resulting Company shall prevail and the difference shall be adjusted appropriately as per the applicable Ind-AS.
- 14.1.10 The Resulting Company's share capital cancelled pursuant to Clause 12 shall be credited to the Capital Reserve account.
- 14.1.11 On the Effective Date, the financial information in the financial statements in respect of prior periods will be restated as if the demerger had occurred from the beginning of the preceding period or the date of incorporation of the Resulting Company, whichever is later, irrespective of the actual date of the combination.

15. TAXES/ DUTIES / CESS ETC.

- 15.1 Upon the Scheme becoming effective, all taxes (including income tax, sales tax, service tax, goods and service tax, etc.) paid or payable by Demerged Company, in respect of the operations and / or the profits of the Demerged Undertaking before the Appointed Date, shall be on account of Demerged Company, save and except otherwise, the same shall continue to be on account of Demerged Company even after



the Effective Date until the time required for giving effect to Scheme which shall include filing of necessary forms, communication to vendors, customers and other stakeholders, opening of Bank accounts, and necessary changes as per GST laws, Income Tax, Customs etc. Further, Demerged Company and Resulting Company shall jointly and severally be liable to pay tax, interest or any penalty due from the Demerged Company up to the time of transfer of Demerged Undertaking in compliance with the relevant provisions of the Central Goods and Services Act, 2017.

- 15.2 For taxes paid or payable (including, without limitation, sales tax, income tax, service tax, goods and service tax etc.), whether by way of deduction or collection at source, advance tax or otherwise howsoever, by Demerged Company in respect of the profits or activities or operation of the Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid or payable by the Resulting Company, and shall, in all proceedings, be dealt with accordingly.
- 15.3 Without prejudice to the generality of the foregoing, on and from the Appointed Date, if any certificate for tax deducted or collected at source or any other tax credit certificate relating to the Demerged Undertaking is received in the name of Demerged Company, or tax credit relating to the Demerged Undertaking is appearing in Form 26AS of the Demerged Company, it shall be deemed to have been received by and in the name of the Resulting Company which alone shall be entitled to claim credit for such tax deducted or paid.
- 15.4 The unutilized credits relating to excise duties, sales tax, service tax, VAT, GST or any other Taxes by whatever name called as applicable which remain unutilized in the electronic ledger of the Demerged Company pertaining to the Demerged Undertaking shall be transferred to and vest in the Resulting Company upon filing of requisite forms in consonance with and in compliance of relevant provisions of respective enactments.
- 15.5 Upon Scheme becoming effective, the Demerged Company and the Resulting Company are expressly permitted to revise and file their respective financial statements and income tax returns along with prescribed forms, filings and annexures under the Income-Tax Act, 1961 and other statutory returns, including but not limited to income tax return, tax deducted/collected at source returns, service tax returns, excise tax returns, sales tax/VAT/GST returns, as may be applicable for the period commencing on and from the Appointed Date to give effect to the demerger and transfer of the Demerged Undertaking from the Demerged Company to the Resulting Company and any matters connected therewith, and to claim all refunds, credits, etc., pertaining to the Demerged Undertaking, pursuant to the provisions of this Scheme without any further act, deed or instrument or consent or approval of any third party.



- 15.6 Benefit of all accumulated tax losses including brought forward business loss, unabsorbed depreciation, etc., pertaining to the Demerged Undertaking as on and up to the Appointed Date, shall be available to Resulting Company in terms of Section 72A of Income Tax Act. Where such loss or unabsorbed depreciation is not directly relatable to the Demerged Undertaking transferred to the Resulting Company, it shall be apportioned between the Demerged Company and Resulting Company in accordance with the provisions of Income Tax Act. It is expressly clarified that all the accumulated losses and unabsorbed depreciation as are transferred, shall be eligible to be carried forward and set off in the hands of the Resulting Company.
- 15.7 Income tax benefits and exemptions, all tax holidays, rebates, indirect tax benefits and exemptions (including benefits, entitlements, incentives, exemptions, subsidies, refunds, customs, excise, service tax, VAT, sales tax, goods and services tax, as applicable), in connection with or relating to the Demerged Undertaking whether on, before or after the Appointed Date, if any, shall, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand vested in and/or be deemed to be vested in Resulting Company as a part of the transfer of the Demerged Undertaking as a going concern, so as to become, as and from the Appointed Date, the income tax benefits and exemptions, tax holidays, rebates, indirect tax benefits and exemptions (including benefits, entitlements, incentives, exemptions, subsidies, refunds, customs, excise, service tax, VAT, sales tax, goods and services tax, as applicable), other rights, benefits and liabilities related thereto, of Resulting Company and shall remain valid, effective and enforceable on the same terms and conditions. It is further clarified that they shall be deemed to have originally been given by, issued to or executed in favour of Resulting Company, and Resulting Company shall be bound by the terms thereof and the obligations and duties thereunder, and the rights and benefits under the same shall be available to Resulting Company.
- 15.8 Upon the coming into effect of this Scheme, tax assessment proceedings/ appeals by or against the Demerged Undertaking pending and/or arising on or before the Appointed date or which may be instituted at any time thereafter shall be continued and enforced by or against the Resulting Company relating in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. All tax proceedings of whatsoever nature (including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any), whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against, pertaining to the Demerged Undertaking, shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer and vesting of the Demerged Undertaking or anything contained in this Scheme.



- 15.9 All the expenses incurred by Demerged Company and the Resulting Company in relation to the Scheme, including stamp duty expenses, if any, shall be allowed as deduction to Demerged Company and the Resulting Company in accordance with the Section 35DD of the Income Tax Act over a period of five years beginning with the previous year in which the Scheme becomes effective.
- 15.10 The Board of Directors of the Demerged Company shall be empowered to determine if any specific tax liability or any tax proceeding relates to the Demerged Undertaking and therefore is required to be transferred to the Resulting Company.

16. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the Demerged Undertaking into the Resulting Company as above and the continuance of proceedings by or against the Resulting Company shall not affect any transaction or proceedings already concluded on and after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company in relation to the Demerged Undertaking, in respect thereto as done and executed on behalf of the Resulting Company.

PART C

GENERAL TERMS AND CONDITIONS

17. REMAINING BUSINESS

- 17.1 The Remaining Business shall continue to belong to and be vested in and be managed by the Demerged Company.
- 17.2 All legal, Taxation and/or other proceedings by or against the Demerged Company under any statute, whether pending on the Effective Date or which may be instituted at any time thereafter and relating to the Remaining Business of the Demerged Company (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced against the Demerged Company. The Resulting Company shall in no event be responsible or liable in relation to any such legal, Taxation and/or other proceedings in relation to the Remaining Business.
- 17.3 If proceedings are taken against the Resulting Company in respect to the Remaining Business, it shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the latter shall reimburse and indemnify the Resulting Company, against all liabilities and obligations incurred by the Resulting Company in respect thereof.



18. DIVIDENDS

18.1 During the pendency of the Scheme, the Parties shall be entitled to declare and pay dividends, to their respective shareholders in consistent with the past practice or in ordinary course of business, whether interim or final. Any other dividend shall be recommended/declared only by the mutual consent of the concerned Parties.

18.2 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Parties to demand or claim or be entitled to any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of the Parties as the case may be, and subject to approval, if required, of the shareholders of the Parties as the case may be.

19. CONDUCT OF BUSINESS/ TRANSACTIONS UPTO THE EFFECTIVE DATE BY THE DEMERGED COMPANY

From the earlier of the: (i) Scheme being approved by the respective Board of Directors of the Demerged Company and the Resulting Company; and (ii) Appointed Date and up to and including the Effective Date:

19.1 The Demerged Company (with respect to the Demerged Undertaking) shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets for and on account of, and in trust for the Resulting Company.

19.2 The Demerged Company with respect to the Demerged Undertaking shall carry on their business with reasonable diligence and business prudence and in the same manner as it had been doing hitherto, and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for themselves or on behalf of its respective affiliates or associates or any third party, or sell, transfer, alienate, charge, mortgage or Encumber or deal in any of its properties/assets, except:

19.2.1 when the same is expressly provided in this Scheme; or

19.2.2 when the same is in the ordinary course of business as carried on, as on the date of filing of this Scheme in the NCLT; or

19.2.3 when written consent of the Resulting Company has been obtained in this regard.



- 19.3 The Demerged Company with respect to Demerged Undertaking shall not alter or substantially expand its business, or undertake, except with the written concurrence of the Resulting Company: (i) any material decision in relation to its business and affairs and operations other than that in the ordinary course of business; (ii) any agreement or transaction (other than an agreement or transaction in the ordinary course of business); (iii) any new business, or discontinue any existing business or change the capacity of facilities other than that in the ordinary course of business; and (iv) any material amendment to contracts with customers or vendors of the Demerged Undertaking.
- 19.4 The Demerged Company with respect to Demerged Undertaking shall not vary the terms and conditions of employment of any of its Transferring Employees, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken, except with the written concurrence of the Resulting Company.
- 19.5 The Demerged Company and/or the Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Resulting Company may require to carry on the business of the Demerged Company with respect to the Demerged Undertaking and to give effect to the Scheme.
- 19.6 With effect from the Appointed Date, all profits or income arising or accruing to the Demerged Company with respect to the Demerged Undertaking and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, securities transaction tax, taxes withheld/ paid in a foreign country, etc.) or losses arising or incurred by the Demerged Company with respect to the Demerged Undertaking shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses, of the Resulting Company.
- 19.7 All loans raised and all liabilities and obligations incurred by the Demerged Company with respect to the Demerged Undertaking after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also, without any further act or deed be deemed to become the debts, liabilities, duties and obligations of the Resulting Company.
- 19.8 For the purpose of giving effect to the order passed under Sections 230 to 232 and other applicable provisions of the Act in respect of this Scheme by the NCLT, the Resulting Company shall, at any time pursuant to the orders approving this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the demerger of the Demerged Undertaking, in accordance with the provisions of Sections 230 to 232 of the Act. The Resulting Company shall always be deemed to have been authorized to execute any pleadings, applications, forms, etc., as may be required to remove any difficulties and



facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme. For the purpose of giving effect to the vesting order passed under Sections 230 to 232 of the Act in respect of this Scheme, the Resulting Company shall be entitled to exercise all rights and privileges, and be liable to pay all taxes and charges and fulfil all its obligations, in relation to or applicable to all immovable properties, including mutation and/or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authority(ies) in favour of the Resulting Company pursuant to the sanction of the Scheme by the NCLT and upon the effectiveness of this Scheme in accordance with the terms hereof, without any further act or deed to be done or executed by the Demerged Companies as the case may be. It is clarified that the Resulting Company shall be entitled to engage in such correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and/ or substitution.

20. ADDITIONAL ARRANGEMENTS

With effect from the Effective Date, the Resulting Company and the Demerged Company may enter into a separate arrangement in relation to the licensing of brands and trademarks, patents, copyrights, other intellectual property rights which forms part of the Remaining Business (for the avoidance of doubt, including brands and trademarks, patents, copyrights, other intellectual property rights jointly used by Retail Business and Distribution Business) from the Demerged Company to the Resulting Company and the use of the assets and properties of the Remaining Business belonging to the Demerged Company, which are required for the operation of the Distribution Business, by the Resulting Company, for such period and on such terms as may be mutually determined by the Companies.

21. FACILITATION PROVISIONS

- 21.1 Immediately upon the Scheme being effective, the Demerged Company and the Resulting Company shall enter into necessary arrangements including brand licensing agreements, sub-contracting agreements, sub-licensing agreements and shared services agreements, as may be necessary, inter alia in relation to use by the Resulting Company of brands, office space, infrastructure facilities, information technology services, employee/ staff, tax, audit, finance, secretarial, human resource service, security personnel, legal, administrative and other services, etc. of the Demerged Company, and so as to give full effect to the provisions of this Scheme, each, on such terms and conditions that may be agreed between the Parties and on payment of consideration on an arm's length basis and which are in the ordinary course of business.



- 21.2 It is clarified that approval of the Scheme by the shareholders of the Demerged and Resulting Company under Sections 230 to 232 of the Act shall be deemed to have their approval under, Section 188 and other applicable provisions of the Act and Regulation 23 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that no separate approval of the Board and/or Audit Committee or shareholders shall be required to be sought by the Parties.

22. PROPERTY IN TRUST

Notwithstanding anything contained in this Scheme, until any property, asset, license, approval, permission, contract, agreement and rights are transferred, vested, recorded, effected and/or perfected, in the records of the Appropriate Authority(ies), regulatory bodies or otherwise, in favour of the Resulting Company, the Resulting Company is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till entry is made in the records of the Appropriate Authority(ies) and till such time as may be mutually agreed by the Demerged Company and the Resulting Company, the Demerged Company will continue to hold the property, asset, license, approval, permission, contract, agreement, and rights as the case may be in trust on behalf of the Resulting Company. It is further clarified that on the Effective Date, notwithstanding the Scheme being made effective, any asset/liability identified as part of the Demerged Undertaking and pending transfer due to the pendency of any approval/consent and/or sanction shall be held in trust by the Demerged Company for the Resulting Company. Immediately upon receipt of such approval/consent and/or sanction such asset and/or liability forming part of the Demerged Undertaking shall without any further act/deed or consideration be transferred/vested in the Resulting Company, with all such benefits, obligations and rights with effect from the Effective Date. All costs, payments and other liabilities that the Demerged Company shall be required to bear to give effect to this Clause 22 shall be borne solely by the Resulting Company and the Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.

23. APPLICATIONS / PETITIONS TO THE NCLT

- 23.1 The Parties shall make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the Tribunal, under whose jurisdiction, the registered offices of the respective Parties are situated, for sanction of this Scheme under the provisions of Applicable Law, and shall apply for such approvals as may be required under Applicable Law.



- 23.2 The Parties shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals which the Demerged Company and the Resulting Company may require to own the assets and/or liabilities of the Demerged Undertaking and to carry on the business of the Demerged Undertaking.

24. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 24.1 On behalf of the Demerged Company and Resulting Company, the Board of the respective companies acting themselves or through authorized persons or through sub-committee of the Board, may consent jointly but not individually, on behalf of all person concerned, to any modifications or amendments of this Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the Tribunal or any other Appropriate Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by all of them (i.e. the Board of Directors of the Demerged Company and Resulting Company) and solve all difficulties that may arise for carrying out this Scheme and do all acts, deeds and things necessary for putting this Scheme into effect.

- 24.2 For the purpose of giving effect to this Scheme or to any modification thereof, the Board of Directors of the Demerged Company and Resulting Company acting themselves or through authorized persons or through sub-committee of the Board may jointly but not individually give and are jointly authorized to give such directions including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

- 24.3 The Parties, acting through their respective Boards or through persons authorized by their respective Boards or through sub-committee of the Board in their full and absolute discretion, may withdraw this Scheme or any part of the Scheme prior to the Scheme becoming effective at any time.

25. CONDITIONALITY OF THE SCHEME / CONDITIONS PRECEDENT

- 25.1 Unless otherwise decided (or waived) by the relevant Parties, this Scheme is conditional upon and subject to the following:

- 25.1.1 Obtaining no-objection from the Stock Exchanges in relation to the Scheme under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (as amended from time to time);

- 25.1.2 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective shareholders and/or creditors, if required, of the Parties, as may be directed by the NCLT or any other Appropriate Authority as may be applicable;



- 25.1.3 The sanction of this Scheme by the NCLT under Sections 230 to 232 of the Act, and other applicable provisions, if any of the Act in favour of the Parties;
- 25.1.4 The certified copy of the order of the NCLT sanctioning the Scheme being filed with the RoC by the Parties as may be applicable; and
- 25.1.5 Any other sanctions and orders as may be directed by the NCLT in respect of the Scheme.
- 25.2 On the approval of this Scheme by the shareholders of the Demerged Company and the Resulting Company and such other classes of Persons of the said Parties, if any, pursuant to Clause 25.1, such shareholders and classes of Persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the Scheme and related matters.

26. EFFECT OF NON-RECEIPT OF APPROVALS

- 26.1 The Parties acting through their respective Boards shall each be at liberty to withdraw this Scheme: (a) in case any condition or alteration imposed by any Appropriate Authority is unacceptable to any of them; or (b) they are of the view that coming into effect of this Scheme could have adverse implications on the respective Parties.
- 26.2 In the event of revocation/withdrawal under Clause 26.1 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Parties or their respective shareholders or creditors or employees or any other Person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the Applicable Law and in such case, each Party shall bear its own costs, unless otherwise mutually agreed.
- 26.3 If any parts and/or provisions of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Parties through their respective Boards, affect the validity or implementation of the other parts and/or provisions of this Scheme.

27. COSTS, CHARGES AND EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Parties, in relation to carrying out, implementing and completing the terms and provisions of the Scheme and/ or incidental to the completion of the Scheme shall be borne as mutually agreed by Board of Directors of the Parties.



RAY & RAY

CHARTERED ACCOUNTANTS

Webel Bhavan, Ground Floor,
Block - EP & GP, Sector V,
Salt Lake, Kolkata - 700 091
Tel. : +91-33-4064 8107 / 8108 / 8109
E-mail : raynray@raynray.net

INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL RESULTS

To the Board of Directors of Khadim India Limited

Opinion

We have audited the accompanying quarterly and year to date standalone annual financial results of **Khadim India Limited** (the "Company") for the quarter and year ended March 31, 2024 (the "Statements"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statements:

- i. are presented in accordance with the requirements the Listing Regulations; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act 2013 ("the Act") and other accounting principles generally accepted in India, of the net profit and other comprehensive loss and other financial information for the year ended March 31, 2024.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the "Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results" 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 together with the ethical requirements that

are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results.

Management's Responsibilities for the Standalone Financial Results

The Statements have been prepared on the basis of the standalone annual financial statements. The Company's Management and the Board of Directors are responsible for the preparation and presentation of the Statements that give a true and fair view of the net profit and other comprehensive loss of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' 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 appropriateness of this assumption. 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 annual financial results 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 Statements, including the disclosures, and whether the Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Other Matters

The Statements include the results for the quarter ended March 31, 2024 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2024 and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us, as required under the Listing Regulations

For **RAY & RAY**

Chartered Accountants

Firm Registration No. 30107E

Amitava Chowdhury

Amitava Chowdhury

Partner

(Membership No. 056060)

UDIN: 24056060BKFSNL8124

Place: Kolkata

Date: 24th May 2024



INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL RESULTS

To the Board of Directors of Khadim India Limited

Opinion

We have audited the accompanying Statement of Consolidated Financial Results of **Khadim India Limited** ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), for the quarter and year ended March 31, 2024 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial statements of the subsidiaries referred to in **other matters** paragraph, the Statement:

- (i) includes the audited financial results of the Parent company and its subsidiaries;
- (ii) is presented in accordance with the requirements of Regulations 33 of the Listing Regulations; and
- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act 2013 ("the Act") and other accounting principles generally accepted in India, of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the quarter and year ended March 31, 2024.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the*

Consolidated Financial Results 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 Results under the provisions of the Act and the Rules thereunder and 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 Results.

Management's Responsibilities for the Consolidated Financial Results

This Statement is the responsibility of the Parent Company's Management and has been approved by the Board of Directors. The Parent Company's Board of Directors are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit, other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles as laid down in Ind AS, prescribed under section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

The respective Management and Board of Directors of the companies included in the Group are responsible for the 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 Consolidated Financial Results, that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the management and the respective Board of Directors of the companies included in the Group are responsible for assessing the respective entity's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate the Company 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 responsible for overseeing the financial reporting process of each company.



Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results 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 this Statement.

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 Results, 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent company of which we are the independent auditors has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and the Board of Directors.
- Conclude on the appropriateness of the 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 Statement 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 Statement, including the disclosures, and whether the Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures in accordance with the circular No. CIR/CFD/CMDI/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.
- Obtain sufficient appropriate audit evidence regarding the Statement of the Group, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of entity included in the Statement of which we are the independent auditors. For the other entities included in the Consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Results that, individually or in the aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and (ii) evaluating the effect of any identified misstatements in the Consolidated Financial Results.

We communicate with those charged with governance of the Parent Company 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 controls 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.



Other Matters

We did not audit the financial statements/ financial information of the two subsidiaries included in the consolidated financial results. This financial statements/financial information has been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, insofar as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in the **basis of opinion** paragraph above.

The consolidated annual financial results include the results for the quarter ended 31 March 2024 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year which were subject to limited review by us.

The consolidated annual financial results dealt with by this report have been prepared for the express purpose of filing with the National Stock Exchange of India Limited and BSE Limited. These results are based on and should be read with the audited Consolidated Financial Statements of the group for the year ended March 31, 2024, on which we have issued an unmodified audit opinion vide our report dated May 24, 2024.

The Statement includes the results of the following entities

Parent:

Khadim India Limited

Subsidiaries:

Khadim Shoe Bangladesh Limited (100 % holding)

KSR Footwear Limited (100 % holding)

For **RAY & RAY**

Chartered Accountants

Firm Registration No. 30107E

Amitava Chowdhury

Amitava Chowdhury

Partner

(Membership No. 056060)

UDIN: 24056060BKFSNM4631

Place: Kolkata

Date: 24th May 2024



(Rs. In Millions)

| Particulars | 3 months ended 31st March 2024 | Preceding 3 months ended 31st December 2023 | Corresponding 3 months ended 31st March 2023 | 12 Months ended 31st March 2024 | 12 Months ended 31st March 2023 |
|--|-----------------------------------|--|--|---------------------------------------|---------------------------------------|
| | Audited (#) | Unaudited | Audited (#) | Audited | Audited |
| Revenue From Operations | 1,436.36 | 1,561.96 | 1,592.08 | 6,149.04 | 6,602.64 |
| Other Income | 31.11 | 17.84 | 65.33 | 90.24 | 174.75 |
| Total Income | 1,467.47 | 1,579.80 | 1,657.41 | 6,239.28 | 6,777.39 |
| Expenses | | | | | |
| Cost of materials consumed | 320.89 | 316.27 | 417.04 | 1,320.73 | 1,626.62 |
| Purchases of Stock-in-Trade | 121.66 | 498.58 | 420.05 | 2,145.51 | 2,457.38 |
| Changes in inventories of finished goods, Stock-in -Trade and work in-progress | 330.59 | 32.78 | 48.86 | (105.80) | (250.71) |
| Employee benefits expense | 177.74 | 177.76 | 187.21 | 721.61 | 719.06 |
| Finance costs | 84.57 | 75.38 | 79.10 | 313.02 | 290.57 |
| Depreciation and amortization expense | 100.77 | 99.84 | 99.07 | 404.44 | 383.71 |
| Other expenses | 317.08 | 354.49 | 354.87 | 1,357.21 | 1,325.05 |
| Total expenses | 1,453.30 | 1,555.10 | 1,606.20 | 6,156.72 | 6,551.68 |
| Profit before tax | 14.17 | 24.70 | 51.21 | 82.56 | 225.71 |
| Tax expense: | | | | | |
| Current tax | (0.10) | - | 2.89 | (0.10) | 3.10 |
| Deferred tax | 3.76 | 6.45 | 5.21 | 19.50 | 47.54 |
| Profit for the period/year | 10.51 | 18.25 | 43.11 | 63.16 | 175.07 |
| Other Comprehensive (Loss)/Income | | | | | |
| Items that will not be reclassified to profit or loss | | | | | |
| - Re-measurement (loss)/gains on defined benefit plans | (3.76) | 0.71 | 0.91 | (1.64) | 2.83 |
| Income tax relating to items that will not be reclassified to profit or loss | 0.94 | (0.17) | (0.23) | 0.41 | (0.71) |
| Other Comprehensive (Loss)/Income for the period/year | (2.82) | 0.54 | 0.68 | (1.23) | 2.12 |
| Total Comprehensive Income for the period/year | 7.69 | 18.79 | 43.79 | 61.93 | 177.19 |
| Paid-up equity share capital (Equity Shares of Rs. 10/- each) | 181.34 | 179.70 | 179.70 | 181.34 | 179.70 |
| Reserves excluding Revaluation Reserves | | | | 2,216.44 | 2,073.85 |
| Earnings Per Equity Share (of Rs. 10/- each) (not annualised): | | | | | |
| - Basic (Rs.) | 0.58 | 1.02 | 2.40 | 3.51 | 9.74 |
| - Diluted (Rs.) | 0.58 | 1.02 | 2.40 | 3.51 | 9.74 |

KHADIM INDIA LIMITED

Chairman & Managing Director / Authorised Signatory

DIN: 00043715

For RAY & RAY
CHARTERED ACCOUNTANTSAmitava Chowdhury
A. CHOWDHURY
Partner
Membership No.- 056060

| Particulars | (Rs. In Millions) | | | | |
|--|-----------------------------------|--|--|------------------------------------|------------------------------------|
| | 3 months ended 31st March 2024 | Preceding 3 months ended 31st December 2023 | Corresponding 3 months ended 31st March 2023 | 12 Months ended 31st March 2024 | 12 Months ended 31st March 2023 |
| | Audited (#) | Unaudited | Audited (#) | Audited | Audited |
| Revenue From Operations | 1,436.36 | 1,561.96 | 1,592.08 | 6,149.04 | 6,602.64 |
| Other Income | 31.11 | 17.84 | 65.34 | 90.24 | 174.76 |
| Total Income | 1,467.47 | 1,579.80 | 1,657.42 | 6,239.28 | 6,777.40 |
| Expenses | | | | | |
| Cost of materials consumed | 320.89 | 316.27 | 417.04 | 1,320.73 | 1,626.62 |
| Purchases of Stock-in-Trade | 121.66 | 498.58 | 420.05 | 2,145.51 | 2,457.38 |
| Changes in inventories of finished goods, Stock-in -Trade and work-in-progress | 330.59 | 32.78 | 48.86 | (105.80) | (250.71) |
| Employee benefits expense | 177.74 | 177.76 | 187.21 | 721.61 | 719.06 |
| Finance costs | 84.57 | 75.38 | 79.10 | 313.02 | 290.57 |
| Depreciation and amortization expense | 100.77 | 99.84 | 99.07 | 404.44 | 383.71 |
| Other expenses | 317.33 | 354.54 | 355.09 | 1,357.58 | 1,325.35 |
| Total expenses | 1,453.55 | 1,555.15 | 1,606.42 | 6,157.09 | 6,551.98 |
| Profit before tax | 13.92 | 24.65 | 51.00 | 82.19 | 225.42 |
| Tax expense: | | | | | |
| Current tax | (0.09) | - | 2.89 | (0.09) | 3.10 |
| Deferred tax | 3.76 | 6.45 | 5.21 | 19.50 | 47.54 |
| Profit for the period/year | 10.25 | 18.20 | 42.90 | 62.78 | 174.78 |
| Other Comprehensive Income | | | | | |
| Items that will not be reclassified to profit or loss | | | | | |
| - Re-measurement (loss)/gains on defined benefit plans | (3.76) | 0.71 | 0.91 | (1.64) | 2.83 |
| Income tax relating to items that will not be reclassified to profit or loss | 0.94 | (0.17) | (0.23) | 0.41 | (0.71) |
| Items that will be reclassified to profit or loss | | | | | |
| - Exchange differences in translating the financial statements of foreign operations | - | - | (0.01) | - | (0.01) |
| Other Comprehensive (Loss)/Income for the period/year | (2.82) | 0.54 | 0.67 | (1.23) | 2.11 |
| Total Comprehensive Income for the period/year | 7.43 | 18.74 | 43.57 | 61.55 | 176.89 |
| Profit for the period attributable to: | | | | | |
| Owners of the parent | 10.25 | 18.20 | 42.90 | 62.78 | 174.78 |
| Non-controlling interests | - | - | - | - | - |
| Total Comprehensive Income for the period attributable to: | | | | | |
| Owners of the parent | 7.43 | 18.74 | 43.57 | 61.55 | 176.89 |
| Non-controlling interests | - | - | - | - | - |
| Paid-up equity share capital (Equity Shares of Rs. 10/- each) | 181.34 | 179.70 | 179.70 | 181.34 | 179.70 |
| Reserves excluding Revaluation Reserves | | | | 2,214.73 | 2,072.52 |
| Earnings Per Equity Share (of Rs. 10/- each) (not annualised): | | | | | |
| - Basic (Rs.) | 0.57 | 1.01 | 2.39 | 3.49 | 9.73 |
| - Diluted (Rs.) | 0.57 | 1.01 | 2.39 | 3.49 | 9.73 |

(#) The figures for the 3 months ended 31st March 2024 and 31st March 2023 are the balancing figures between the audited figures in respect of the full financial year and the year to date figures upto the third quarter of the respective financial years.

Notes:

- These Audited Standalone and Consolidated Financial Results, the Balance Sheet and Cash Flow Statement ("the Statement") for the quarter and year ended 31st March, 2024 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at the meeting held on 24th May 2024.
- This Statement is as per Regulation 33 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
- The Company is primarily engaged in one business segment namely Footwear and accessories as determined by the Chief Operating Decision Maker (CODM) in accordance with Ind AS 108 - Operating Segments.



For RAY & RAY
CHARTERED ACCOUNTANTS

Amitava Chowdhury
A. CHOWDHURY
Partner
Membership No.- 056060

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KHADIM INDIA LIMITED

(Signature)
Chairman & Managing Director / Authorised Signatory
DIN: 0004315

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

5. The Company has incorporated KSR Footwear Limited, a wholly owned subsidiary company on 22nd August, 2023. Accordingly, the Consolidated Financial Results for the quarter and year ended 31st March, 2024 have been prepared considering the financials statements of Khadim India Limited and audited financial statements of its two subsidiaries viz. Khadim Shoe Bangladesh Limited and KSR Footwear Limited.

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

7. The Company does not have any exceptional item to report for the above periods.

8. The audited standalone and consolidated financial results will be posted on the website of the Company (www.khadims.com) and will be available on website of NSE and BSE.

Registered Office
DLF IT Park, Tower - C, 7th floor
08 Major Arterial Road, Block - AF,
New Town (Rajarhat)
Kolkata - 700 156

Date: 24th May 2024

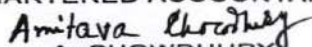
For and on behalf of the Board of Directors

KHADIM INDIA LIMITED


Chairman & Managing Director / Authorised Signator

DIN: 00043715

For RAY & RAY
CHARTERED ACCOUNTANTS


A. CHOWDHURY
Partner
Membership No.- 056060



KHADIM INDIA LIMITED (CIN - L19129WB1981PLC034337)
Standalone and Consolidated Balance Sheet as at 31st March 2024

(Rs. In Millions)

| Particulars | Standalone | | Consolidated | |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | As at 31st March 2024 Audited | As at 31st March 2023 Audited | As at 31st March 2024 Audited | As at 31st March 2023 Audited |
| ASSETS | | | | |
| 1 Non - current assets | | | | |
| (a) Property, Plant and Equipment | 774.41 | 830.13 | 774.41 | 830.13 |
| (b) Capital work - in - progress | 1.49 | 4.38 | 1.49 | 4.38 |
| (c) Right of Use Assets | 1,652.15 | 1,603.28 | 1,652.15 | 1,603.28 |
| (d) Intangible assets | 8.96 | 2.25 | 8.96 | 2.25 |
| (e) Intangible assets under development | - | 3.20 | - | 3.20 |
| (f) Financial Assets | | | | |
| (i) Investments | 1.49 | 1.39 | - | - |
| (ii) Others | 190.70 | 212.68 | 190.70 | 212.68 |
| (g) Deferred tax assets (net) | 116.88 | 135.97 | 116.88 | 135.97 |
| (h) Income tax assets (net) | 31.45 | 20.53 | 31.45 | 20.53 |
| (i) Other non-current assets | 103.44 | 93.52 | 103.44 | 93.52 |
| 2 Current assets | | | | |
| (a) Inventories | 1,936.37 | 1,804.22 | 1,936.37 | 1,804.22 |
| (b) Financial Assets | | | | |
| (i) Trade receivables | 1,847.02 | 1,875.53 | 1,847.02 | 1,875.53 |
| (ii) Cash and cash equivalents | 55.28 | 63.87 | 55.48 | 64.30 |
| (iii) Other Bank balances | 116.39 | 78.96 | 116.39 | 78.96 |
| (iv) Others | 85.87 | 92.38 | 85.87 | 92.38 |
| (c) Other current assets | 394.59 | 528.94 | 394.59 | 528.94 |
| Total Assets | 7,316.49 | 7,351.23 | 7,315.20 | 7,350.27 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| (a) Equity Share capital | 181.34 | 179.70 | 181.34 | 179.70 |
| (b) Other Equity | 2,216.44 | 2,073.85 | 2,214.73 | 2,072.52 |
| LIABILITIES | | | | |
| 1 Non-current liabilities | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | 62.45 | 118.48 | 62.45 | 118.48 |
| (ii) Lease liabilities | 1,741.69 | 1,684.57 | 1,741.69 | 1,684.57 |
| (b) Provisions | 0.97 | 0.60 | 0.97 | 0.60 |
| (c) Other non-current liabilities | 6.07 | 8.16 | 6.07 | 8.16 |
| 2 Current liabilities | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | 1,160.51 | 1,073.93 | 1,160.61 | 1,073.93 |
| (ii) Lease liabilities | 241.10 | 220.72 | 241.10 | 220.72 |
| (iii) Trade payables | | | | |
| Total outstanding dues of micro enterprises and small enterprises | 2.10 | - | 2.10 | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 1,556.35 | 1,808.43 | 1,556.67 | 1,808.75 |
| (iv) Other financial liabilities | 104.78 | 128.09 | 104.78 | 128.09 |
| (b) Other current liabilities | 41.54 | 53.68 | 41.54 | 53.73 |
| (c) Provisions | 1.15 | 1.02 | 1.15 | 1.02 |
| Total Equity and Liabilities | 7,316.49 | 7,351.23 | 7,315.20 | 7,350.27 |

Registered Office
DLF IT Park, Tower - C, 7th floor
08 Major Arterial Road, Block - AF,
New Town (Rajarhat)
Kolkata - 700 156

Date: 24th May 2024

For and on behalf of the Board of Directors

KHADIM INDIA LIMITED

[Signature]
Chairman & Managing Director / Authorised Signatory

DIN: 00043715

**For RAY & RAY
CHARTERED ACCOUNTANTS**

[Signature]
A. CHOWDHURY
Partner
Membership No.- 056060



KHADIM INDIA LIMITED (CIN - L19129WB1981PLC034337)
Standalone and Consolidated Cash Flow Statement for the year ended 31st March 2024

(Rs. In Millions)

| Particulars | Standalone | | Consolidated | |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | 12 Months ended 31st March 2024 | 12 Months ended 31st March 2023 | 12 Months ended 31st March 2024 | 12 Months ended 31st March 2023 |
| | Audited | Audited | Audited | Audited |
| A CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Profit before Tax | 82.56 | 225.71 | 82.19 | 225.42 |
| Adjustments for: | | | | |
| Depreciation and amortization expense | 404.44 | 383.71 | 404.44 | 383.71 |
| Loss/(Gain) on disposal of property, plant and equipment (net) | 4.62 | (26.07) | 4.62 | (26.07) |
| Gain on lease modification | - | (37.60) | - | (37.60) |
| Interest Received | (24.39) | (33.82) | (24.39) | (33.82) |
| Liabilities/Provisions no longer required written back | (30.55) | (18.07) | (30.55) | (18.07) |
| Government grant received | (2.55) | (2.75) | (2.55) | (2.75) |
| Provision for doubtful debts, advances and other assets | 4.77 | (2.23) | 4.77 | (2.23) |
| Debts/Advances written off | 32.50 | 15.23 | 32.50 | 15.23 |
| Foreign currency translations and transactions - Net | (0.29) | (0.48) | (0.29) | (0.48) |
| Finance costs | 313.02 | 290.57 | 313.02 | 290.57 |
| Operating Profit before Working Capital Changes | 784.13 | 794.20 | 783.76 | 793.91 |
| Adjustments for: | | | | |
| Trade Receivables, Loans and Advances and Other Assets | 141.75 | (294.84) | 141.75 | (294.84) |
| Inventories | (132.15) | (124.90) | (132.15) | (124.90) |
| Trade Payables, Other Liabilities and Provisions | (267.92) | 6.65 | (267.97) | 6.72 |
| Cash Generated from Operations | 525.81 | 381.11 | 525.39 | 380.89 |
| Net income tax (paid)/refunds | (10.82) | 12.88 | (10.83) | 12.88 |
| Net Cash generated from Operating Activities | 514.99 | 393.99 | 514.56 | 393.77 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of property, plant and equipment, intangible assets | (104.19) | (150.16) | (104.19) | (150.16) |
| Sale of property, plant and equipment, intangible assets | 4.65 | 247.34 | 4.65 | 247.34 |
| Receipts from lease modifications | - | 113.79 | - | 113.79 |
| Investments in bank deposits | (78.45) | (66.35) | (78.45) | (66.35) |
| Maturity of bank deposits | 74.30 | 41.06 | 74.30 | 41.06 |
| Investment in Wholly-Owned Subsidiary | (0.10) | (0.54) | - | - |
| Interest Received | 8.39 | 13.05 | 8.39 | 13.05 |
| Net Cash (used in)/generated from Investing Activities | (95.40) | 198.19 | (95.30) | 198.73 |
| C CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Proceeds from Issue of equity share warrants | 82.30 | - | 82.30 | - |
| Interest paid | (140.09) | (136.29) | (140.09) | (136.29) |
| Repayment of lease liability | (398.14) | (344.64) | (398.14) | (344.64) |
| Payment of initial direct cost recognised as Right of Use Asset | (2.81) | (2.94) | (2.81) | (2.94) |
| Long term loans taken | 66.00 | 35.00 | 66.00 | 35.00 |
| Long term loans repaid | (113.46) | (71.71) | (113.46) | (71.71) |
| Short term loans repaid | 1.00 | (107.40) | 1.10 | (107.40) |
| Net Cash used in Financing Activities | (505.20) | (627.98) | (505.10) | (627.98) |
| Net Decrease in Cash and Cash Equivalents (A+B+C) | (85.61) | (35.80) | (85.84) | (35.48) |
| Cash and Cash Equivalents at beginning of year | (893.53) | (857.73) | (893.10) | (857.62) |
| Cash and Cash Equivalents at end of year | (979.14) | (893.53) | (978.94) | (893.10) |

Components of Cash and Cash Equivalents at end of the year

Cash Credit facilities
Cash and cash equivalents
Cash and cash equivalents as above

| | | | |
|-----------------|-----------------|-----------------|-----------------|
| (1,034.42) | (957.40) | (1,034.42) | (957.40) |
| 55.28 | 63.87 | 55.48 | 64.30 |
| (979.14) | (893.53) | (978.94) | (893.10) |

Registered Office
DLF IT Park, Tower - C, 7th floor
08 Major Arterial Road, Block - AF,
New Town (Rajarhat)
Kolkata - 700 156

Date: 24th May 2024

For and on behalf of the Board of Directors

KHADIM INDIA LIMITED

(Signature)
Chairman & Managing Director, / Authorised Signatory

DIN: 00043715

FOR BANK BANK
CHARTERED ACCOUNTANTS
(Signature)
A. CHOW
Part
Membership N





AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS

“Shakespeare Court”
 21A, Shakespeare Sarani,
 8th Floor, Flat 8D, Kolkata - 700017
 Ph: 40649046

Mobile: 9831579045

E-mail: naresh@agarwalandassociates.com
 agarwals.associates@gmail.com

INDEPENDENT AUDITOR'S REPORT

To
 The Members of
KSR FOOTWEAR LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **KSR FOOTWEAR LIMITED** (“the Company”), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the “financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31st March, 2024, the profit and total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the 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 financial statements under the provisions of the Act and the Rules 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 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no key audit matters to be communicated in our report.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Responsibilities for the 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 financial statements that give a true and fair view of the Financial Position and Financial Performance including Other Comprehensive Income, Cash Flows and the statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended.

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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the 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.

The Board of Directors are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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 the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure - A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we further report 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 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e. On the basis of written representations received from the directors as on March 31, 2024, and taken on record by the Board of Directors, none of the directors is



disqualified as on March 31, 2024, from being appointed as a director in terms of section 164(2) of the Act.

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure-B” to this report.
- 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 excess of the limit specified under provisions of section 197 of the Act. The same has been approved by the members in the Annual General Meeting.
- h. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
- i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long-term contracts including derivative contracts, as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.
 - iv) a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in



writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on the audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v) The Company has neither declared nor paid any dividend during the year.
- vi) Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

Place: Kolkata
Date: 26.04.2024



For Agarwal & Associates
Chartered Accountants
(Firm Regn No: 323210E)

Naresh Agarwal

(CA. Naresh Agarwal)
(Partner)
(Membership No. 063049)
UDIN: 24063049BKCFXS2707

Annexure – “A” to Independent Auditor’s Report

Statement referred to in paragraph 1 under “Report on Other Legal and Regulatory Requirements” section of our report of even date to the Members of KSR FOOTWEAR LIMITED.

- i) According to the information explanation provided to us, the Company does not hold any Property, Plant and Equipment. Accordingly, the provisions stated in paragraph 3(i)(a) to (e) of the Order are not applicable to the Company.
- ii) a) The Company does not have inventory, accordingly, the provisions stated in paragraph 3(ii) (a) of the Order are not applicable to the Company.
b) The Company has not availed any working capital loan from banks or financial institutions, hence clause 3(ii)(b) of the Order is not applicable.
- iii) According to the information explanation provided to us, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi) The Company is not required to maintain the cost records as required under section 148(1) of the Companies Act, hence clause 3(vi) of the Order is not applicable.
- vii) a) As per records of the Company and according to the information and explanations given to us, the Company is regular in depositing undisputed applicable statutory dues including



Goods and Service Tax, Provident Fund, Employees State Insurance, Income-tax, Duty of Customs, Cess and any other statutory dues with the appropriate authorities and there are no undisputed amount in arrears as on 31st March 2024, for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no dues of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-tax, Duty of Customs, Cess or other statutory dues which have not been deposited by the Company on account of disputes.

viii) The Company has not surrendered or disclosed any transaction, previously not recorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

ix) In our opinion and according to the information and explanations given to us, the Company does not have any loans or borrowings and repayment to lenders during the year. Accordingly, the provision stated in paragraph 3(ix) of the Order is not applicable to the Company.

x) a) According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer, further public offer including debt instruments during the year.

b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally). Accordingly, provisions of clause 3(x)(b) of the order are not applicable.

xi) a) According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, no case of material fraud by the Company or on the Company has been noticed or reported during the year.

b) We have not submitted any report under subsection (12) of section 143 of the Companies Act, 2013 in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this audit report.

c) As represented to us by the management, there are no whistle blower complaints received by the company during the year, accordingly, provisions of clause 3(xi)(c) of the order are not applicable.



- xii) The Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable
- xiii) In our opinion and according to the information and explanations given to us the Company's transactions with its related party are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and details of related party transactions have been disclosed in the financial statements etc. as required by the applicable Accounting Standards.
- xiv) In our opinion and based on our examination, the Company does not require to comply with provision of section 138 of the Act. Accordingly, provisions of clause 3(xiv) of the Order are not applicable.
- 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 persons connected with him and hence reporting under clause 3(xv) of the Order is not applicable to the Company.
- xvi) a) In our opinion and according to information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- b) According to the information and explanations provided to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities therefore the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3(xvi)(b) of the Order are not applicable.
- c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- xvii) Based on overall review of financial statements, this is the first year of the Company incorporation and it has incurred cash losses in the current year amounting to Rs 1,53,723/-.
- xviii) There has been no resignation of the statutory auditors during the year. Accordingly, provisions of clause 3 (xviii) of the order are not applicable.
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence



supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx) The provisions of section 135 of the Companies Act 2013 are not applicable to the company, Accordingly, the requirement to report on clause 3(xx) of the Order is not applicable.

Place: Kolkata
Date: 26.04.2024



For Agarwal & Associates
Chartered Accountants
(Firm Regn No: 323210E)

Naresh Agarwal

(CA. Naresh Agarwal)
(Partner)
(Membership No. 063049)
UDIN: 24063049BKCF SX2707

Annexure – “B” to Independent Auditor’s Report

Statement referred to in paragraph 2(f) under “Report on Other Legal and Regulatory Requirements” section of our report of even date to the Members of KSR FOOTWEAR LIMITED.

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 **KSR FOOTWEAR LIMITED** (“the Company”) as of March 31, 2024 in conjunction with our audit of the 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 (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“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.

AUDITORS’ RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company 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 Institute of Chartered Accountants Of India 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS 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 March 31, 2024, 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.

For Agarwal & Associates
Chartered Accountants
(Firm Regn No: 323210E)



Naresh Agarwal

(CA. Naresh Agarwal)
(Partner)

(Membership No. 063049)

UDIN: 24063049BKCFSX2707

Place: Kolkata
Date: 26.04.2024

KSR FOOTWEAR LIMITED
Balance Sheet as at 31st March 2024
 (All amounts in Rupees thousands, unless otherwise stated)

| Particulars | Note No. | As at 31st March 2024 |
|---|----------|--------------------------|
| ASSETS | | |
| 1 Current assets | | |
| (a) Financial Assets | | |
| Cash and cash equivalents | 4 | 89.08 |
| Total Assets | | 89.08 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| (a) Equity Share capital | 5 | 100.00 |
| (b) Other Equity | 6 | (153.72) |
| LIABILITIES | | |
| 1 Current liabilities | | |
| (a) Financial Liabilities | | |
| (i) Borrowings | 7 | 100.00 |
| (ii) Trade payables | 8 | |
| Total outstanding dues of micro enterprises and small enterprises | | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 38.30 |
| (b) Other current liabilities | 9 | 4.50 |
| Total Equity and Liabilities | | 89.08 |

See accompanying notes to the financial statements.

In terms of our Report attached

For and on behalf of Board of Directors

For Agarwal & Associates
Chartered Accountants

Naresh Agarwal
Naresh Agarwal
Partner



Place: Kolkata
Date: 26th April 2024

Rittick Roy Buman
Rittick Roy Buman
Director
(DIN: 08537366)

Suman Barman Roy
Suman Barman Roy
Director
(DIN: 07285500)

KSR FOOTWEAR LIMITED
Statement of Profit and Loss for the year ended 31st March 2024
(All amounts in Rupees thousands, unless otherwise stated)

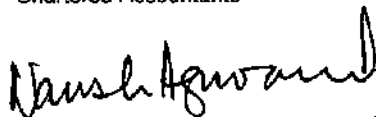
| Particulars | Note No. | For the year ended 31st March 2024 |
|---|----------|--|
| I. Revenue From Operations | | - |
| II. Other Income | | - |
| III. Total Income (I + II) | | - |
| IV. Expenses : | | |
| Other expenses | 10 | 153.72 |
| Total expenses | | 153.72 |
| V Loss before tax (III - IV) | | (153.72) |
| VI Tax expense | | - |
| VII. Loss for the year (V - VI) | | (153.72) |
| VIII. Other Comprehensive Income | | - |
| IX Total Comprehensive Loss for the year | | (153.72) |
| X. Earnings per equity share : (Nominal Value per Share Rs.10/- | 11 | |
| (1) Basic (In Rs.) | | (25.16) |
| (2) Diluted (In Rs.) | | (25.16) |

See accompanying notes to the financial statements.

In terms of our Report attached

For and on behalf of Board of Directors

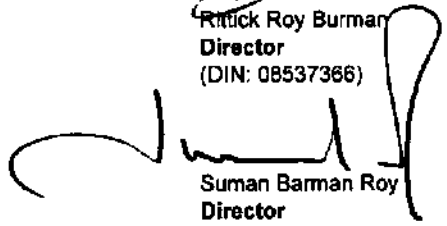
For Agarwal & Associates
Chartered Accountants


Naresh Agarwal
Partner



Place: Kolkata
Date: 26th April 2024


Ritick Roy Burman
Director
(DIN: 08537366)


Suman Barman Roy
Director
(DIN: 07285500)

KSR FOOTWEAR LIMITED**Statement of Changes in Equity for the year ended 31st March 2024**

(All amounts in Rupees thousands, unless otherwise stated)

(a) Equity Share Capital

| Balance as at 1st April 2023 | Changes in equity share capital due to prior period errors | Restated balance as at 1st April 2023 | Changes in equity share capital during the year | Balance as at 31st March 2024 |
|------------------------------|--|---------------------------------------|---|-------------------------------|
| - | - | - | 100.00 | 100.00 |

(b) Other Equity

| | Retained earnings | Total other equity |
|---|-------------------|--------------------|
| Balance as at 1st April 2023 | - | - |
| Loss for the year | (153.72) | (153.72) |
| Other comprehensive income (net of tax) | - | - |
| Total comprehensive loss | (153.72) | (153.72) |
| Balance as at 31st March 2024 | (153.72) | (153.72) |

The Board of Directors of the Company has not recommended any dividend for the current financial year.

Retained earnings: This Reserve represents the cumulative profits of the Company. 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 Agarwal & Associates
Chartered Accountants

Naresh Agarwal
Naresh Agarwal
Partner

Place: Kolkata
Date: 26th April 2024



Rittick Roy Burman
Rittick Roy Burman
Director
(DIN: 08537366)

Suman Barman Roy
Suman Barman Roy
Director
(DIN: 07285500)

KSR FOOTWEAR LIMITED
Cash Flow Statement for the year ended 31st March 2024
(All amounts in Rupees thousands, unless otherwise stated)

| Particulars | For the year ended 31st March 2024 |
|--|------------------------------------|
| A CASH FLOW FROM OPERATING ACTIVITIES | |
| Loss before Tax for the year | (153.72) |
| Operating Profit before Working Capital Changes | (153.72) |
| Adjustments for: | |
| Trade Payables, Other Liabilities and Provisions | 42.80 |
| Cash Generated from Operations | (110.92) |
| Net Income taxes paid | - |
| Net Cash used in Operating Activities | (110.92) |
| B CASH FLOW FROM INVESTING ACTIVITIES | |
| | - |
| C CASH FLOW FROM FINANCING ACTIVITIES | |
| Issue of share capital | 100.00 |
| Short term loans received | 100.00 |
| Net Cash generated from Financing Activities | 200.00 |
| Net Decrease in Cash and Cash Equivalents (A+B+C) | 89.08 |
| Cash and Cash Equivalents at beginning of year | - |
| Cash and Cash Equivalents at end of year (Note 4) | 89.08 |

Notes:

I The above Cash Flow Statement has been prepared under "Indirect Method" as set out in Ind AS - 7 on "Statement of Cash
See accompanying notes to the financial statements.

In terms of our Report attached

For and on behalf of Board of Directors

For Agarwal & Associates
Chartered Accountants

Naresh Agarwal
Naresh Agarwal
Partner

Place: Kolkata
Date: 26th April 2024



Rittick Roy Burman
Rittick Roy Burman
Director
(DIN: 08537366)

Suman Barman Roy
Suman Barman Roy
Director
(DIN: 07285500)

KSR FOOTWEAR LIMITED

Notes to Financial Statements for the year ended 31st March 2024

(All amounts in Rupees thousands, unless otherwise stated)

1 Corporate information

KSR Footwear Limited (the 'Company') is a Public Limited Company engaged in the business of footwear manufacturing and wholesale trading. The Company is incorporated and domiciled in Republic of India. The address of its Registered office is Flat No. 4A, 4th Floor, Kalyani Complex, P-22, Block-A, Bangur Avenue, Kolkata-700055. The Company was incorporated on 22nd August 2023 and is a wholly owned subsidiary of Khadim India Limited.

2 Significant accounting policies

2.1 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.

2.2 Basis of preparation

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

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

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

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

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

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

Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions, if any 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 38 – 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.

2.3 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.



KSR FOOTWEAR LIMITED

Notes to Financial Statements for the year ended 31st March 2024

(All amounts in Rupees thousands, unless otherwise stated)

2.4 Revenue Recognition

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. Revenue is measured at the fair value of the consideration received or receivable for goods supplied, net of returns and discounts to customers. Revenue from the sale of goods is recognized when significant risks and rewards of ownership have been transferred to the customer, which is mainly upon delivery.

2.5 Taxes on Income

Taxes on Income comprises of current taxes and deferred taxes.

Current income tax

Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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.

2.6 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.

2.7 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.

2.8 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.

2.9 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.

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:

- amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/ or interest.
- 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.
- 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, if any, 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.



KSR FOOTWEAR LIMITED

Notes to Financial Statements for the year ended 31st March 2024

(All amounts in Rupees thousands, unless otherwise stated)

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.

Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognized at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognized in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet. Financial liabilities are derecognized when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled or on expiry.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Equity Instruments

Equity instruments are recognized at the value of the proceeds, net of direct costs of the capital issue.

3 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.



KSR FOOTWEAR LIMITED
Notes to Financial Statements for the year ended 31st March 2024
(All amounts in Rupees thousands, unless otherwise stated)

4 CASH AND CASH EQUIVALENTS

Balances with banks
 On Current Accounts

| As at 31st March 2024 | |
|--------------------------|--------------|
| | 89.08 |
| Total | 89.08 |

5 EQUITY SHARE CAPITAL

Authorised

1,50,000 Equity Shares of Rs.10/- each

Issued , Subscribed and Paid up

10,000 Equity Shares of Rs.10/- each

| As at 31st March 2024 | |
|--------------------------|---------------|
| | 1,500.00 |
| | 100.00 |
| Total | 100.00 |

5.1 Reconciliation of the number of Equity shares

| Particulars | As at 31st March 2024 | |
|--|-----------------------|---------------|
| | Number | Amount |
| Balance as at the beginning of the year | - | - |
| Add: Equity shares issued on incorporation | 10,000 | 100.00 |
| Balance as at the end of the year | 10,000 | 100.00 |

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

| Name of Shareholder | As at 31st March 2024 | |
|--|-----------------------|--------------|
| | No. of Shares held | % of Holding |
| Khadim India Limited (Holding Company) | 10,000 | 100.00 |

5.3 Rights, Preferences and Restrictions attached to Equity Shares

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

5.4 Disclosure of Shareholding of Promoters

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

| Promoter Name | Shares held by promoters As at 31st March 2024 | |
|----------------------|---|-------------------|
| | No. of shares | % of total shares |
| Khadim India Limited | 10,000 | 100.00% |
| Total | 10,000 | 100.00% |



KSR FOOTWEAR LIMITEDNotes to Financial Statements for the year ended 31st March 2024
(All amounts in Rupees thousands, unless otherwise stated)**6 OTHER EQUITY****Retained Earnings**

Balance at the beginning of the reporting period i.e. 1st April, 2023

Profit/(Loss) for the year

Other comprehensive income (net of tax)

Balance at the end of the reporting period i.e. 31st March, 2024

| As at 31st March 2024 |
|--------------------------|
| - |
| (153.72) |
| - |
| (153.72) |

7 BORROWINGS - CURRENT**UNSECURED**

Loans repayable on demand

From Related parties

Total

| As at 31st March 2024 |
|--------------------------|
| 100.00 |
| 100.00 |

7.1 The company has taken an interest-free unsecured loan of Rs. 1,00,000/- from a Director

8 TRADE PAYABLES**Trade payables ageing schedule - as at 31st March 2024**

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|------------------------|--|-----------|-----------|-------------------|--------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| MSME | - | - | - | - | - |
| Others | 38.30 | - | - | - | 38.30 |
| Disputed dues - MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |
| Total | 38.30 | - | - | - | 38.30 |

9 OTHER CURRENT LIABILITIES

Statutory remittances (Withholding Tax)

Total

| As at 31st March 2024 |
|--------------------------|
| 4.50 |
| 4.50 |



KSR FOOTWEAR LIMITED

Notes to Financial Statements for the year ended 31st March 2024
(All amounts in Rupees thousands, unless otherwise stated)

10 OTHER EXPENSES

Audit fees

20.00

Bank charges

0.60

Rent

18.31

Rates and taxes

65.81

Professional fees

49.00

Total

153.72



KSR FOOTWEAR LIMITED

Notes to Financial Statements for the year ended 31st March 2024

(All amounts in Rupees thousands, unless otherwise stated)

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

| | Year Ended 31st March 2024 |
|--|-------------------------------|
| i. Loss after Tax attributable to the Equity Shareholders | (153.72) |
| ii. Weighted average number of equity shares outstanding for the purpose of basic earnings per share | 6,110 |
| iii. Weighted average number of equity shares in computing diluted earnings per share | 6,110 |
| iv. Earnings per share on loss for the year (Face value Rs.100/- per share) | |
| - Basic [(i) / (ii)] | (25.16) |
| - Diluted [(i) / (iii)] | (25.16) |

12 The Company was incorporated on 22nd August 2022 and the financial statements relates to the period from the said date onwards till 31st March 2024. This being the first year of incorporation, previous year figures are not applicable.

13 The Company has not provided for Deferred Tax asset on account of carry forward of unused tax losses in pursuance to para 34 of Ind AS 12, as there is no reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

14 Related Party Disclosure as per requirements of Ind AS 24 on "Related Party Disclosures"**A) List of Related Parties**

| | |
|---|--|
| Holding Company | Khadim India Limited |
| Key Management Personnel (KMP) | Mr. Rittick Roy Burman - Director Mr. Rittoban Roy Burman - Director Mr. Suman Barman Roy - Director |
| Enterprises over which KMP and their relatives exercise significant influence | Storyscope Films Private Limited |

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

| Particulars | Year ended 31st March 2024 |
|---|-------------------------------|
| I) Key Management Personnel | |
| a) Unsecured loan from Rittick Roy Burman | 100.00 |
| Outstanding balances | Year ended 31st March 2024 |
| I) Key Management Personnel | |
| a) Rittick Roy Burman | 100.00 |



KSR FOOTWEAR LIMITED**Notes to Financial Statements for the year ended 31st March 2024****(All amounts in Rupees thousands, unless otherwise stated)****15 Financial Instruments and related disclosures****A Capital Management**

The Company's capital management objectives are to maintain a strong capital base so as to maintain confidence of its business partners and to sustain future development of the business.

B Categories of Financial Instruments**I Financial assets****a. Measured at amortised cost**

Cash and cash equivalents

Total Financial assets**II Financial liabilities****a. Measured at amortised cost**

Borrowings

Trade payables

Total Financial liabilities

| As at 31st March 2024 | |
|-----------------------|---------------|
| Carrying value | Fair value |
| 89.08 | 89.08 |
| 89.08 | 89.08 |
| 100.00 | 100.00 |
| 38.30 | 38.30 |
| 138.30 | 138.30 |

C Financial risk management objectives

The Company has a process of regular reviews/audit to monitor all financial risks, including market risk, credit risk and liquidity risk as and when applicable.

16 Fair value measurement

Financial assets & Financial liabilities comprises of Cash & Cash Equivalents, Borrowings, Trade Payables and other financial liabilities

The fair value of trade payables are considered to be equal to the carrying amount due to their short-term nature.

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)

Level 3: Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs).

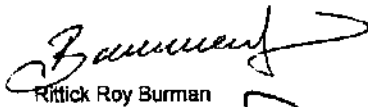


KSR FOOTWEAR LIMITED

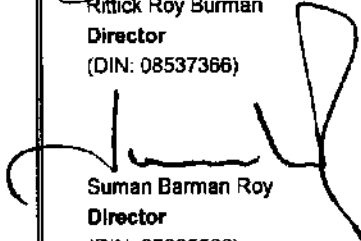
Notes to Financial Statements for the year ended 31st March 2024
(All amounts in Rupees thousands, unless otherwise stated)

- 17 Since this is the first year of operations, ratios and reasons for changes in the same are not disclosed.
- 18 **Additional Regulatory Information**
- (i) The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 19 The Board of Directors of the Company, at its meeting dated 29 September 2023, has approved a Scheme of Arrangement between Khadim India Limited (KIL) and KSR Footwear Limited (KFL) and their respective shareholders and creditors under sections 230 to 232, 66 and other relevant provisions of the Companies Act, 2023. Pursuant to the approved scheme, KIL shall demerge its distribution business, as a going concern, into KFL. Post the scheme becoming effective, the existing paid up equity share capital i.e., ₹ 1,00,000/- divided into 10,000 equity shares of face value ₹ 10/- each of KFL shall stand reduced and cancelled pursuant to section 66 and other applicable provisions of the Companies Act, 2013 and KFL will issue 1 (one) equity share of face value of ₹ 10/- each fully paid up for every 1 (one) equity share of face value ₹ 10/- each fully paid up held by equity shareholders of KIL. KFL will reflect a mirror shareholding as that of KIL and thereafter it will function as an independent listed company. The Scheme is subject to approval of the shareholders, secured and unsecured creditors, National Company Law Tribunal (NCLT), the stock exchanges and such other persons or governmental authorities as may be set out in the Scheme of Arrangement. Presently the matter is pending with the Stock Exchanges for their approval / NOC.

For and on behalf of Board of Directors



Ritick Roy Burman
Director
(DIN: 08537366)



Suman Barman Roy
Director
(DIN: 07285500)

Place: Kolkata
Date: 26th April 2024



REPORT ADOPTED BY THE BOARD OF DIRECTORS OF KHADIM INDIA LIMITED IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013, AT THEIR MEETING HELD ON SEPTEMBER 29, 2023, AT 7TH FLOOR, TOWER C, DLF IT PARK, 08 MAJOR ARTERIAL ROAD, BLOCK AF, NEW TOWN (RAJARHAT), KOLKATA - 700156

1. Background

- 1.1. Based on the recommendation of the Audit Committee and Committee of Independent Directors at their respective meetings held on September 29, 2023, a draft Scheme of Arrangement (**'Scheme'**) between Khadim India Limited (hereinafter referred to as **'Company'** or **'Demerged Company'** or **'KIL'**) and KSR Footwear Limited (hereinafter referred to as **'Resulting Company'** or **'KFL'**, and together with the Company, the **'Companies'**) and their respective shareholders and creditors, under section 230 to 232 and other applicable provisions of the Companies Act, 2013 (**'Act'**) read with the rules and/or regulations made thereunder including the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016, the Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 issued by the Securities and Exchange Board of India (**'SEBI'**) on June 20, 2023 (**'SEBI Circular'**), section 2(19AA) read with other relevant provisions of the Income Tax Act, 1961 (**'IT Act'**) and all other provisions of applicable laws, was placed before and approved by the Board of Directors of the Company (**'Board'**) at its meeting held on September 29, 2023.
- 1.2. The provisions of section 232(2)(c) of the Act, requires the Board to adopt a report explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders of the Company laying out in particular the share entitlement ratio specifying any valuation difficulties, and the same is required to be circulated as a part of the notice of meeting(s) to be held for the purpose of approving the Scheme. This Report of the Board is accordingly being made in pursuance of the requirements of section 232(2)(c) of the Act.
- 1.3. The Scheme, inter-alia provides for the following to come into effect from the Appointed Date:
- (a) the transfer by way of a demerger of the Demerged Undertaking (as defined in the Scheme) of the Demerged Company into the Resulting Company on a going concern basis and issuance of equity shares by the Resulting Company to all the equity shareholders of the Demerged Company;

- (b) Reduction and cancellation of the existing paid-up share capital of the Resulting Company;
- (c) Listing of equity shares of Resulting Company on BSE Limited (**'BSE'**) and National Stock Exchange of India Limited (**'NSE'**); and
- (d) various other matters consequential or otherwise integrally connected herewith.
- 1.4. The Scheme was recommended for the approval of the Board by the Audit Committee and by the Independent Directors Committee at their respective meetings held on September 29, 2023.
- 1.5. Having regard to the applicability of the aforesaid provisions, the following documents were placed before the Board:
- (a) Draft Scheme;
- (b) Share Entitlement Ratio Report dated September 29, 2023 issued by Mr. Vikram Kumar Singh, Registered Valuer under IBBI having Registration No. IBBI/RV/06/2019/11320 (**'Registered Valuer'**), inter-alia, recommending the fair share entitlement ratio (**'Share Entitlement Ratio Report'**);
- (c) Fairness opinion dated September 29, 2023 issued by Saffron Capital Advisors Private Limited, Merchant Banker registered with the SEBI having Registration No. INM000011211, on the Share Entitlement Ratio as mentioned in the Share Entitlement Ratio Report (**'Fairness Opinion'**);
- (d) Auditor's certificate dated September 29, 2023 submitted by M/s. Ray & Ray, Chartered Accountants (Firm registration No. 301072E), Statutory Auditors of the Company, certifying the accounting treatment contained in the Scheme (**'Auditor Certificate'**);
- (e) Report dated September 29, 2023 by the Audit Committee in terms of the requirements under the SEBI Circular.
- (f) Report dated September 29, 2023 by the Committee of Independent Directors in terms of the requirements under the SEBI Circular.

- (g) Undertaking dated September 29, 2023 by the Company Secretary & Head- Legal, confirming the non-applicability of the requirements under Para A(10)(a) read with Para A(10)(b) of Part I of the SEBI Master Circular dated June 20, 2023 relating to obtaining approval of the majority of public shareholders;
- (h) Certificate dated September 29, 2023 from M/s. Ray & Ray, Chartered Accountants, Statutory Auditors of the Company, certifying the undertaking in relation to the non-applicability of the requirements under Para A(10)(a) read with Para A(10)(b) of Part I of the SEBI Master Circular dated June 20, 2023 relating to obtaining approval of the majority of public shareholders;

2. Effects of the Scheme on the key stakeholders:

| Sl. No. | Category of Stakeholders | Effect of the Scheme on the Stakeholders |
|---------|--|---|
| 2.1 | Equity Shareholders: Promoters and Non-Promoters of the Company | <p>a) The Company has equity shareholders. There is no other class of shareholders.</p> <p>b) Upon the Scheme coming into effect as on Effective Date (as defined in the Scheme) and in consideration of the demerger, the shareholders of the Demerged Company whose names appear in the register of members as on the Record Date (as defined in the Scheme) or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title as the case may be, shall be eligible to receive shares as per the following Share Entitlement Ratio:</p> <p><i>“1(One) equity share of the face value of INR 10/- each fully paid-up of the Resulting Company for every 1 (One) equity share of face value INR 10/- each fully paid up held by equity shareholders of the Demerged Company.”</i></p> <p>The above ratio has been arrived at based on the Share Entitlement Ratio Report and Fairness Opinion.</p> <p>c) In this Scheme of Demerger, Resulting Company to issue its equity shares to all the equity shareholders of the Demerged Company in the ratio of 1 equity share of the Resulting Company for every 1 equity share held in Demerged Company</p> |



| Sl. No. | Category of Stakeholders | Effect of the Scheme on the Stakeholders |
|---------|----------------------------------|--|
| | | <p>as consideration for the transfer of the Demerged Undertaking and upon the Scheme becoming effective, the equity shares held by Demerged Company in Resulting Company shall be reduced and cancelled and accordingly, the shareholders of the Demerged Company are and will upon demerger, be the ultimate economic beneficial owners of the Resulting Company in the same proportion as they hold in the Demerged Company.</p> <p>d) Further, the Promoters of the Company shall continue to remain promoters even after the effectiveness of the Scheme.</p> <p>e) Since the Promoter and Non-Promoter shareholders of the Demerged Company are being issued shares in the same proportion, the rights of Non-Promoter shareholders of the Demerged Company shall not be affected under the Scheme.</p> <p>f) Equity shares of the Resulting Company to be issued to the equity shareholders of the Demerged Company will be listed for trading on the Stock Exchanges.</p> |
| 2.2 | Key Managerial Personnel ('KMP') | <p>a) The KMP of the Demerged Company shall continue as the KMP of the Demerged Company after effectiveness of the Scheme on the same terms and conditions.</p> <p>b) Please refer paragraph 2.1 above for details regarding the effect of the Scheme on the KMP who are also the shareholders of the Demerged Company.</p> <p>c) Under the Scheme, no rights of the KMP of the Demerged Company are being affected.</p> <p>d) On the Scheme becoming effective, all the Transferring Employees (as defined in the Scheme) shall be deemed to have become employees of the Resulting Company with effect from the Appointed Date, without any interruption in service, on</p> |



@

| Sl. No. | Category of Stakeholders | Effect of the Scheme on the Stakeholders |
|---------|--------------------------|---|
| | | <p>the terms and conditions not less favourable than those on which they are engaged by the Demerged Company.</p> <p>e) Upon coming into effect of the Scheme and in consideration for the demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company, the Board of the Demerged Company shall decide the manner in which difference in the intrinsic value created pursuant to the demerger of the Distribution Business is to be compensated to the ESOPs holders of the Demerged Company.</p> <p>The Board of the Demerged company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the aforesaid provisions, if required. Approval granted to the Scheme by the shareholders of the Demerged Company shall also be deemed to be approval granted to any modifications made to the ESOP Plans of the Demerged Company.</p> |

3. Share Entitlement Ratio

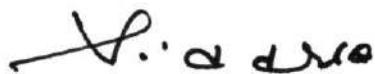
- 3.1. For the purpose of arriving at the Share Entitlement Ratio, the Share Entitlement Ratio Report was obtained by the Company from Vikram Kumar Singh (IBBI Registered Valuer No. IBBI/RV/06/2019/11320).
- 3.2. The Share Entitlement Ratio Report recommends the Share Entitlement Ratio – *“For every 1 (One) fully paid up equity share having face value of ₹ 10/- each of KIL, 1 (One) fully paid up equity share having face value of ₹ 10/- each of KFL”* to be fair and reasonable, considering that the proposed Demerger will not have any impact on the economic and beneficial interest of the equity shareholders of the Demerged Company.
- 3.3. The Registered Valuer appointed to recommend Share Entitlement Ratio for the Demerger, has not expressed any difficulty while determining the same.

- 3.4. The Fairness Opinion dated September 29, 2023 issued by Saffron Capital Advisors Private Limited, a SEBI registered Merchant Banker, have confirmed that the Share Entitlement Ratio as per the Share Entitlement Ratio Report, is fair to the shareholders of the Company in accordance with the SEBI Circular. The Merchant Banker has not expressed any difficulty in providing their fairness opinion.
- 3.5. The Share Entitlement Ratio for the Demerger has been recommended by the Registered Valuer as being fair and reasonable and the Merchant Banker has opined that the Share Entitlement Ratio is fair and reasonable. Both these reports have been accepted and taken on record by the Audit Committee, the Independent Directors Committee and the Board of the Company.

4. Adoption of the Report by the Board of the Company

The Board of the Company has adopted this report after noting and considering the information set forth in the report. The Board is entitled to make relevant modifications to this report, if required, and such modifications or amendments shall be deemed to form part of this report.

For and on behalf of Khadim India Limited



Siddhartha Roy Burman

Chairman & Managing Director

DIN: 00043715

Place: Delhi

Date: September 29, 2023

KSR FOOTWEAR LIMITED

CIN : U46413WB2023PLC264443

REGISTERED OFFICE : FLAT NO. 4A, 4TH FLOOR, KALYANI COMPLEX, P-22, BLOCK - A, BANGUR AVENUE, KOLKATA - 700055

E-MAIL : ksr082023@gmail.com

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF KSR FOOTWEAR LIMITED IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013, AT THEIR MEETING HELD ON SEPTEMBER 29, 2023, AT FLAT NO. 4A, 4TH FLOOR, KALYANI COMPLEX, P 22, BLOCK A, BANGUR AVENUE, KOLKATA - 700055

1. Background

- 1.1. A draft of the proposed Scheme of Arrangement (**'Scheme'**) between KSR Footwear Limited (hereinafter referred to as **'Company'** or **'Resulting Company'** or **'KFL'**) and Khadim India Limited (hereinafter referred to as **'Demerged Company'** or **'KIL'** and together with the Demerged Company, the **'Companies'**) and their respective shareholders and creditors, under section 230 to 232 and other applicable provisions of the Companies Act, 2013 (**'Act'**) read with the rules and/or regulations made thereunder including the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016, the Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 issued by the Securities and Exchange Board of India (**'SEBI'**) on June 20, 2023 (**'SEBI Circular'**), section 2(19AA) read with other relevant provisions of the Income Tax Act, 1961 (**'IT Act'**) and all other provisions of applicable laws, was placed before and approved by the Board of Directors of the Company (**'Board'**) at its meeting held on September 29, 2023.
- 1.2. The provisions of section 232(2)(c) of the Act, requires the Board to adopt a report explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders of the Company laying out in particular the share entitlement ratio specifying any valuation difficulties, and the same is required to be circulated as a part of the notice of meeting(s) to be held for the purpose of approving the Scheme. This Report of the Board is accordingly being made in pursuance of the requirements of section 232(2)(c) of the Act.
- 1.3. The Scheme, inter-alia provides for the following to come into effect from the Appointed Date:
- (a) the transfer by way of a demerger of the Demerged Undertaking (as defined in the Scheme) of the Demerged Company into the Resulting Company on a going concern basis and issuance of equity shares by the Resulting Company to all the equity shareholders of the Demerged Company;
 - (b) Reduction and cancellation of the existing paid-up share capital of the Resulting Company;



KSR FOOTWEAR LIMITED

CIN : U46413WB2023PLC264443

REGISTERED OFFICE : FLAT NO. 4A, 4TH FLOOR, KALYANI COMPLEX, P-22, BLOCK - A, BANGUR AVENUE, KOLKATA - 700055

E-MAIL : ksr082023@gmail.com

- (c) Listing of equity shares of Resulting Company on BSE Limited (**'BSE'**) and National Stock Exchange of India Limited (**'NSE'**); and
- (d) various other matters consequential or otherwise integrally connected herewith.

1.4. Having regard to the applicability of the aforesaid provisions, the following documents were placed before the Board:

- (a) Draft Scheme;
- (b) Share Entitlement Ratio Report dated September 29, 2023 issued by Mr. Vikram Kumar Singh, Registered Valuer under IBBI having Registration No. IBBI/RV/06/2019/11320 (**'Registered Valuer'**), inter-alia, recommending the fair share entitlement ratio (**'Share Entitlement Ratio Report'**); and
- (c) Auditor's certificate dated September 29, 2023 submitted by M/s. Agarwal & Associates (Firm registration No. 323210E), Statutory Auditors of the Company, certifying the accounting treatment contained in the Scheme (**'Auditor Certificate'**);

2. Effects of the Scheme on the key stakeholders:

| Sl. No. | Category of Stakeholders | Effect of the Scheme on the Stakeholders |
|---------|---|--|
| 2.1 | Equity Shareholders: Promoters and Non-Promoters of the Company | <p>a) The Company has equity shareholders. There is no other class of shareholders.</p> <p>b) Upon the Scheme coming into effect as on Effective Date (as defined in the Scheme) and in consideration of the demerger, the shareholders of the Demerged Company whose names appear in the register of members as on the Record Date (as defined in the Scheme) or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title as the case may be, shall be eligible to receive shares as per the following Share Entitlement Ratio:</p> <p><i>"1(One) equity share of the face value of INR 10/- each fully paid-up of the Resulting Company for every 1 (One) equity share of face value INR 10/- each fully paid up held by equity shareholders of the Demerged Company."</i></p> |



KSR FOOTWEAR LIMITED

CIN : U46413WB2023PLC264443

REGISTERED OFFICE : FLAT NO. 4A, 4TH FLOOR, KALYANI COMPLEX, P-22, BLOCK - A, BANGUR AVENUE, KOLKATA - 700055

E-MAIL : ksr082023@gmail.com

| Sl. No. | Category of Stakeholders | Effect of the Scheme on the Stakeholders |
|---------|----------------------------------|---|
| | | <p>c) Upon the Scheme coming into effect as on Effective Date (as defined in the Scheme) and in consideration of the demerger, the entire existing paid-up share capital of the Company shall be reduced and cancelled.</p> <p>d) The company is a wholly owned subsidiary of KIL and the effective ownership lies with the shareholders of KIL. Accordingly, issuing shares to shareholders of KIL post cancellation of the direct shareholding of KIL shall not affect the rights of KIL being the original promoter of the Company.</p> <p>e) There are no non-Promoter shareholders of the Resulting Company whose rights shall be affected under the Scheme.</p> |
| 2.2 | Key Managerial Personnel ('KMP') | <p>a) The company does not have KMPs at present.</p> <p>b) There will be no effect on the KMPs pursuant to the Scheme.</p> <p>c) Please refer Paragraph 2.1 above for details regarding the effect of the Scheme on the KMPs who are also the shareholders of the Resulting Company.</p> |

3. Share Entitlement Ratio

- 3.1. For the purpose of arriving at the Share Entitlement Ratio, the Share Entitlement Ratio Report was obtained by the Company from Vikram Kumar Singh (IBBI Registered Valuer No. IBBI/RV/06/2019/11320).
- 3.2. The Share Entitlement Ratio Report recommends the Share Entitlement Ratio – *“For every 1 (One) fully paid up equity share having face value of ₹ 10/- each of KIL, 1 (One) fully paid up equity share having face value of ₹ 10/- each of KFL”* to be fair and reasonable, considering that the proposed Demerger will not have any impact on the economic and beneficial interest of the equity shareholders of the KIL.



KSR FOOTWEAR LIMITED

CIN : U46413WB2023PLC264443

REGISTERED OFFICE : FLAT NO. 4A, 4TH FLOOR, KALYANI COMPLEX, P-22, BLOCK - A, BANGUR AVENUE, KOLKATA - 700055

E-MAIL : ksr082023@gmail.com

- 3.3. The Registered Valuer appointed to recommend Share Entitlement Ratio for the Demerger, has not expressed any difficulty while determining the same.
- 3.4. The Share Entitlement Ratio for the Demerger has been recommended by the Registered Valuer as being fair and reasonable and the Share Entitlement Ratio Report has been accepted and taken on record by the Board of the Company.

4. Adoption of the Report by the Board of the Company

The Board of the Company has adopted this report after noting and considering the information set forth in the report. The Board is entitled to make relevant modifications to this report, if required, and such modifications or amendments shall be deemed to form part of this report.

For and on behalf of KSR Footwear Limited



Rittick Roy Burman

Director

DIN : 08537366

Place: Kolkata

Date: September 29, 2023

Recommendation of fair equity share entitlement ratio
for the proposed demerger

FAIR SHARE ENTITLEMENT RATIO REPORT

for the proposed demerger of

Distribution Business

of

Khadim India Limited
(Demerged Company)

into

KSR Footwear Limited
(Resulting Company)

Through Scheme of Arrangement
under section 230-232 read with section 66 and other
applicable provisions of the Companies Act, 2013

VIKRAM KUMAR SINGH
Registered Valuer under IBBI (SFA)
Regn No - IBBI/RV/06/2019/11320
P6, Bangur Avenue, Block-A
Dutson Apartment, 2nd Floor
Kolkata – 700 055
M: +91 98 3091 5295
E: cavikramsingh@gmail.com



Recommendation of fair equity share entitlement ratio
for the proposed demerger

29th September 2023

To,
The Board of Directors and Audit Committee
Khadim India Limited
7th Floor, Tower C, DLF IT Park,
08 Major Arterial Road, Block - AF, New Town
(Rajarhat), Kolkata – 700156

To,
The Board of Directors
KSR Footwear Limited
Flat No. 4A, 4th Floor, Kalyani Complex,
P-22, Block-A, Bangur Avenue,
North 24 Parganas - 700055

Sub: Recommendation of fair equity share entitlement ratio for the proposed demerger of the Distribution Business of Khadim India Limited ("KIL") and its transfer to and vesting into KSR Footwear Limited ("KFL") on a going concern basis pursuant to a Scheme of Arrangement between KIL and KFL and their respective shareholders and creditors under sections 230 to 232, 66 and other relevant provisions of the Companies Act, 2013 ("the Act").

Dear Sir/Madam,

I appreciate having been given the opportunity to recommend the fair equity share entitlement ratio for the proposed demerger of the Distribution business ("Demerged Undertaking") of Khadim India Limited ("KIL" or "Demerged Company") into KSR Footwear Limited ("KFL" or "Resulting Company") on a going concern basis pursuant to Scheme of Arrangement between KIL and KFL and their respective shareholders and creditors under sections 230 to 232, 66 and other relevant provisions of the Companies Act, 2013 ("the Scheme"). KIL and KFL shall hereinafter collectively be referred as "the Companies".

In accordance with engagement letter dated August 25, 2023, I am pleased to present herewith a report on the fair equity share entitlement ratio ("Report").

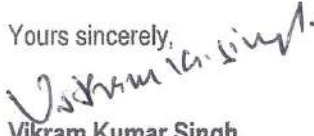
I have determined the fair equity share entitlement ratio for the proposed demerger as at date of this report ("Valuation Date"). A summary of the analysis is presented in the accompanying Report, as well as description of the methodology and procedure I used, and the factors I considered in formulating my opinion.

The "Fair Equity Share Entitlement Ratio" for the purpose of this report refers to the number of fully paid up equity shares of face value INR 10/- each to be issued by the Resulting Company to the equity shareholders of the Demerged Company as consideration for the proposed demerger of Distribution Business.

The fees for this report are in no way contingent upon the results of the findings. I have no responsibility to update this report for events and circumstances occurring subsequent to the date of this report.

This report is subject to the attached exclusions & limitations and to all the terms and conditions of the engagement letter and hence it should be read in its entirety. If you have any questions or require additional information, please do feel free to contact the undersigned.

Yours sincerely,


Vikram Kumar Singh,
Registered Valuer under IBBI
Regn No - IBBI/RV/06/2019/11320



Encl: As above

Recommendation of fair equity share entitlement ratio
for the proposed demerger

1. Background of the Companies

1.1. Khadim India Limited ("Demerged Company")

Khadim India Limited ("Demerged Company") is a public company incorporated on December 03, 1981 under the provisions of the Companies Act, 1956, having Corporate Identification No. (CIN): L19129WB1981PLC034337 and registered office at 7th Floor, Tower C, DLF IT Park, 08 Major Arterial Road, Block - AF, New Town (Rajarhat), Kolkata – 700156.

The Demerged Company has 2 (two) distinct businesses viz. (i) Retail Business and (ii) Distribution Business. The retail business operates through 848 retail stores (as on June 30, 2023) and caters to the middle and upper middle-income consumers, while the distribution business operates through a wide network of 732 (as on June 30, 2023) distributors selling to multi-brand-outlets across India and caters to lower and middle-income consumers.

The equity shares of the Demerged Company are listed on BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

The share capital of the Demerged Company as on 22nd September 2023 is as follows:

| Particulars | Amount (in INR) |
|--|-----------------|
| Authorised Share Capital 6,00,00,000 Equity Shares of INR 10/- each | 60,00,00,000 |
| Issued, Subscribed and Paid up Capital 1,79,69,614 Equity Shares of INR 10/- each | 17,96,96,140 |

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid-up capital of the Demerged Company until the date of approval of the Scheme by the Board of the Demerged Company.

1.2. Demerged Undertaking- Distribution Business

"Demerged Undertaking" shall mean the Company's distribution segment which provides branded and affordable footwear in the mass footwear category catering to lower- & middle-income consumers in Tier-I to Tier-III cities. The distribution business operates through a network of 732 distributors (as on June 30, 2023) selling to multi-brand-outlets across India. The distribution segment manufactures approximately 96% of the products of this category to have better control over quality, supply and cost.

1.3. KSR Footwear Limited ("Resulting Company")

KSR Footwear Limited ("Resulting Company") is a public company incorporated on 22nd August 2023 under the provisions of the Companies Act 2013 with an object to carry on the business of manufacturing and wholesaling of Footwear, having CIN - U46413WB2023PLC264443 and registered office Flat No. 4A, 4th Floor, Kalyani Complex, P-22, Block-A, Bangur Avenue, North 24 Parganas - 700055.

The Resulting Company is a Wholly-owned Subsidiary of the Demerged Company. However, post the Scheme is effective, the existing paid up equity share capital of the Resulting company shall stand reduced and cancelled pursuant to section 66 and other applicable provisions of the Companies Act, 2013 and the Resulting Company will issue fresh equity shares to the shareholders of the Demerged Company. Accordingly, the shareholders of the Demerged Company, are and will upon demerger, be ultimate economic beneficial owners of the Resulting Company in the same proportion as they hold in the Demerged Company and the Resulting Company will reflect a mirror shareholding as that of the Demerged Company.

It has also been informed by the management that the equity shares of the "Resulting Company" will be listed on BSE and NSE pursuant to the Scheme.



Recommendation of fair equity share entitlement ratio
for the proposed demerger

The share capital of the Resulting Company as on 22nd September 2023 is as follows:

| Particulars | Amount (in INR) |
|---|-----------------|
| Authorised Share Capital 1,50,000 Equity Shares of INR 10/- each | 15,00,000 |
| Issued, Subscribed and Paid up Capital 10,000 Equity Shares of INR 10/- each | 1,00,000 |

2. Purpose of Engagement

Based on discussions with the Demerged Company and the Resulting Company, I understand that the Demerged Company has proposed to transfer and vest the Demerged Undertaking comprising of its Distribution Business into the Resulting Company in accordance with the Scheme, and thus the fair share entitlement ratio of equity shares is required.

The appointment of the undersigned as Registered Valuer has been duly authorised/confirmed/ratified by the Board of Directors of the Demerged Company and the Resulting Company.

This Report and the information contained herein are strictly confidential and are intended for the sole use of the Companies in order to comply with sections 230 to 232 and other applicable provisions of the Companies Act, 2013, as well as applicable provisions and circulars issued by the Securities and Exchange Board of India ("SEBI") applicable to a scheme of arrangement. The results of valuation analysis and this Report may not be used or relied on by the Companies or any other person for any other reason.

3. Rationale of the Proposed Demerger

It is considered desirable and expedient to re-organise and reconstruct the Demerged Company by demerging its Distribution Business to the Resulting Company as part of an overall strategy for optimum management, growth and development of the Demerged Company's operations.

The transfer and vesting of the Demerged Undertaking comprising of Distribution Business into the Resulting Company pursuant to the Scheme shall be in the interest of all concerned stakeholders including shareholders, customers, creditors, employees and general public.

The Scheme is expected, inter alia, to result in the following benefits:

- Create sector focused companies;
- Attract business specific investors;
- Streamline the management structure;
- Unlock value for shareholders;
- Ring-fence businesses from each other;
- Better risk management; and
- Better Management Bandwidth utilization.

4. Scope of Work

The scope of work is to recommend a Fair Equity Share Entitlement Ratio for the proposed demerger of Demerged Undertaking of the Demerged Company into the Resulting Company through a scheme of arrangement, using ICAI Valuation Standards 2018 issued by the Institute of Chartered Accountants of India ("ICAI") and internationally accepted valuation methodology as per International Valuation Standards issued by International Valuation Standards Council ("IVSC").

This Report is my deliverable in respect of recommendation of fair equity share entitlement ratio for the proposed demerger.



Recommendation of fair equity share entitlement ratio
for the proposed demerger

This Report is subject to the scope, assumptions, exclusions, caveats, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

5. Caveats, Limitations and Disclaimers

- i. This Fair Share Entitlement Ratio Report has been issued on the specific request of the Demerged Company and the Resulting Company for Determining the Fair Share Entitlement Ratio for the said proposed Scheme of Arrangement in accordance with the Companies Act, 2013 and rules made thereunder and is required for filing the same with the jurisdictional National Company Law Tribunal, Stock Exchanges and SEBI. This Fair Share Entitlement Ratio Report is prepared exclusively for the above stated purpose and must not be copied, disclosed or circulated or referred to in correspondence or discussion with any other party. Neither this report nor its content may be used for any other purpose without my prior written consent.
- ii. This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of my engagement; and (ii) are based on the data detailed in section Sources of Information.
- iii. I am provided with sufficient information and time to make my opinion for this valuation exercise. However, my opinion may change if any material information is not disclosed / hidden from me during this valuation exercise.
- iv. I have no present or planned future interest in the Companies or any of their group companies. I do not have any financial interest in the Companies, nor do I have any conflict of interest in carrying out this valuation, from the date of the engagement letter till the date of this Report. I further state that I am not related to the Companies or their promoters, if any or their director or their relatives
- v. My scope is limited to recommendation of the Fair Equity Share Entitlement Ratio. The Report should not be construed as, my opinion or certifying the compliance of the Proposed Demerger with the provisions of any law including the Companies Act 2013, Foreign Exchange Management Act, 1999, taxation related laws, capital market related laws, any accounting, taxation or legal implications or issues arising from the Proposed Demerger.
- vi. The final responsibility for the determination of Fair Share Entitlement Ratio at which the proposed demerger transaction shall take place will be with the board of directors who should take into account other factors such as their own assessments of the proposed demerger transaction and inputs of other advisors.
- vii. I have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to me or used by me, I have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the Companies. Nothing has come to my knowledge to indicate that the material provided to me was mis-stated or incorrect or would not afford reasonable grounds upon which to base my Report.
- viii. I have also relied on data from external sources to conclude the valuation. These sources are believed to be reliable and therefore, I assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where I have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.
- ix. The scope of the assignment did not include performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was used during the course of the work. Accordingly, I express no audit opinion or any other form of assurance on this information on behalf of the Companies. The assignment did not involve me to conduct the financial or technical feasibility study. I have not done any independent technical valuation or appraisal or due

Recommendation of fair equity share entitlement ratio
for the proposed demerger

- diligence or legal title search of the assets or liabilities of the Companies and have considered them at the value as disclosed by the Companies in their regulatory filings or in submissions, oral or written, made to me.
- x. I assume that the companies fully comply with the relevant laws and regulations applicable in their areas of operations and unless otherwise stated, and that these companies will be managed in a component and responsible manner. Further, except as specifically stated to the contrary, this report has given no consideration to matters of regulatory, tax and legal nature, including issue of legal title and compliance, with local laws and litigation and other contingent liabilities that are not recorded in the audited/ unaudited financial statements of the companies.
- xi. This report does not look into the business/ commercial reason behind the proposal transaction of demerger nor the likely benefit arising out of the same. Similarly, it does not address the relative merits of proposed transactions as compared with any other alternative business transaction or other alternative or whether or not such alternative could be achieved or are available. This report is restricted to recommendations for fair share entitlement ratio only. It's suitability and applicability for any other use has not been checked by the undersigned.
- xii. An analysis of such nature is necessarily based on prevailing stock market, financial, economic and other condition in general and industry trends in particular as in effect on and the information made available to me as of, the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and I do not assume any obligation to update, revise or reaffirm this Report.
- xiii. I do not express any opinion/ recommendation. The shareholders are expected to exercise their own discretion.
- xiv. The fee for this Fair Share Entitlement Ratio Analysis is not contingent upon the values reported herein. The Fair Share Entitlement Ratio Analysis contained herein is not intended to represent the value/ratio at any time other than the date that is specifically reported in this report.
- xv. This Report is to be read in totality, and not in parts in conjunction with the relevant document referred to herein.
- xvi. I will not be liable for any losses, claims, damage or liabilities arising out of the action taken, omissions or advise given by any other advisor to the companies. In no event, I shall be liable for any loss, damages, cost or expenses arising in any way from fraudulent act, misrepresentations or wilful default on the part of the companies, its directors, employees or agents. I do not accept any liability to any third party in relation of this report. In no circumstances the liability of myself, associate or employees relating to the service provided in connection with the engagement set out in this Fair Share Entitlement Report shall exceed the amount of fees paid for the assignment.
- xvii. The Fair Share Entitlement Report should not be construed as investment advice. Moreover, the undersigned does not express any opinion on the suitability or otherwise of entering into the proposed transaction.
- xviii. This Report is meant for a purpose mentioned above and should not be used for any purpose other than the purpose mentioned therein. Neither the Report nor its content may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the proposed Scheme of Arrangement, without my prior consent except for disclosure to relevant regulatory authorities including Stock Exchanges, SEBI, and Ministry of Corporate Affairs.



Recommendation of fair equity share entitlement ratio
for the proposed demerger

6. Sources of Information

For the purpose of arriving at the Share Entitlement Ratio, the following sources of information have been relied upon:

- Draft Scheme of Arrangement.
Note:- The Management has informed that there would be no significant variation between the draft Scheme and the final scheme approved and submitted with the relevant authorities
- Latest Shareholding Pattern of Khadim India Limited & KSR Footwear Limited.
- Audited Financial Statements of Khadim India Limited as on 31st March 2023.
- Other relevant data and information provided to me by the representatives of the Companies either in written or oral form or in the form of soft copy of the Companies.
- MCA Databases and other relevant information and documents for the purpose of engagement; and
- Discussions with the management.

The companies have been provided with the opportunity to review the draft reports as a part of my standard practice to make sure that there are no factual inaccuracies/ omissions in the final report.

7. Valuation Approaches and Methodology

Given the nature of this activity, Fair Value has been considered as a Valuation Base. As the premise of value, I have considered Going Concern Value and "As is where is" Value to be applicable to the companies being valued.

From discussion with the management and on perusal of, draft Scheme of Arrangement, I understand that:

- The management of the listed Demerged Company is contemplating to demerge the Distribution Business.
- For the purpose of demerger, the Resulting Company has been newly incorporated as a Wholly-owned Subsidiary of the Demerged Company.
- However, post the Scheme is effective, the existing paid up equity share capital ("Pre- Demerger Equity Share Capital") of the Resulting company shall stand reduced and cancelled pursuant to section 66 and other applicable provisions of the Companies Act, 2013 and the Resulting Company will issue fresh equity shares to the shareholders of the Demerged Company.
- Accordingly, the shareholders of the Demerged Company as on the record date, are and will upon demerger, be ultimate economic beneficial owners of the Resulting Company in the same proportion as they hold in the Demerged Company. The Resulting Company will reflect a mirror shareholding as that of the Demerged Company and thereafter it will function as an independent listed company.
- As per paragraph (A)(4)(b) of Part I of SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("SEBI Master Circular"), a Valuation Report is not required in cases where there is no change in the shareholding pattern of the listed / resulting company.

The proposed demerger does not require a valuation report since there is no change in the shareholding pattern of the Demerged Company and the Resulting Company. Hence, I have not carried out the valuation of these entities under generally accepted valuation approaches.

Accordingly, considering the approach and the rationale for the fair equity share entitlement ratio discussed in para 7 above, the valuation approaches as indicated in the format (as shown below) as prescribed by circular number NSE/CML/2017 /12 of NSE and LIST /COMP/02/2017-18 of BSE have not been undertaken as they are not applicable in the instant case:



Recommendation of fair equity share entitlement ratio
for the proposed demerger

| Valuation Approach | Distribution Business of Khadim India Limited | | KSR Footwear Limited | |
|-------------------------------|---|--------|----------------------|--------|
| | Value per Share of Khadim India Limited for Distribution Business | Weight | Value per Share | Weight |
| Asset Approach | NA | 0% | NA | 0% |
| Income Approach | NA | 0% | NA | 0% |
| Market Approach | NA | 0% | NA | 0% |
| Relative Value per Share | NA | 0% | NA | 0% |
| Exchange Ratio (Rounded Off)* | | NA | | |

NA - Not Adopted/Not Applicable

8. Recommendation

Based on the foregoing, any share entitlement ratio can be considered for the aforementioned demerger because no shareholder's proportionate shareholding would change.

In light of the Resulting Company's desired capital structure, the Management of the Demerged Company and the Resulting Company has suggested a share entitlement ratio of "1 (one) equity share of the face value of INR 10/- each fully paid-up of the Resulting Company for every 1 (one) equity share of face value INR 10/- each fully paid up held by equity shareholders of the Demerged Company."

Based on the foregoing and on consideration of all relevant factors and circumstances as discussed and outlined herein above, pursuant to the Scheme. The recommended Fair Share Entitlement Ratio is:

"1 (one) equity share of the face value of INR 10/- each fully paid-up of the Resulting Company for every 1 (one) equity share of face value INR 10/- each fully paid up held by equity shareholders of the Demerged Company."

I believe that the above share entitlement ratio is fair and reasonable, given that all Demerged Company's shareholders will be the ultimate beneficial owners of the Resulting Company in the same ratio as they hold shares in the Demerged Company on the record date.





Saffron Capital Advisors Private Limited
 605, Sixth Floor, Centre Point, Andheri Kurla Road,
 J. B. Nagar, Andheri (East), Mumbai - 400 059.
 Tel.: 022 4973 0394
 Email : info@saffronadvisor.com
 Website: www.saffronadvisor.com
 CIN No. U67120MH2007PTC166711

Date: September 29, 2023

To,
The Audit Committee and the Board of Directors,
Khadim India Limited
 7th Floor, Tower C, DLF IT Park,
 08 Major Arterial Road, Block – AF,
 New Town (Rajarhat), Kolkata – 700156

Dear Members of the Audit Committee and the Board of Directors,

1. Engagement Background

We understand that the Management of Khadim India Limited (“KIL” or the “Demerged Company”) is contemplating demerger of the Distribution Business of KIL and its transfer to and vesting into KSR Footwear Limited (“KFL” or “Resulting Company”) on a going concern basis pursuant to a Scheme of Arrangement between KIL and KFL and their respective shareholders and creditors under sections 230 to 232, 66 and other relevant provisions of the Companies Act, 2013 (‘the Act’).

The terms and conditions of the Proposed Demerger are more fully set out in the draft Scheme of Arrangement shared with us, the final version of which will be filed by the aforementioned companies with the appropriate authorities.

We understand that the fair share entitlement ratio thereof is based on the Share Entitlement Ratio Report dated September 29, 2023 issued by Mr. Vikram Kumar Singh, IBBI Registered Valuer, Registration No. IBBI/RV/06/2019/11320 (“Valuer”).

We, Saffron Capital Advisors Private Limited, a SEBI registered Category-I Merchant Banker, have been engaged by KIL to give a fairness opinion (“Opinion”) on Share Entitlement Ratio Report dated September 29, 2023 issued by Valuer.

2. Background of the companies and Rationale

Khadim India Limited (“Demerged Company”) is a public company incorporated on December 03, 1981 under the provisions of the Companies Act, 1956, having Corporate Identification No. (CIN): L19129WB1981PLC034337 and registered office at 7th Floor, Tower C, DLF IT Park, 08 Major Arterial Road, Block - AF, New Town (Rajarhat), Kolkata – 700156.

The Demerged Company has 2 (two) distinct businesses viz. (i) Retail Business and (ii) Distribution Business. The retail business operates through 848 retail stores (as on June 30, 2023) and caters to the



middle and upper middle-income consumers, while the distribution business operates through a wide network of 732 (as on June 30, 2023) distributors selling to multi-brand-outlets across India and caters to lower and middle-income consumers.

The equity shares of the Demerged Company are listed on BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

"Demerged Undertaking" shall mean the Company's distribution segment which provides branded and affordable footwear in the mass footwear category catering to lower- & middle - income consumers in Tier-I to Tier-III cities. The distribution business operates through a network of 732 distributors (as on June 30, 2023) selling to multi-brand-outlets across India. The distribution segment manufactures approximately 96% of the products of this category to have better control over quality, supply and cost.

KSR Footwear Limited ("Resulting Company") is a public company incorporated on August 22, 2023 under the provisions of the Companies Act, 2013 with an object to carry on the business of manufacturing and wholesaling of Footwear, having Corporate Identification No. - U46413WB2023PLC264443 and registered office at Flat No. 4A, 4th Floor, Kalyani Complex, P-22, Block-A, Bangur Avenue, North 24 Parganas - 700055.

The Resulting Company is a Wholly-owned Subsidiary of the Demerged Company. However, post the Scheme is effective, the existing paid up equity share capital of the Resulting company shall stand reduced and cancelled pursuant to section 66 and other applicable provisions of the Companies Act, 2013 and the Resulting Company will issue fresh equity shares to the shareholders of the Demerged Company. Accordingly, the shareholders of the Demerged Company, are and will upon demerger, be ultimate economic beneficial owners of the Resulting Company in the same proportion as they hold in the Demerged Company and the Resulting Company will reflect a mirror shareholding as that of the Demerged Company.

It has also been informed by the management that the equity shares of the "Resulting Company" will be listed on BSE and NSE pursuant to the Scheme.

We understand that the Appointed Date for the Proposed Demerger as per the draft Scheme shall be same date as the Effective Date or such other date as may be mutually agreed by the Companies.

We further understand that the Effective Date means the date which will be the first day of the month following the month in which parties mutually acknowledge in writing that all the conditions referred to in Clause 25.1 of the Scheme have occurred or have been fulfilled, obtained or waived, as applicable, in accordance with the Scheme.



3. Recommended Share Entitlement Ratio for the Proposed transaction

The Valuer has recommended the following share entitlement ratio for the Proposed Demerger:

1 (one) equity share of the face value of INR 10/- each fully paid-up of the Resulting Company for every 1 (one) equity share of face value INR 10/- each fully paid up held by equity shareholders of the Demerged Company.

We have relied upon the draft Scheme of Arrangement and taken the aforementioned (together with the other facts and assumptions set forth therein) into account while determining the meaning of "fairness", from a financial point of view, for the purposes of this Opinion.

4. Exclusions and Limitations

Our opinion and analysis are limited to the extent of review of the Share Entitlement Ratio Report by the Valuer and the Draft Scheme of Arrangement. In connection with the opinion, we have

- a) Reviewed the Draft Scheme of Arrangement.
- b) Share Entitlement Ratio Report dated September 29, 2023, issued by Valuer.
- c) Held discussions with the Valuer, in relation to the approach taken to valuation and the details of various methodologies utilized by them in preparing the Share Entitlement Ratio Report and recommendations.
- d) Reviewed such other information and explanations as we have required, and which have been provided by the management of KIL.

This opinion is intended only for the sole use and information of KIL and KFL, for the purpose of submission to the Stock exchanges under the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, obtaining judicial and regulatory approvals for the Proposed Demerger and for no other purpose. We are not responsible in any way to any person/party/statutory authority for any decision of such person or party or authority based on this opinion. Any person/party intending to provide finance or invest in the shares/business of either KIL and/or KFL or their subsidiaries /joint ventures/associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.

For the purpose of this assignment, Saffron has relied on the Share Entitlement Ratio Report for the Proposed demerger of Distribution Business of Khadim India Limited into KSR Footwear Limited and information and explanation provided to it, the accuracy whereof has not been evaluated by Saffron. Saffron's work does not constitute certification or due diligence of any past working results and Saffron has relied upon the information provided to it as set out in working results of the aforesaid reports.



Saffron has not carried out any physical verification of the assets and liabilities of the companies and takes no responsibility on the identification and availability of such assets and liabilities.

We hereby give our consent to present and disclose the Fairness Opinion in the general meetings of the shareholders of KIL and KFL and to the Registrar of Companies. Our opinion is not, nor should it be construed as our opining or certifying the compliance of the Proposed Demerger with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.

The information contained in this report is selective and is subject to updating, expansions, revisions and amendment, if any. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent. Recipients are advised to independently conduct their own investigation and analysis of the business of the Companies. The report has been prepared solely for the purpose of giving a fairness opinion on Share Entitlement Ratio Report issued for the Proposed Demerger of Distribution business of KIL into KFL and may not be applicable or referred to or quoted in any other context.

Our opinion is dependent on the information provided to us being complete and accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. The scope of our assignment does not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. As such we have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to this date.

One should note that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. Moreover, in this case where the shares of the KFL are being issued as consideration to the shareholders of KIL, it is not the absolute valuation that is important for framing an opinion but the relative valuation of the KIL vis-a-vis shares of KFL. We have assumed that the Final Scheme of Arrangement will not differ in any material respect from the Draft Scheme of Arrangement shared with us.

We do not express any opinion as to any tax or other consequences that might arise from the Proposed Demerger on KIL, KFL and their respective shareholders, nor does our opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the respective companies have obtained such advice as they deemed necessary from qualified professionals. We have undertaken no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims,



government investigation or other contingent liabilities to which KIL, KFL and/or their associates/ subsidiaries, are or may be a party.

The company has been provided with an opportunity to review the Draft Opinion as part of our standard practice to make sure that factual inaccuracy/omissions are avoided in our Final Opinion. Our Opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Proposed Demerger or any matter thereto.

5. Conclusion

Based on and subject to the foregoing, we are of the opinion that the share entitlement ratio of 1:1 as recommended by the valuer in the Share Entitlement Ratio Report dated September 29, 2023 is fair to the shareholders of KIL from the financial point of view.

For Saffron Capital Advisors Private Limited,


Sakshi Gupta
Head-Valuation



Shareholding Pattern of the Demerged Company and the Resulting Company (pre and post-arrangement) as on June 21, 2024

The table below illustrates the Pre and post Arrangement shareholding pattern as on June 21, 2024 for **Khadim India Limited (“KIL” or “Demerged Company”)** and **KSR Footwear Limited (“KFL” or “Resulting Company”)** as on June 21, 2024. There will be no change in the shareholding pattern of the Demerged Company consequent to the Scheme.

| Sl. No. | Description | Demerged Company | | Resulting Company | | | |
|------------|--|-------------------------------------|--------------|-------------------|---------------|--------------------|--------------|
| | | Pre Arrangement & Post Arrangement* | | Pre Arrangement | | Post Arrangement* | |
| | | No. of shares | % | No. of shares | % | No. of shares | % |
| (A) | Shareholding of Promoter and Promoter Group | | | | | | |
| 1 | Indian | | | | | | |
| (a) | Individuals / Hindu Undivided Family | 17,21,938 | 9.41 | - | - | 17,21,938 | 9.41 |
| (b) | Central Government / State Government(s) | - | - | - | - | - | - |
| (d) | Financial Institutions / Banks | - | - | - | - | - | - |
| (e) | Any Others | - | - | - | - | - | - |
| i. | Bodies Corporate | 92,73,229 | 50.68 | 10,000# | 100.00 | 92,73,229 | 50.68 |
| | Sub Total (A)(1) | 1,09,95,167 | 60.09 | 10,000 | 100.00 | 1,09,95,167 | 60.09 |
| 2 | Foreign | | | | | | |
| (a) | Individuals (Non-Residents Individuals / Foreign Individuals) | - | - | - | - | - | - |
| (b) | Bodies Corporate | - | - | - | - | - | - |
| (c) | Institutions | - | - | - | - | - | - |
| (d) | Any Others | - | - | - | - | - | - |
| | Sub Total (A)(2) | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| | Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2) | 1,09,95,167 | 60.09 | 10,000 | 100.00 | 1,09,95,167 | 60.09 |
| (B) | Public shareholding | | | | | | |
| 1 | Institutions | | | | | | |
| (a) | Mutual Funds / UTI | 6,50,000 | 3.55 | - | - | 6,50,000 | 3.55 |
| (b) | Financial Institutions / Banks | - | - | - | - | - | - |
| (c) | Central Government / State Government(s) | - | - | - | - | - | - |
| (d) | Venture Capital Funds | - | - | - | - | - | - |
| (e) | Insurance Companies | - | - | - | - | - | - |
| (f) | Foreign Institutional Investors | - | - | - | - | - | - |
| (g) | Foreign Venture Capital Investors | - | - | - | - | - | - |
| (h) | Any Other | - | - | - | - | - | - |
| i. | Alternate Investment Funds | 5,88,870 | 3.22 | - | - | 5,88,870 | 3.22 |
| ii. | Foreign Portfolio Investors Category I | 9,691 | 0.05 | - | - | 9,691 | 0.05 |
| | Sub-Total (B)(1) | 12,48,561 | 6.82 | 0.00 | 0.00 | 12,48,561 | 6.82 |
| 2 | Non-institutions | | | | | | |
| (a) | Bodies Corporate | 3,29,269 | 1.80 | - | - | 3,29,269 | 1.80 |
| (b) | Individuals | - | - | - | - | - | - |

| | | | | | | | |
|------------|---|--------------------------------|---------------|---------------|---------------|--------------------|---------------|
| i. | Individual shareholders holding nominal share capital up to ₹ 2 lakh | 28,14,242 | 15.38 | - | - | 28,14,242 | 15.38 |
| ii. | Individual shareholders holding nominal share capital in excess of ₹ 2 lakh | 18,69,810 | 10.22 | - | - | 18,69,810 | 10.22 |
| (c) | Any Other | | | - | - | | |
| i. | Key Managerial Personnel | 37,000 | 0.20 | - | - | 37,000 | 0.20 |
| ii. | Non-Resident Indians (NRIs) | 2,12,119 | 1.16 | - | - | 2,12,119 | 1.16 |
| iii. | Trust | 10 | 0.00 | - | - | 10 | 0.00 |
| iv. | Body Corp-Ltd Liability Partnership | 6,409 | 0.04 | - | - | 6,409 | 0.04 |
| v. | Hindu Undivided Family | 7,84,744 | 4.28 | - | - | 7,84,744 | 4.28 |
| vi. | Clearing Member | 1,051 | 0.01 | - | - | 1,051 | 0.01 |
| | Sub-Total (B)(2) | 60,54,654 | 33.09 | 0 | 0.00 | 60,54,654 | 33.09 |
| | | | | | | | |
| (B) | Total Public Shareholding (B)= (B)(1)+(B)(2) | 73,03,215 | 39.91 | 0 | 0.00 | 73,03,215 | 39.91 |
| | | | | | | | |
| | TOTAL (A)+(B) | 1,82,98,382 | 100.00 | 10,000 | 100.00 | 1,82,98,382 | 100.00 |
| | | | | | | | |
| (C) | Shares held by Custodians and against which DRs have been issued | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| | | | | | | | |
| | GRAND TOTAL (A)+(B)+(C) | 1,82,98,382[^] | 100.00 | 10,000 | 100.00 | 1,82,98,382 | 100.00 |

Notes:

*Post shareholding may vary depending on the actual shareholding as on the Record Date.

#Presently, the Resulting Company is the 100% Wholly-owned Subsidiary of the Demerged Company. However, as per the statutory requirement, there are 6 individual shareholders holding 1 equity share each as a Nominee Shareholders of the Demerged Company.

[^] The Demerged Company had allotted 4,08,768 fully convertible equity share warrants ('warrants') on February 02, 2024 on a preferential basis.

Out of the 4,08,768 warrants, the Demerged Company has allotted equity shares in the following manner consequent to conversion of 3,28,768 warrants:

(i) 1,64,384 Equity shares of INR 10/- each on conversion of 1,64,384 warrants on March 22, 2024 to Mr. Siddhartha Roy Burman, one of the Promoters of the Company; and

(ii) 1,64,384 Equity shares of INR 10/- each on conversion of 1,64,384 warrants on May 29, 2024 to Girish Gulati (HUF), Non-Promoter Entity. However, these 1,64,384 Equity Shares will be credited to the Allottee's account post obtaining listing approval from the stock exchanges.

Accordingly, the Issued, Subscribed and Paid-up Share Capital of the Demerged Company increased to INR 18,29,83,820/- from INR 17,96,96,140/ (as on the date of approval of the Scheme by the Board of Directors of the Demerged Company i.e., as on September 29, 2023).



November 24, 2023

To,
The Manager,
The Department of Corporate Services,
BSE Limited,
PJ Towers,
Dalal Street, Mumbai – 400 001
Scrip code: 540775

Sub: Report on Complaints in terms of Para 6 of Part I(A) of the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("SEBI Master Circular")

Ref: Application under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed Scheme of Arrangement between Khadim India Limited, KSR Footwear Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with relevant rules made thereunder ("Scheme")

Dear Sir/ Madam,

This has reference to the application filed by the Company in respect of the above with BSE on October 20, 2023. The Scheme and other relevant documents were hosted by BSE on its website on October 30, 2023.

We write to confirm that the Company has received no complaints relating to the Scheme either directly or through BSE during the period from October 20, 2023 to November 20, 2023. Please find enclosed the Report on Complaints in the prescribed format as **Annexure I**.

Request you to kindly take the above on record.

Thanking you,

Yours faithfully,

For and behalf of **Khadim India Limited**

Abhijit Dan
Company Secretary & Head - Legal
ICSI Membership No. -A21358

Encl.: As above

REPORT ON COMPLAINTS
(For the period from October 20, 2023 to November 20, 2023)

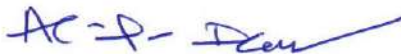
PART A

| Sl. No. | Particulars | Number |
|---------|---|----------------|
| 1. | Number of complaints received directly | NIL |
| 2. | Number of complaints forwarded by Stock Exchange / SEBI | NIL |
| 3. | Total Number of complaints / comments received (1 +2) | NIL |
| 4. | Number of complaints resolved | NOT APPLICABLE |
| 5. | Number of complaints pending | NOT APPLICABLE |

PART B

| Sl. No. | Name of Complainant | Date of Complaint | Status (Resolved / Pending) |
|----------------|---------------------|-------------------|--------------------------------|
| Not Applicable | | | |

For Khadim India Limited



Abhijit Dan
Company Secretary & Head - Legal
ICSI Membership No. -A21358

November 24, 2023

January 11, 2024

To
The Manager - Listing Compliance
National Stock Exchange of India Limited (NSE)
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex (E)
Mumbai – 400 051

Symbol: KHADIM

Sub: Report on Complaints in terms of Para 6 of Part I(A) of the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("SEBI Master Circular")

Ref: Application under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed Scheme of Arrangement between Khadim India Limited ('Company'), KSR Footwear Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with relevant rules made thereunder ("Scheme")

Dear Sir / Madam,

This has reference to the application filed by the Company in respect of the above with NSE on October 20, 2023. The Scheme and other relevant documents were hosted by NSE on its website on December 15, 2023.

We write to confirm that the Company has received no complaints relating to the Scheme either directly or through NSE during the period from October 20, 2023 to January 05, 2024. Please find enclosed the Report on Complaints in the prescribed format as **Annexure I**.

Request you to kindly take the above on record.

Thanking you,

Yours faithfully,

For and behalf of **Khadim India Limited**



Abhijit Dan
Company Secretary & Head - Legal
ICSI Membership No. - A21358

Encl.: As above



frontoffice@khadims.com



033-4009 0501



033-4009 0500

www.khadims.com

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

REPORT ON COMPLAINTS
(For the period from October 20, 2023 to January 05, 2024)

PART A

| Sl. No. | Particulars | Number |
|---------|---|----------------|
| 1. | Number of complaints received directly | NIL |
| 2. | Number of complaints forwarded by Stock Exchange / SEBI | NIL |
| 3. | Total Number of complaints / comments received (1 +2) | NIL |
| 4. | Number of complaints resolved | NOT APPLICABLE |
| 5. | Number of complaints pending | NOT APPLICABLE |

PART B

| Sl. No. | Name of Complainant | Date of Complaint | Status (Resolved / Pending) |
|---------|---------------------|-------------------|--------------------------------|
| 1. | | Not Applicable | |

For Khadim India Limited



Abhijit Dan
Company Secretary & Head - Legal
ICSI Membership No. - A21358

Date: January 11, 2024



DCS/AMAL/TL/IP/3159/2024-25

April 30, 2024

The Company Secretary,
Khadim India Ltd
 Link Intime India Pvt. Ltd,
 C-101, 1st Floor, 247 Park,
 Lal Bhadur Shastri Marg, Vikhroli (West),
 Mumbai, Maharashtra, 400083

Dear Sir,

Sub: Observation letter regarding the Scheme of Arrangement between Khadim India Limited ("Demerged Company" or "KIL") and KSR Footwear Limited ("Resulting Company" or "KFL") and their respective Shareholders and Creditors

We are in receipt of the Scheme of Arrangement between Khadim India Limited ("Demerged Company" or "KIL") and KSR Footwear Limited ("Resulting Company" or "KFL") and their respective Shareholders and Creditors filed by **Khadim India Ltd (Demerged Company)**, as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021 and November 17, 2022 read with SEBI Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and Regulation 37,59A,94(2) & 94A(2) of SEBI (LODR) Regulations 2015 (LODR Regulations); SEBI vide its letter dated April 30, 2024 has inter alia given the following comment(s) on the draft Scheme of Arrangement:

- A. "Company shall disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme."
- B. "Company shall ensure that additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."
- C. "Company shall ensure compliance with the SEBI circulars issued from time to time."
- D. "The entities involved in the Scheme shall duly comply with various provisions of the Circular and ensure that all the liabilities of Transferor Company are transferred to the Transferee Company"
- E. "Company is advised that the information pertaining to all the Unlisted Companies involved, if any, in the Scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval."
- F. "Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old."
- G. "Company is advised that the details of the proposed scheme under consideration as provided by Company to the Stock Exchange shall be prominently disclosed in the notice sent to the shareholders."
- H. "Both the Companies are advised to disclose the following as a part of the Explanatory Statement or notice or proposal accompanying resolution to be passed to be forwarded by the Company to its shareholders while seeking approval u/s 230 to 232 of the Companies Act, 2013 :

- Details of assets, liabilities, net worth and revenue of the companies involved, pre and post scheme
 - Impact of scheme on revenue generating capacity of Demerged Company
 - Need and Rationale of the scheme, Synergies of business of the entities involved in the scheme, Impact of the scheme on the shareholders and cost benefit analysis of the scheme.
 - Values of assets and liabilities of Demerged company that are being transferred to Resulting Company.”
- I. “Company shall ensure that applicable additional information ,if any to be submitted to SEBI along with draft scheme of arrangement as advised via query no 10 raised by the Exchange on the BSE Listing Portal on October 30, 2024 shall form part of disclosures to the shareholders.”
- J. “Company is advised that the proposed equity shares to be issued in terms of the ‘Scheme’ shall mandatorily be in demat form only.”
- K. “Company shall ensure that the “Scheme” shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document.”
- L. “Company shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI.”
- M. “Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon’ble NCLT and the Company is obliged to bring the observations to the notice of Hon’ble NCLT.”
- N. “Company is advised to comply with all applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme.”
- O. “It is to be noted that the petitions are filed by the Company before Hon’ble NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”

Accordingly, based on aforesaid comment offered by SEBI, the Company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon’ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the Company to the shareholders, while seeking approval of the scheme, it shall disclose Information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated June 20, 2023.

However, the listing of equity shares of KSR Footwear Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023. Further, KSR Footwear Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

The Company shall fulfill the Exchange's criteria for listing the securities of such Company and also comply with other applicable statutory requirements. However, the listing of shares of KSR Footwear Limited is at the discretion of the Exchange. In addition to the above, the listing of KSR Footwear Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about KSR Footwear Limited in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the Companies are also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all details of KSR Footwear Limited in line with the details required as per the aforesaid SEBI circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.
3. To disclose all the material information about KSR Footwear Limited on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:
 - "The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
 - "There shall be no change in the shareholding pattern of KSR Footwear Limited between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the **validity of this Observation Letter shall be Six Months from the date of this Letter**, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations do not preclude the Company from complying with any other requirements.


Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,



Marian Dsouza
Senior Manager



Tanmayi Lele
Assistant Manager

National Stock Exchange Of India Limited

Ref: NSE/LIST/38097

April 30, 2024

The Company Secretary
Khadim India Limited
7th Floor, Tower C, DLF IT Park,
08 Major Arterial Road, Block AF,
New Town (Rajarhat),
Kolkata- 700156

Kind Attn.: Mr. Abhijit Dan

Dear Sir,

Sub: Observation Letter for draft scheme of arrangement between Khadim India Limited ("Demerged Company" Or "KIL") and KSR Footwear Limited ("Resulting Company" or "KFL") and their respective shareholders and creditors pursuant to the provisions of sections 230 to 232 and section 66 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

We are in receipt of draft scheme of arrangement between Khadim India Limited ("Demerged Company" Or "KIL") and KSR Footwear Limited ("Resulting Company" or "KFL") and their respective shareholders and creditors pursuant to the provisions of sections 230 to 232 and section 66 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder vide application dated October 25, 2023.

Based on our letter reference no. NSE/LIST/38097 dated March 11, 2024, submitted to SEBI pursuant to SEBI Master Circular dated June 20, 2023 read with Regulation 37 and 94(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations), SEBI vide its letter dated April 30, 2024, has inter alia given the following comment(s) on the draft scheme of arrangement:

- a) *The Company shall ensure to disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters, and directors, before Hon'ble NCLT and shareholders, while seeking approval of the Scheme.*
- b) *Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchanges, from the date of receipt of this letter, is displayed on the websites of the listed Companies and the Stock Exchanges.*

This Document is Digitally Signed

- c) *The entities involved in the Scheme shall duly comply with various provisions of the Circular and ensure that all the liabilities of Transferor Company are transferred to the Transferee Company.*
- d) *The Company shall ensure that information pertaining to all the Unlisted Companies involved, if any, in the scheme, shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.*
- e) *The Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.*
- f) *The Company shall ensure that the details of proposed scheme under consideration as provided by the Company to the Stock Exchanges shall be prominently disclosed in the notice sent to the shareholders.*
- g) *Both the Companies shall disclose the following as a part of the explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act, 2013:*
- (i) Details of assets, liabilities, net worth and revenue of the companies involved, pre and post scheme.*
 - (ii) Impact of scheme on revenue generating capacity of Demerged Company.*
 - (iii) Need and Rationale of the scheme, Synergies of business of the companies involved in the scheme, Impact of the scheme on the shareholders and cost benefit analysis of the scheme.*
 - (iv) Value of assets and liabilities of Demerged Company that are being transferred to Resulting Company*
- h) *The Company shall ensure that applicable additional information submitted to Stock Exchanges and SEBI, as Annexure Y dated October 19, 2023 shall form part of disclosures to the shareholders.*
- i) *The Company shall ensure that the proposed equity shares to be issued in terms of the “Scheme” shall mandatorily be in demat form only.*
- j) *The Company shall ensure that the “Scheme” shall be acted upon subject to the Company complying with the relevant clauses mentioned in the scheme document.*
- k) *The Company shall ensure that no changes to the draft scheme shall be made without specific written consent of SEBI, except those mandated by the regulators/authorities/ tribunals.*
- l) *The Company shall ensure that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the Company is obliged to bring the observations to the notice of NCLT.*

m) *The Company shall ensure that all the applicable provisions under the Companies Act, 2013 and the rules and regulations thereunder are complied, including obtaining the consent from the creditors for the proposed scheme.*

n) *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ Stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.

Please note that the submission of documents/information, in accordance with the Circular to SEBI and National Stock Exchange of India (NSE), should not in any way be deemed or construed that the same has been cleared or approved by SEBI and NSE. SEBI and NSE does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No objection” in terms of Regulation 37 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

The Company should also fulfil the Exchange’s criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of KSR Footwear Limited is at the discretion of the Exchange.

The listing of KSR Footwear Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about KSR Footwear Limited and its group companies in line with the disclosure requirements applicable for public issues with National Stock Exchange of India Limited (“NSE”) for making the same available to the public through website of the companies. The following lines must be inserted as a disclaimer clause in the Information Memorandum:

“The approval given by the NSE should not in any manner be deemed or construed that the Scheme has been approved by NSE; and/ or NSE does not in any manner warrant, certify or endorse the correctness or completeness of the details provided for the unlisted Company; does not in any manner take any responsibility for the financial or other soundness of the Resulting Company, its promoters, its management etc.”

This Document is Digitally Signed

2. To publish an advertisement in the newspapers containing all the information about KSR Footwear Limited in line with the details required as per SEBI Master Circular dated June 20, 2023. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.
3. To disclose all the material information about KSR Footwear Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in SEBI (LODR) Regulations, 2015 for disclosures about the subsidiaries.
4. The following provision shall be incorporated in the scheme:
 - a) “The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.”
 - b) “There shall be no change in the shareholding pattern or control in KSR Footwear Limited between the record date and the listing which may affect the status of this approval.”

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from April 30, 2024, within which the Scheme shall be submitted to NCLT.

Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/rule/bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37 of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

Yours faithfully,
For National Stock Exchange of India Limited

Prakash Kelkar
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL: <https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist>



DETAILS OF ONGOING ADJUDICATION AND RECOVERY PROCEEDINGS, PROSECUTION INITIATED, AND ALL OTHER ENFORCEMENT ACTION TAKEN, IF ANY, AGAINST THE DEMERGED COMPANY, ITS PROMOTERS AND DIRECTORS

1. Mafag Reflexa AG, Casa Everz GmbH and Iatric Industries Pvt. Ltd. filed a Title Suit in July, 2023 before the Commercial Court of South 24 Parganas at Alipore, Kolkata for an alleged violation of a patented foot base of Footwear. Although the suit has been valued at ₹ 600 Million, no basis for the same has been given by the opposite party and the Company has sufficient grounds to defend the litigation successfully.
2. Although the below litigation is primarily initiated by the Company, for the purpose of better disclosure, completeness of information and being material litigation, we have included the details of the same:

In relation to a tender for supply of school shoes and uniform floated by Samagra Shiksha Abhiyan Authority (SSAA), Punjab through Director General School Education-cum-State Project Director (DG-School), an amount of INR 320.00 Million (approx.) to be received by the company in relation to supply of shoes and uniform was withheld and Performance Bank Guarantee of INR15 Million and INR 3.5 Million was forfeited via an order dated August 28, 2020.

Aggrieved, the Company took legal recourse and entered into an arbitration before the Arbitral Panel. In June 2022, the Arbitral Panel passed an Arbitral Award in favour of the Company whereby the Company was entitled to get INR 319.69 Million along with interest @ 9% p.a. and refund of Performance Bank Guarantee forfeited with interest @ 4.5% p.a. plus proportionate cost of arbitration.

However, in 2022, SSAA, Punjab through DG School filed an appeal before the District Court at Mohali against the said Arbitral Award. The Learned District Court vide its order pronounced in August, 2023 had set aside the Arbitral Award. Aggrieved by the order of District Court, the Company has filed an appeal before the Hon'ble High Court of Punjab, Chandigarh, in October, 2023 and the matter is since pending before the High Court.

3. Details of proceedings relating to direct and indirect taxes pertaining to the Demerged Company are as follows:

| Nature of case | Number of cases | Amount involved (INR in Million)* |
|-----------------------------------|------------------------|--|
| Direct taxes | | |
| Proceedings initiated by KIL | 0 | NIL |
| Proceedings initiated against KIL | 1 | 0.44 |
| Total | | 0.44 |
| Indirect taxes | | |
| Proceedings initiated by KIL | 0 | NIL |
| Proceedings initiated against KIL | 4 | 12.75 |
| Total | | 12.75 |

**To the extent ascertainable.*

4. There are no pending litigations against the Demerged Company's Promoters and Directors that would have an adverse impact on the proposed Scheme of Arrangement or its implementation.

KSR FOOTWEAR LIMITED

Registered Office: Flat No. 4A, 4th Floor, Kalyani Complex,
P-22, Block-A, Bangur Avenue, Kolkata-700055
CIN: U46413WB2023PLC264443 | **E-mail-** ksr082023@gmail.com

DISCLOSURE DOCUMENT

This Disclosure Document ('Disclosure Document' or 'Abridged Prospectus') has been prepared solely as per the requirements of the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 04, 2022, as amended from time to time, in connection with the Scheme of Arrangement between Khadim India Limited ('KIL' or 'Demerged Company') and KSR Footwear Limited ('KFL' or 'Resulting Company') and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('the Act') ('Scheme') filed before the Hon'ble National Company Law Tribunal, Kolkata Bench.

This Disclosure Document discloses applicable information [as prescribed in the format for abridged prospectus provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018] pertaining to KFL, being an unlisted company in the Scheme.

This Disclosure Document should be read together with the Scheme, and the Notice & the Explanatory Statement sent to the shareholders of the Demerged Company.

This Disclosure Document should not be considered as an invitation or an offer of any securities by or on behalf of KIL or KFL.

THIS DISCLOSURE DOCUMENT CONTAINS 11 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

KSR FOOTWEAR LIMITED

CIN: U46413WB2023PLC264443 | **Date of Incorporation:** August 22, 2023

| Registered Office | Corporate Office | Contact Person | Telephone, E-mail and Website |
|--|---------------------------------|---|---|
| Flat No. 4A, 4th Floor, Kalyani Complex, P-22, Block-A, Bangur Avenue, Kolkata - 700055 West Bengal, India | Same as Registered Office | Mr. Rittick Roy Burman, Director | Telephone: 033 4009 0501 E-mail: ksr082023@gmail.com Website: -- |

NAME OF PROMOTER OF KSR FOOTWEAR LIMITED

KHADIM INDIA LIMITED

DETAILS OF OFFER TO PUBLIC

| | |
|--|----------------|
| Type of Issue (Fresh/ OFS/ Fresh & OFS) | Not Applicable |
| Fresh Issue Size (by no. of shares or by amount in Rs) | |
| OFS Size (by no. of shares or by amount in Rs) | |
| Total Issue Size (by no. of shares or by amount in Rs) | |
| Issue Under 6(1)/ 6(2) | |
| Share Reservation (QIB/NII/RII) | |



DETAILS OF THE SCHEME

BRIEF PARTICULARS OF THE SCHEME

- (a) The Scheme of Arrangement is presented under Sections 230 to 232 and other applicable provisions of the Companies Act 2013 between Khadim India Limited ("Demerged Company") and KSR Footwear Limited ("Resulting Company") and their respective shareholders and creditors.
- (b) The Scheme provides for the following:
- (i) the transfer by way of a demerger of the Demerged Undertaking (as defined in the Scheme of Arrangement enclosed to the Notice as Annexure I) of the Demerged Company into the Resulting Company on a going concern basis and the consequent issue of New Equity Shares by the Resulting Company to the shareholders of the Demerged Company;
 - (ii) Reduction and cancellation of the existing paid-up share capital of the Resulting Company;
 - (iii) Listing of equity shares of Resulting Company on the Stock Exchanges; and
 - (iv) various other matters consequential or otherwise integrally connected herewith.
- (c) Upon the Scheme becoming effective and in consideration of and subject to the provisions of the Scheme, the Resulting Company shall without any application or deed, issue and allot New Equity Shares of face value of INR 10/- each, credited as fully paid up, to the extent indicated below, to the equity shareholders holding fully paid up equity shares of the Demerged Company and whose name appear in the register of members of the Demerged Company as on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Demerged Company in the following proportion, subject to the Clause 11.5 and Clause 11.6 of the Scheme:
- "1 (One) equity share of the face value of INR 10/- each fully paid-up of the Resulting Company shall be issued and allotted for every 1 (One) equity share of face value INR 10/- each fully paid up held by equity shareholders of the Demerged Company. "****Share Entitlement Ratio****"*
- (d) KSR Footwear Limited shall apply for listing of its equity shares on National Stock Exchange of India Limited and BSE Limited, in terms of and in compliance of SEBI Circular and other relevant provisions as may be applicable.
- (e) The Scheme shall be effective from the Appointed Date and shall be operative from the Effective Date.
- (f) The Scheme is subject to the approvals and sanctions as mentioned in the Scheme.

RATIONALE OF THE SCHEME

The Demerged Company has 2 (two) distinct businesses viz. (i) Retail Business and (ii) Distribution Business. The retail business operates through 848 retail stores (as on June 30, 2023) and caters to the middle and upper middle-income consumers, while the distribution business operates through a wide network of 732 distributors (as on June 30, 2023) selling to multi-brand-outlets across India and caters to lower and middle-income consumers. The transfer and vesting of the Demerged Undertaking comprising of Distribution Business into



the Resulting Company pursuant to this Scheme shall be in the interest of all concerned stakeholders including shareholders, customers, creditors, employees and general public, in the following ways:

- (i) The Demerged Undertaking and the Remaining Business (as defined in the Scheme) address different market segments with divergic dynamics in terms of business strategy, customer set and distinct capital requirements. The transfer of the Demerged Undertaking into the Resulting Company will enable both the Demerged and Resulting Company to focus on their activities in the respective segments. This would help to improve their competitiveness, operational efficiency, agility and strengthen their position in relevant markets.
- (ii) The nature of risk, competition, challenges, opportunities, market segment, target customer and business methods for the Distribution Business is separate and distinct from the Remaining Business carried out by the Demerged Company.
- (iii) The segregation of the business vertical shall enable them to move forward independently, with specialization building on their respective capabilities. It will also help to channelize resources required for all the businesses to focus on the growing businesses and attracting right talent and providing enhanced growth opportunities to existing talent in line with a sharper strategic focus on each business segment under separate entities.
- (iv) The Scheme will also enable the Demerged Company and the Resulting Company to focus and enhance their respective management structure ensuring better and more efficient management control.
- (v) Bifurcation of these businesses will enable unlocking value of each vertical thereby paving way for focused growth with a view to create significant stakeholder value, will attract distinct investor base and at the same time allow investors to allocate their portfolio into separate entities, focused on the distinct entities. Further, it will enable independent and distinct capital allocation approach and balance sheet management based on the distinct needs of each business.
- (vi) Thus, the demerger would help in achieving the desired operating structure and shall inter alia have following benefits:
 - Create sector focused companies;
 - Attract business specific investors;
 - Streamline the management structure;
 - Unlock value for shareholders;
 - Ring-fence businesses from each other;
 - Better risk management; and
 - Better Management Bandwidth utilization.

RISKS IN RELATION TO THE FIRST OFFER

The Company is not offering any shares through Initial Public Offer, to the Public. Hence, risk(s) in relation to first offer is **Not Applicable**.

GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds unless they can afford to take the risk of losing their investment.



Investors are advised to read the risk factors carefully before taking any investment decision. For taking any investment decision, investors must rely on their own examination of Khadim India Limited, KSR Footwear Limited and the Scheme, including the risks involved. The equity shares of KSR Footwear Limited have not been recommended or approved by the Securities and Exchange Board of India ('SEBI') / Stock Exchanges, nor does SEBI / Stock Exchanges guarantee the accuracy or adequacy of the contents of the Disclosure Document. Specific attention of the investors is invited to the section titled 'Internal Risk Factors' at Page 9 of this Disclosure Document.

PROCEDURE

The procedure with respect to public issue / offer would not be applicable as the issue of equity shares by KSR Footwear Limited is proposed only to the shareholders of Khadim India Limited pursuant to the Scheme. Hence, the procedure with respect to Bid-Cum-Application Form, Red Herring Prospectus and General Information Document etc. are **Not Applicable**.

PRICE BAND, MINIMUM BID LOT & INDICATIVE TIMELINES

Not Applicable

PRICE INFORMATION OF BRLM's*

| Issue Name | Name of Merchant Banker | +/- % change in closing price, (+/- % change in closing benchmark)- 30th calendar days from listing | +/- % change in closing price, (+/- % change in closing benchmark)- 90th calendar days from listing | +/- % change in closing price, (+/- % change in closing benchmark) - 180th calendar days from listing |
|------------|-------------------------|---|---|---|
| NA | NA | NA | NA | NA |
| NA | NA | NA | NA | NA |

* Disclosures subject to recent 7 issues (initial public offerings) in current financial year and two preceding financial years managed by each Merchant Banker with common issues disclosed once.

| | |
|---|----|
| Name of BRLM and contact details (telephone and email id) of each BRLM | NA |
| Name of Syndicate Members | NA |

In case of issues by Small and Medium Enterprises under Chapter IX, details of the market maker to be included.

| | |
|--|---|
| Name of Registrar to the Issue and contact details (telephone and email id) | NA |
| Name of Statutory Auditor | M/s. Agarwal & Associates Chartered Accountants Firm Registration Number: 323210E Address: 21A, Shakespeare Sarani 8th Floor, Flat 8D, Kolkata – 700017 Email: agarwals.associates@gmail.com Tel: 033 4064 9046 |
| Name of Credit Rating Agency and the rating or grading obtained, if any | NA |
| Name of Debenture trustee, if any. | NA |
| Self-Certified Syndicate Banks | NA |



| | |
|---|----|
| Non Syndicate Registered Brokers | NA |
| Details regarding website address(es)/ link(s) from which the investor can obtain list of registrar to issue and share transfer agents, depository participants and stock brokers who can accept application from investor (as applicable) | NA |

DETAILS OF OFS BY PROMOTER(S)/ PROMOTER GROUP/ OTHER SELLING SHAREHOLDERS (upto a maximum of 10 selling shareholders)

Not Applicable

DETAILS OF WACA OF ALL SHARES TRANSACTED OVER THE TRAILING EIGHTEEN MONTHS FROM THE DATE OF RHP

Not Applicable

PROMOTER OF KSR FOOTWEAR LIMITED

| Sl. No. | Name | Individual / Corporate | Experience |
|----------------|----------------------|-------------------------------|---|
| 1. | Khadim India Limited | Corporate | <p>Khadim India Limited was incorporated on 3rd December, 1981 as a private company limited by shares under the provisions of the Companies Act, 1956 under the name and style of "S. N. Footwear Industries Private Limited". Subsequently, with effect from 17th April, 1998, the name was changed to "Khadim Chain Stores Private Limited". Thereafter, the Demerged Company was converted into a public limited company. Upon conversion into public limited company, with effect from 24th June, 2005, the name was changed to "Khadim Chain Stores Limited". Thereafter, again with effect from 26th August, 2005, the name was changed to its present name, "Khadim India Limited".</p> <p>Khadim India Limited is a public listed company within the meaning of the Companies Act, 2013 having CIN: L19129WB1981PLC034337. Its Registered Office is at 7th Floor, Tower C, DLF IT Park, 08 Major Arterial Road, Block-AF, New Town (Rajarhat), Kolkata - 700156.</p> <p>Khadim India Limited is engaged in the business of footwear and accessories.</p> <p>The Equity Shares of Khadim India Limited are listed on the National Stock Exchange of India Limited and BSE Limited.</p> |



| BUSINESS OVERVIEW AND STRATEGY OF KSR FOOTWEAR LIMITED | |
|--|--|
| Company Overview | <p>KSR Footwear Limited was incorporated on August 22, 2023 as a public limited company under the provisions of the Companies Act, 2013 having CIN: U46413WB2023PLC264443.</p> <p>Its Registered Office is at Flat No. 4A, 4th Floor, Kalyani Complex, P-22, Block-A, Bangur Avenue, Kolkata-700055. KSR Footwear Limited is a Wholly-owned Subsidiary of Khadim India Limited and it is engaged in the business of manufacturing and wholesaling of footwear and accessories.</p> |
| Product / service offering | KSR Footwear Limited is yet to commence its business operations. |
| Revenue segmentation by product / service offering | |
| Geographies served | Not Applicable |
| Revenue segmentation by geographies | |
| Key Performance Indicators | Not Applicable, since KSR Footwear Limited is yet to commence its business operations. |
| Client profile or industries served | Not Applicable |
| Revenue segmentation in terms of top 5/10 clients or industries | |
| Intellectual Property, if any | Not Applicable |
| Market share | Nil |
| Manufacturing plant, if any | Nil |
| Employee strength | <p>Upon the Scheme becoming effective, all Transferring employees (as defined in the Scheme) as on the Effective Date shall be deemed to have become employees of KSR Footwear Limited.</p> <p>Presently, KSR Footwear Limited has no employees.</p> |

| BOARD OF DIRECTORS OF KSR FOOTWEAR LIMITED | | | | |
|---|---|--|--|--|
| Sl. No. | Name | Designation (Independent / Wholetime / Executive / Nominee) | Experience and Educational Qualification | Other Directorships |
| 1. | Mr. Rittick Roy Burman (DIN: 08537366) | Director | Mr. Rittick Roy Burman is a Whole-time Director of Khadim India Limited with effect from November 2019. Prior to his appointment as a Whole-time Director, he held various roles within Khadim India Limited for a tenure of three years. Notably, he served as the Head | <u>Indian Companies:</u> <ol style="list-style-type: none"> 1. Khadim India Limited 2. Storyscope Films Private Limited 3. Khadim Estate Advisors |



| | | | | |
|----|--|----------|---|---|
| | | | <p>Merchandising & New Initiatives, overseeing the long-term strategy of Khadim India Limited and driving new ventures and initiatives. His diverse experience across different departments of Khadim India Limited has provided him with a comprehensive understanding of the business.</p> <p>He holds a Bachelor's Degree in Commerce from the University of Calcutta. He is also a Management Graduate from University of California, Berkeley.</p> | <p>Private Limited</p> <p><u>Foreign Companies:</u></p> <p>1. Khadim Shoe Bangladesh Limited</p> |
| 2. | Mr. Ritoban Roy Burman (DIN: 08020765) | Director | <p>Mr. Ritoban Roy Burman is a Non-Executive, Non-Independent Director of Khadim India Limited w.e.f. December 14, 2017. He joined Khadim India Limited in 2013 as Manager-Marketing and served in this capacity till November 2017. During this period, he gained good exposure in various aspects of footwear marketing. Since then, he has been an integral part of Khadim India Limited, contributing his valuable expertise across different facets of the business of Khadim India Limited.</p> <p>He holds a Bachelor's Degree in Mass Communication from St. Xavier's College, Kolkata.</p> | <p><u>Indian Companies:</u></p> <p>1. Khadim India Limited</p> <p>2. Storyscope Films Private Limited</p> |
| 3. | Mr. Suman Barman Roy (DIN: 07285500) | Director | <p>Mr. Suman Barman Roy is presently acting as Strategic Advisor to Khadim India Limited (KIL).</p> <p>Prior to his current role, he held various responsible position in KIL including Chief Executive Officer and Chief Financial Officer of the Company.</p> <p>Mr. Suman Barman Roy joined KIL group in 1991. During his career of more than three decades at KIL, he had handled wide range of responsibilities in various areas including management, administration, finance,</p> | <p><u>Foreign Companies:</u></p> <p>1. Khadim Shoe Bangladesh Limited</p> |



| | | | |
|--|--|--|--|
| | | <p>manufacturing, operations and strategic planning.</p> <p>Before joining the KIL group, he was associated with Lovelock & Lewes, Chartered Accountants, in accounting and audit functions, which since merged with PWC.</p> <p>He is a Fellow Member of the Institute of Chartered Accountants of India and also holds a Bachelor's Degree in Commerce from St. Xavier's College, Kolkata.</p> | |
|--|--|--|--|

OBJECTS OF THE SCHEME

Brief objects of the Scheme is demerger, transfer and vesting of the Demerged Undertaking (as defined in the Scheme) of Khadim India Limited into KSR Footwear Limited, on a going concern basis, in accordance with the Scheme, under section 230 to 232 and other applicable provisions of the Companies Act, 2013.

The Scheme also provides for various other matters consequent and incidental thereto.

The Rationale of the Scheme is set under the heading "Details of the Scheme" of this document.

Details of means of finance: Not Applicable

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilisation of issue proceeds of past public issues / rights issue, if any, in the preceding 10 years: Not Applicable

Name of monitoring agency, if any: Not Applicable

Terms of Issuance of Convertible Security, if any: Not Applicable

PRE-SCHEME SHAREHOLDING PATTERN OF KSR FOOTWEAR LIMITED

| Sl. No. | Particulars | Pre-Scheme number of Shares | Pre-Scheme percentage of shareholding |
|--------------|-----------------------------|-----------------------------|---------------------------------------|
| 1. | Promoter and Promoter Group | 10,000* | 100% |
| 2. | Public | NIL | NIL |
| Total | | 10,000 | 100% |

* Held by Khadim India Limited (including 6 shares held by individual shareholders holding 1 equity share each as a Nominee Shareholders of Khadim India Limited, as per the statutory requirement).

Number / amount of equity shares proposed to be sold by selling shareholders, if any:
Not Applicable



AUDITED FINANCIALS OF KSR FOOTWEAR LIMITED FOR THE PERIOD ENDED 31ST MARCH, 2024

| Particulars | Amount (INR) |
|--|---------------------|
| Revenue from operations | Nil |
| Total Income | Nil |
| Net Profit / (Loss) before tax and extraordinary items | (1,53,723) |
| Net Profit / (Loss) after tax and extraordinary items | (1,53,723) |
| Equity Share Capital | 1,00,000 |
| Other Equity | (1,53,723) |
| Net worth | (53,723) |
| Basic earnings per share (INR per share) | (25.16) |
| Diluted earnings per share (INR per share) | (25.16) |
| Return on Net Worth (%) | Nil |
| Net asset value per share (INR per share) | (5.37) |

Notes:

1. KSR Footwear Limited was incorporated on August 22, 2023. Hence, the first financial year of KSR Footwear Limited is from August 22, 2023 to 31st March, 2024, in accordance with Section 2(41) of the Act.
2. Net worth has been computed as per Section 2(57) of the Act.
3. Return on net worth (%) has been arrived at by dividing Profit for the period by Net worth.
4. Net asset value per share has been arrived at by dividing Net worth by the number of outstanding Equity Shares.

INTERNAL RISK FACTORS

1. The company is subject to risks associated with expansion into new geographic markets. Any inability to expand into new geographic markets or penetrate into existing markets may adversely affect our growth and future prospects.
2. We will have to rely on our distributors for distribution business. Any failure to maintain relationships with such third parties could adversely affect our business, results of operations and financial condition. Any delay or default in payment from our distributors could adversely impact our profits and affect our cash flows. Our inability to maintain an optimal level of inventory with our distributors may impact our operations adversely.
3. Failure to successfully procure raw materials or to identify new raw material suppliers could adversely affect us.
4. Our results of operations may be materially adversely affected by our failure to anticipate and respond to changes in fashion trends and consumer preferences in a timely manner.
5. Inability to attract and retain high quality talent, inadequate training & development, and high attrition may adversely affect business operations and growth prospects of the company.



6. We depend on third parties for a major portion of our transportation needs. Any disruptions may adversely affect our operations, profitability, reputation and market position.
7. We operate in a highly competitive environment and may not be able to maintain our market position, which may adversely impact our business, results of operations and financial condition.
8. We may be subject to claims with respect to our intellectual property and our efforts to protect our intellectual property may not be sufficient.
9. Our business operations may be materially adversely affected by strikes or work stoppages economic, political and other prevailing conditions in India and by changes in environmental, health and safety, taxation and labour laws.
10. Negative impact in the quality or reputation of the company's brands on account of negative publicity or misinformation in any manner whatsoever could have an adverse impact on the business of the Company.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTIONS

A. Total number of outstanding litigations against KSR Footwear Limited and amount involved:

| Name of Entity | Criminal Proceedings | Tax Proceedings | Statutory or Regulatory Proceedings | Disciplinary action by SEBI / Stock Exchanges against Promoters | Material Civil Litigation | Aggregate Amount involved (INR in million) |
|--|--|------------------------|--|--|----------------------------------|---|
| KSR Footwear Limited (KFL) | | | | | | |
| By KFL | NIL | NIL | NIL | NIL | NIL | N.A. |
| Against KFL | NIL | NIL | NIL | NIL | NIL | N.A. |
| Directors | | | | | | |
| By the Directors of KFL | NIL | NIL | NIL | NIL | NIL | N.A. |
| Against the Directors of KFL | NIL | NIL | NIL | NIL | NIL | N.A. |
| Promoter | | | | | | |
| By the Promoters of KFL | NIL | NIL | NIL | NIL | 1 [§] | 338.19* |
| Against the Promoters of KFL | NIL | 5 | NIL | NIL | 1 [§] | 613.19* |
| Subsidiaries | | | | | | |
| By Subsidiaries | Not Applicable as KSR Footwear Limited does not have any subsidiary. | | | | | |
| Against Subsidiaries | | | | | | |
| Notes: | | | | | | |
| *To the extent ascertainable. | | | | | | |
| §Civil litigations involving amount of more than the materiality threshold [as per Regulation 30 of the SEBI (LODR) Regulations, 2015] | | | | | | |



- B. Brief details of top 5 material outstanding litigations against KSR Footwear Limited and amount involved: **None**
- C. Regulatory or disciplinary actions taken by SEBI or Stock Exchanges against Promoter of KSR Footwear Limited (i.e., Khadim India Limited) in last 5 financial years including outstanding action, if any – **None**
- D. Brief details of outstanding criminal proceedings against Promoter of KSR Footwear Limited (i.e., Khadim India Limited): **None**

ANY OTHER IMPORTANT INFORMATION AS PER KSR FOOTWEAR LIMITED: None

DISCLAIMER

The approval given by the Stock Exchanges should not in any manner be deemed or construed that the Scheme has been approved by the Stock Exchanges; and/ or the Stock Exchanges do not in any manner warrant, certify or endorse the correctness or completeness of the details provided for the Resulting Company; does not in any manner take any responsibility for the financial or other soundness of the Resulting Company, its promoters, its management etc.

DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines / regulations issued by the Government of India or the guidelines / regulations issued by the SEBI established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Disclosure Document is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements in this Disclosure Document are true and correct.

For and on behalf of **KSR Footwear Limited**


Rittick Roy Burman
Director
DIN: 08537366



Date: July 05, 2024
Place: Kolkata

Date: July 06, 2024

To,

| | |
|---|--|
| <p>The Board of Directors, Khadim India Limited 7th Floor, Tower C, DLF IT Park, 08 Major Arterial Road, Block-AF, New Town (Rajarhat), Kolkata – 700156, West Bengal India</p> | <p>The Board of Directors, KSR Footwear Limited Flat No. 4A, 4th Floor, Kalyani Complex, P-22, Block-A, Bangur Avenue, North 24 Parganas -700055, West Bengal, India</p> |
|---|--|

Dear Sir / Madam,

Sub: Due Diligence Certificate on the adequacy and accuracy of the Disclosure Document comprising of applicable information pertaining to the Resulting Company in the format specified for Disclosure Document as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR”) read with SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 (“SEBI Master Circular”) and SEBI Circular No SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 04, 2022 (“Disclosure Document”)

This is with reference to our engagement with the Demerged Company for, inter alia, certifying the accuracy and adequacy of the **Disclosure Document** to be sent to the shareholders of the Demerged Company pursuant to SEBI Master Circular in the matter of proposed Scheme of arrangement (“**Scheme**”) between Khadim India Limited (“**Demerged Company**” or “**KIL**”) and KSR Footwear Limited (“**Resulting Company**” or “**KFL**”) and their respective shareholders pursuant to Sections 230 – 232 of the Companies Act, 2013 read with section 66 and rules framed thereunder and other relevant provisions of the Companies Act, 2013, as may be applicable, and Section 2(19AA) and other relevant provisions of the Income Tax Act, 1961, as applicable.

We have been provided with the Disclosure Document dated July 05, 2024, prepared by the Resulting Company. The Disclosure Document will be circulated to the Equity Shareholders of the Demerged Company as part of the explanatory statement to the notice of the NCLT convened meeting of equity Shareholders at the time of seeking their approval to the Scheme.

Based on the information, undertakings, certificates, confirmations and documents provided to us by the Resulting Company, we hereby confirm that the disclosures made in the Disclosure Document are true, fair and adequate to enable the investors to make a well informed decision as to the proposed Scheme and such disclosures are in accordance with the requirements of the Companies Act, 2013, SEBI Master Circular, SEBI Circular No. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 04, 2022, SEBI ICDR and other applicable provisions / legal requirements.

The above confirmation is based on the information furnished and explanations provided to us by the management of the Resulting Company, assuming the same is complete and accurate in all material aspects. We have relied upon financials, information and representations furnished to us on an as is basis and have not carried out an audit of such information. Our scope of work does not constitute an audit of financial information and accordingly we are unable to and do not express an opinion on the fairness of any such financial information referred to in the Disclosure Document. This certificate is based on the information as at July 05, 2024. This certificate is a specific purpose certificate issued in terms of the SEBI Master Circular and hence, it should not be used for any other purpose or transaction. The certificate is not, nor should it be construed to be, a certification of compliance of the Scheme with the provisions of the applicable Law including company, taxation and securities markets related laws or as regards to any legal implications or issues arising thereon, except for the purpose expressly mentioned herein.

We express no opinion whatsoever and make no recommendation at all as to the Demerged Company's and the Resulting Company's underlying decision to effect the Scheme or as to how the holders of equity shares are secured or how the equity shareholders of the Demerged Company should vote at their meeting held in connection with the proposed Scheme.

We do not express and should not be deemed to have expressed any views on any other terms of the Scheme or its success. We also express no opinion, and accordingly, accept no responsibility for or as to the financial performance of the Resulting Company following the consummation of the Scheme. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders / investors should buy, sell or hold any stake in Demerged Company or any of its related parties (holding company/ subsidiaries/ associates etc.)

For Saffron Capital Advisors Private Limited



Amit Wagle
Associate Director
Equity Capital Markets

Webel Bhavan, Ground Floor,
Block - EP & GP, Sector V,
Salt Lake, Kolkata - 700 091
Tel. : +91-33-4064 8107 / 8108 / 8109
E-mail : raynray@raynray.net

To,
The Board of Directors,
Khadim India Limited,
7th Floor, Tower C, DLF IT Park,
08 Major Arterial Road, Block - AF
New Town (Rajarhat), Kolkata - 700 156

Independent Auditor's Certificate certifying details to be submitted by the Company in case of demerger where there is no change in shareholding pattern of Demerged company and the Resulting company and a mirror image is created in the Resulting Company.

1. This Certificate is issued in accordance with the terms of our Engagement Letter dated October 6, 2023 with Khadim India Limited and for the purpose of the draft Scheme of Arrangement between Khadim India Limited (hereinafter the 'Company' or the 'Demerged Company' or 'KIL'), KSR Footwear Limited (hereinafter referred to as 'the Resulting Company' or 'KFL') and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act") ['Scheme'].
2. Statements containing details to be submitted by the Company in case of demerger where there is no change in shareholding pattern of the Demerged company and the Resulting company and a mirror image is created in the Resulting Company duly signed by the authorized signatory of the Company ('the Statements') is attached as an **Annexure - 1A, 1B and 2** to this Certificate, which we have initialled for identification purpose only.

Management's responsibility

3. The responsibility for the preparation of the Statements is that of the Management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Statements and applying appropriate basis of preparation, making estimates that are reasonable in the circumstances and ensuring that the Statements are correct and free from error.

Auditor's responsibility

4. Pursuant to the requirements of the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ('SEBI Circular') as amended, it is our responsibility to examine the Statements and provide a reasonable assurance that the amounts in the Statements are prepared in accordance with Section 133 of the Act,

read with the Companies (Indian Accounting Standard) Rules, 2015 (the 'applicable Indian Accounting Standards'), and Other Generally Accepted Accounting Principles.

5. We carried out our examination of the Statements in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Act, in so far as applicable for the purpose of this Certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Undertaking.

Opinion

7. Based on our examination, as above, we are of the opinion that the amounts in the Statements have been prepared in accordance with Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015 (the 'applicable Indian Accounting Standards'), and Other Generally Accepted Accounting Principles.

Restriction on Use

8. This Certificate is issued at the request of the Company to enable them to comply with the requirements of the SEBI Circular which requires them to submit this Certificate along with the Statements for onward submission by the Company to Securities and Exchange Board of India ('SEBI'), BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') and such other statutory or regulatory authorities as may be required in connection with the Scheme. This Certificate should not be used for any other purpose or to be distributed to any other parties without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this Certificate is shown or into whose hands it may come without our prior consent in writing.

For Ray & Ray

Chartered Accountants

Firm registration number: 301072E

Amitava Chowdhury

(Amitava Chowdhury)

Partner

Membership No: 056060

UDIN: 23056060BGWPNCR8514



Place: Kolkata

Date: 13.10.2023

Annexure - 1A

Details of Assets, Liability, Revenue and Net Worth of the companies involved in the Scheme, both pre and post Scheme of Arrangement

Khadim India Limited ('KIL')

Statement of Assets and Liabilities

(INR in millions)

| Particulars | Pre scheme (As on June 30,2023) | Post scheme |
|-------------------------------|------------------------------------|-----------------|
| Assets | | |
| Property, Plant and Equipment | 809.57 | 358.21 |
| Capital work - in - progress | 2.91 | 0.29 |
| Right of Use Asset | 1,622.90 | 1,179.56 |
| Intangible assets | 5.60 | 5.60 |
| Investments | 1.39 | 1.39 |
| Other Financial Assets | 207.56 | 197.25 |
| Deferred tax assets (net) | 130.06 | 130.06 |
| Income tax assets (net) | 20.85 | 20.85 |
| Other non-current assets | 97.92 | 76.35 |
| Inventories | 2,113.73 | 1,479.87 |
| Trade receivables | 2,009.00 | 1,489.12 |
| Cash and cash equivalents | 58.33 | 56.61 |
| Other Bank balances | 141.90 | 141.90 |
| Other financial assets | 103.70 | 103.70 |
| Other current assets | 533.45 | 521.92 |
| Total Assets | 7,858.87 | 5,762.68 |
| Liabilities | | |
| Borrowings | 1,233.35 | 1,183.35 |
| Lease liabilities | 1,933.40 | 1,464.13 |
| Non-current Provisions | 1.29 | 1.29 |
| Other non-current liabilities | 7.65 | Nil |
| Trade payables | 2,225.60 | 1,911.78 |
| Other financial liabilities | 140.65 | 130.93 |
| Other current liabilities | 45.37 | 39.76 |
| Current provisions | 1.02 | 1.02 |
| Total Liabilities | 5,588.33 | 4,732.26 |



INITIALED FOR THE PURPOSE
OF IDENTIFICATION

Ray & Ray
RAY & RAY



033-4009 0501



033-4009 0500



frontoffice@khadims.com

www.khadims.com

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

Statement of Net worth

(INR in millions)

| Particulars | Pre Scheme (As on June 30,2023) | Post Scheme |
|---------------------------------|------------------------------------|----------------|
| Share Capital | | |
| Equity Share Capital | 179.70 | 179.70 |
| Total share Capital (1) | 179.70 | 179.70 |
| Free reserves | | |
| Retained Earnings | 626.39 | 626.39 |
| Total Free reserves (2) | 626.39 | 626.39 |
| Other Reserves | | |
| Securities Premium | 1,221.83 | 1,221.83 |
| Capital reserve on demerger | Nil | (1,240.12) |
| Total Other Reserves (3) | 1,221.83 | (18.29) |
| Net worth (1 + 2+ 3) | 2,027.92 | 787.80 |

Revenue from operations

(INR in millions)

| Particulars | Pre Scheme (As on June 30,2023) | Post Scheme |
|-------------------------|------------------------------------|-------------|
| Revenue from Operations | 1,579.80 | 1,035.89 |

Notes:

1. The post Scheme Assets, liabilities, Net Worth and Revenue of KIL has been computed considering the accounting treatment contained in the Scheme which is subject to Securities Exchange Board of India (SEBI) and National company Law Tribunal (NCLT) approval.
2. The post Scheme Assets, Liabilities, Net Worth and Revenue are indicative and may change basis actual data as on effective date.
3. The Net Worth of KIL has been computed as per Section 2(57) of the Companies Act, 2013.

For Khadim India Limited

Indrajit Chaudhuri
Indrajit Chaudhuri
Chief Financial Officer
 ICAI Membership No.: 61162

INITIALED FOR THE PURPOSE
OF IDENTIFICATION

Ray & Ray
RAY & RAY



Date: October 13, 2023

Place: Kolkata

@
frontoffice@khadims.com

033-4009 0501

033-4009 0500

www.khadims.com

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

KSR FOOTWEAR LIMITED

CIN : U46413WB2023PLC264443

REGISTERED OFFICE : FLAT NO. 4A, 4TH FLOOR, KALYANI COMPLEX, P-22, BLOCK - A, BANGUR AVENUE, KOLKATA - 700055

E-MAIL : ksr082023@gmail.com

Annexure - 1B

Details of Assets, Liability, Revenue and Net Worth of the companies involved in the Scheme, both pre and post Scheme of Arrangement.

KSR Footwear Limited ('KFL')

Statement of Assets and Liabilities

(INR in millions)

| Particulars | Pre Scheme (As on September 30, 2023) | Post Scheme |
|-------------------------------|--|-----------------|
| Assets | | |
| Property, Plant and Equipment | Nil | 451.36 |
| Capital work - in - progress | Nil | 2.62 |
| Right of Use Asset | Nil | 443.34 |
| Other financial assets | Nil | 10.31 |
| Other non-current assets | Nil | 21.57 |
| Inventories | Nil | 633.86 |
| Trade receivables | Nil | 519.88 |
| Cash and cash equivalents | 0.10 | 1.82 |
| Total Assets | 0.10 | 2,096.29 |
| Liabilities | | |
| Lease liabilities | Nil | 469.27 |
| Other non-current liabilities | Nil | 7.65 |
| Borrowings | Nil | 50.00 |
| Trade payables | 0.04 | 313.86 |
| Other financial liabilities | Nil | 9.72 |
| Other current liabilities | Nil | 5.61 |
| Total Liabilities | 0.04 | 856.11 |

INITIALLED FOR THE PURPOSE
OF IDENTIFICATION

Ray & Ray
RAY & RAY



KSR FOOTWEAR LIMITED

CIN : U46413WB2023PLC264443

REGISTERED OFFICE : FLAT NO. 4A, 4TH FLOOR, KALYANI COMPLEX, P-22, BLOCK - A, BANGUR AVENUE, KOLKATA - 700055

E-MAIL : ksr082023@gmail.com

Statement of Net worth

(INR in millions)

| Particulars | Pre Scheme (As on September 30, 2023) | Post Scheme |
|---------------------------------|--|-------------|
| Share Capital | | |
| Equity Share Capital | 0.10 | 179.70 |
| Total share Capital (1) | 0.10 | 179.70 |
| Free reserves | | |
| Retained Earnings | (0.04) | (0.04) |
| Total Free reserves (2) | (0.04) | (0.04) |
| Other Reserves | | |
| Capital reserve on demerger | Nil | 1,060.42 |
| Total Other Reserves (3) | Nil | 1,060.42 |
| Net worth (1 + 2+ 3) | 0.06 | 1,240.08 |

Revenue from operations

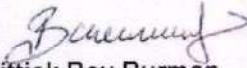
(INR in millions)

| Particulars | Pre Scheme (As on September 30, 2023) | Post Scheme |
|-------------------------|--|-------------|
| Revenue from Operations | Nil | 543.91 |

Notes:

1. The post Scheme Assets, Liabilities, Net Worth and Revenue of KFL has been computed considering the accounting treatment contained in the Scheme which is subject to Securities Exchange Board of India (SEBI) and National company Law Tribunal (NCLT) approval.
2. The post Scheme Assets, Liabilities, Net Worth and Revenue are indicative and may change basis actual data as on effective date.
3. The Net Worth of KFL has been computed as per Section 2(57) of the Companies Act, 2013.
4. The post Scheme Net Worth of KFL is calculated basis the Limited Review Financial Results of Khadim India Limited as on 30th June 2023 as the Limited Review Financial Results of Khadim India Limited as on 30th September 2023 are not available.

For KSR Footwear Limited


Rittick Roy Burman
Director
DIN: 08537366

Date: October 13, 2023
Place: Kolkata

INITIALLED FOR THE PURPOSE
OF IDENTIFICATION


RAY & RAY

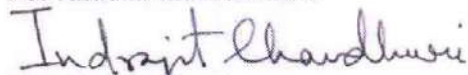


Brief History of Demerged Undertaking

The Division to be demerged or the Demerged Undertaking (as defined in the Scheme) includes the entire Distribution Business (as defined in the Scheme) of Khadim India Limited, as a going concern, including the business, assets, activities, operations and properties related to or pertaining to the Distribution Business of the Demerged Company.

Distribution business includes the Company's distribution segment which provides branded and affordable footwears in the mass footwear category catering to lower- & middle-income consumers in Tier I to Tier III cities. The distribution business operates through a network of 732 distributors (as on June 30, 2023) selling to multi-brand-outlets across India. The distribution segment manufactures approximately 96% of the products of this category to have better control over quality, supply and cost.

For Khadim India Limited



Indrajit Chaudhuri
Chief Financial Officer
ICAI Membership No.: 61162

Date: October 13, 2023

Place: Kolkata

INITIALLED FOR THE PURPOSE
OF IDENTIFICATION
RAY & RAY



Impact of scheme on revenue generating capacity of Demerged Company:

The business presently undertaken by the Demerged Company comprises of the retail business and the distribution business, both of which have different requirements and are operated as separate business verticals, independent of each other.

The segregation of the distribution business is not likely to impact the revenue generating capacity of the remaining business of the Demerged Company.

Further, the demerger of the distribution business would unlock value of each business vertical of the Company thereby enhancing its business operations with more efficient management control and independent strategies thus positively impacting its revenue generating capacity of the remaining business.

For **Khadim India Limited**

Siddhartha Roy Burman

Chairman & Managing Director

DIN: 00043715

Place: Kolkata

Date: July 05, 2024



frontoffice@khadims.com



033-4009 0501



033-4009 0500

www.khadims.com

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

**REPORT OF THE AUDIT COMMITTEE ('COMMITTEE') OF KHADIM INDIA LIMITED
RECOMMENDING THE DRAFT SCHEME OF ARRANGEMENT BETWEEN KHADIM INDIA
LIMITED, KSR FOOTWEAR LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
HELD ON SEPTEMBER 29, 2023 AT THE REGISTERED OFFICE OF KHADIM INDIA LIMITED**

Present – Directors / Members

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

Company Secretary & Head – Legal and Chief Finance Officer were also present at the meeting.

1. Background

- 1.1. A meeting of the Audit Committee ('Committee') was held on September 29, 2023, inter-alia, to consider and if thought fit, recommend to the Board of Directors ('Board') the proposed Scheme of Arrangement under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('the Act'), between Khadim India Limited (hereinafter referred to as 'the **Demerged Company**' or 'the **Company**' or '**KIL**'), KSR Footwear Limited (hereinafter referred to as 'the **Resulting Company**' or '**KFL**') and their respective shareholders and creditors under the provisions of the Act ('**Scheme**').
- 1.2. The Appointed Date for the proposed Scheme is same as the Effective Date or such other date as may be mutually agreed by the Companies.
- 1.3. The Effective Date for the proposed Scheme is the date which will be the first day of the month following the month in which Companies mutually acknowledge in writing that all the conditions referred to in Clause 25.1 of the Scheme (as set out in paragraph 2.4 of this report) have occurred or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme.
- 1.4. The Scheme will be presented before the NCLT under sections 230 to 232 and other applicable provisions of the Act and the rules made thereunder and will also be in compliance with section 2(19AA) of the Income-tax Act, 1961 and Securities and Exchange Board of India Master Circular No. Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ('SEBI Master Circular').
- 1.5. In terms of the SEBI Master Circular, a report from the Audit Committee is required recommending the draft Scheme, taking into consideration, *inter-alia*, the Share Entitlement Ratio Report (as defined hereinafter), and commenting on the need for the scheme, rationale of the Scheme, impact of the Scheme on the shareholders, cost benefit analysis of the Scheme and synergies of business of the entities involved in the



Scheme. This report of the Committee is made in order to comply with the requirements of the SEBI Master Circular.

2. The Salient Features of the Scheme:

The Scheme, *inter-alia*, provides for:

- 2.1. Demerger of the Distribution Business ('the Demerged Undertaking') of the Company, as going concern into the Resulting Company, and subsequent reduction and cancellation of the existing paid - up share capital of the Resulting company in accordance with clause 12 of the Scheme.
- 2.2. The Appointed Date for the proposed Scheme is same as the Effective Date or such other date as may be mutually agreed by the Companies.
- 2.3. The Effective Date for the proposed Scheme is the date which will be the first day of the month following the month in which Companies mutually acknowledge in writing that all the conditions referred to in Clause 25.1 of the Scheme (as set out in paragraph point 2.4 of this report) have occurred or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme
- 2.4. The Scheme is subject to various conditions precedent specified in the Scheme:
 - a. Obtaining No-objection Certificate from the Stock Exchanges in relation to the Scheme under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (as amended from time to time);
 - b. The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective shareholders and/or creditors, if required, of the Parties, as may be directed by the NCLT or any other Appropriate Authority as may be applicable;
 - c. The sanction of this Scheme by the NCLT under Sections 230 to 232 of the Act, and other applicable provisions, if any of the Act in favour of the Parties;
 - d. The certified copy of the order of the NCLT sanctioning the Scheme being filed with the ROC by the Parties as may be applicable; and
 - e. Any other sanctions and orders as may be directed by the NCLT in respect of the Scheme.
- 2.5. The equity shares of the Company are listed on NSE and BSE. The Company shall be filing the Scheme along with necessary information / documents with NSE and BSE for their approval under Regulation 37 of the SEBI Listing Regulations.



- 2.6. The report of the Audit Committee is made in order to comply with the requirements of the SEBI Master Circular, after considering the following:
- a. Draft Scheme;
 - b. Share Entitlement Ratio Report dated September 29, 2023 issued by Mr. Vikram Kumar Singh, Registered Valuer under IBBI having Registration No. IBBI/RV/06/2019/11320 ('the Registered Valuer'), inter-alia, recommending the share entitlement ratio ('Share Entitlement Ratio Report');
 - c. Fairness opinion dated September 29, 2023 issued by Saffron Capital Advisors Private Limited, Merchant Banker registered with the Securities and Exchange Board of India ('SEBI') having Registration No. INM000011211, on the Share Entitlement Ratio as mentioned in the Share Entitlement Ratio Report ('Fairness Opinion');
 - d. An auditor's certificate dated September 29, 2023 submitted by M/s. Ray & Ray, Chartered Accountants (Firm registration No. 301072E), Statutory Auditors of the Company, certifying the accounting treatment contained in the Scheme ('Auditor Certificate');
 - e. Undertaking dated September 29, 2023 by the Company Secretary & Head- Legal, confirming the non-applicability of the requirements under Para A (10)(a) read with Para A (10)(b) of Part I of the SEBI Master Circular dated June 20, 2023 relating to obtaining approval of the majority of public shareholders.
 - f. Certificate dated September 29, 2023 from M/s. Ray & Ray, Chartered Accountants, Statutory Auditors of the Company, certifying the undertaking in relation to the non-applicability of the requirements under Para A (10)(a) read with Para A (10)(b) of Part I of the SEBI Master Circular dated June 20, 2023 relating to obtaining approval of the majority of public shareholders.

3. Rationale of the Scheme:

- 3.1. The Demerged Company has 2 (two) distinct businesses viz. (i) Retail Business and (ii) Distribution Business. The retail business operates through 848 retail stores (as on June 30, 2023) and caters to the middle and upper middle-income consumers, while the distribution business operates through a wide network of 732 distributors (as on June 30, 2023) selling to multi-brand-outlets across India and caters to lower and middle-income consumers. The transfer and vesting of the Demerged Undertaking (as defined in the Scheme) comprising of Distribution Business into the Resulting Company pursuant to this Scheme shall be in the interest of all concerned



stakeholders including shareholders, customers, creditors, employees and general public, in the following ways:

- (i) The Demerged Undertaking and the Remaining Business (as defined in the Scheme) address different market segments with divergic dynamics in terms of business strategy, customer set and distinct capital requirements. The transfer of the Demerged Undertaking into the Resulting Company will enable both the Demerged and Resulting Company to focus on their activities in the respective segments. This would help to improve their competitiveness, operational efficiency, agility and strengthen their position in relevant markets.
- (ii) The nature of risk, competition, challenges, opportunities, market segment, target customer and business methods for the Distribution Business (as defined in the Scheme) is separate and distinct from the Remaining Business carried out by the Demerged Company.
- (iii) The segregation of the business vertical shall enable them to move forward independently, with specialization building on their respective capabilities. It will also help to channelize resources required for all the businesses to focus on the growing businesses and attracting right talent and providing enhanced growth opportunities to existing talent in line with a sharper strategic focus on each business segment under separate entities.
- (iv) The Scheme will also enable the Demerged Company and the Resulting Company to focus and enhance their respective management structure ensuring better and more efficient management control.
- (v) Bifurcation of these businesses will enable unlocking value of each vertical thereby paving way for focused growth with a view to create significant stakeholder value, will attract distinct investor base and at the same time allow investors to allocate their portfolio into separate entities, focused on the distinct entities. Further, it will enable independent and distinct capital allocation approach and balance sheet management based on the distinct needs of each business.
- (vi) Thus, the demerger would help in achieving the desired operating structure and shall, inter alia, have following benefits:
 - Create sector focused companies;
 - Attract business specific investors;
 - Streamline the management structure;
 - Unlock value for shareholders;
 - Ring-fence businesses from each other;
 - Better risk management; and
 - Better Management Bandwidth utilization.



- 3.2. The Audit Committee reviewed and noted the Share Entitlement Ratio recommended in the Share Entitlement Ratio Report and confirmed the following ratio:

“1 (One) fully equity share of the face value of INR 10/- each fully paid-up of the Resulting Company for every 1 (One) equity share of face value INR 10/- each fully paid up held by equity shareholders of the Demerged Company.”

- 3.3. The Audit Committee reviewed and confirmed the accounting treatment provided in clause 14 of the Scheme which has been certified by the auditors of the Company. Pursuant to the Scheme, in the books of the Demerged Company, the excess / deficit, if any, of the net assets transferred to the Resulting Company after giving effect to investment cancellation as mentioned in Clause 14.1.2 of the Scheme and elimination of balances as mentioned in Clause 14.1.3 of the Scheme, shall be adjusted with the Capital Reserve, General Reserve and Retained Earnings of the Demerged Company. In the books of the Resulting Company, the excess/deficit, if any, of the net assets transferred to the Resulting Company after giving effect to Clause 14.1.6 and Clause 14.1.7 of the Scheme, shall be transferred to the Capital Reserve of the Resulting Company.
- 3.4. The Fairness Opinion confirmed that the Share Entitlement Ratio as recommended by the Registered Valuer, is fair and reasonable.

4. Impact of the Scheme on the shareholders

- 4.1. Pursuant to the Scheme, in consideration for the Demerger, the Resulting Company will issue its equity shares to the shareholders of the Demerged Company based on the Valuation Report and in the same proportion in which the shareholders hold the shares in the Demerged Company. The overall economic interest of the equity shareholders of the Demerged Company shall remain the same in both the Companies.
- 4.2. The provisions of this Scheme have also been drawn up to comply with the conditions relating to ‘Demerger’ as defined under section 2(19AA) of the Income Tax Act, 1961 and therefore, it may not have any tax implications.
- 4.3. Based on the above and as there is no proposed change in the shareholding pattern of the Company pursuant to the Scheme, the Committee is of the informed opinion that the proposed Scheme is in the best interests of the shareholders of the Company and not detrimental to the interest of the shareholders, including the minority shareholders of the Company.
- 4.4. The Scheme would create sector focused companies, streamline the management structure and unlock value for shareholders. Further, the need for the demerger and rationale of the Scheme is set out in paragraph 3.1 of this report.



5. Cost benefit analysis of the Scheme:

5.1. Although the scheme would lead to incurring of some costs towards its implementation, however, the benefits of the Scheme over a longer period are expected to far outweigh such costs for the stakeholders of the Company.

6. Synergies of business of the entities involved in the Scheme are set out in paragraph 3.1 above

7. Recommendations of the Audit Committee

7.1. The Audit Committee after due deliberations and due consideration of all the terms of the draft Scheme, Share Entitlement Ratio Report, Fairness Opinion, rationale of the Scheme, accounting treatment, impact of the Scheme on the shareholders and other stakeholders, cost benefit analysis of the Scheme and the specific matters mentioned above, recommends the draft Scheme for favorable consideration by the Board of the Company, the Stock Exchanges, SEBI and other applicable regulatory authorities.

This report of the Committee is made in order to comply with the requirements of Paragraph (A)(2)(c) of Part – I of the SEBI Master Circular after considering the necessary documents.

For the Audit Committee of Khadim India Limited



Indra Nath Chatterjee
Chairman - Audit Committee
DIN: 00122677

Place: Mumbai

Date: September 29, 2023





To,
The Manager,
The Department of Corporate Services,
BSE Limited,
P. J. Towers,
Dalal Street, Mumbai - 400 001

Scrip code: 540775

Dear Sir / Madam,

Sub: Application under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed Scheme of Arrangement between Khadim India Limited ("the Company" or "Demerged Company") and KSR Footwear Limited ("Resulting Company") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme")

- The Equity shares issued by the Resulting company pursuant to the scheme of arrangement shall be listed on the BSE Limited, subject to SEBI granting relaxation from applicability under Rule 19(2) (b) of the Securities Contract (Regulation) Rules, 1957.
- Details of Assets and Liabilities of the Demerged division ("Distribution Business") that are being transferred

(INR in millions)

| Liabilities | 30 th June , 2023 |
|-------------------------------|------------------------------|
| Lease liabilities | 469.27 |
| Other non-current liabilities | 7.65 |
| Borrowings | 50.00 |
| Trade payables | 313.82 |
| Other financial liabilities | 9.72 |
| Other current liabilities | 5.61 |
| Sub Total | 856.07 |

(INR in millions)

| Assets | 30 th June , 2023 |
|-------------------------------|------------------------------|
| Property, Plant and Equipment | 451.36 |
| Capital work - in - progress | 2.62 |
| Right of Use Asset | 443.34 |
| Other financial assets | 10.31 |
| Other non-current assets | 21.57 |
| Inventories | 633.86 |
| Trade receivables | 519.88 |
| Cash and cash equivalents | 1.72 |
| Other current assets | 11.53 |
| Sub Total | 2,096.19 |

- In connection with the above application, we hereby confirm that:

- There will be no change in Share Capital of the Resulting Company till the listing of the equity shares of the Resulting Company on BSE Limited.

frontoffice@khadims.com

033-4009 0501

033-4009 0500

www.khadims.com

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

- b. The shares allotted by the Resulting Company pursuant to the Scheme shall remain frozen in the depositories system till listing / trading permission is given by the designated stock exchange. Further Clause 13.1 of the scheme provides for the same.
4. Percentage of Net Worth of the Company, that is being transferred in the form of Demerged Undertaking and percentage wise contribution of the Demerged division to the total turnover and income of the Company in the **last two years** as per the following format:

Statement showing Turnover (Revenue from Operations), Profit/(Loss) after tax for the financial year ended 31st March, 2023 and 31st March, 2022 and Net Worth as at 31st March, 2023 and 31st March, 2022

(INR in millions)

| Particulars | Financial Year | Net Worth | % to total | Turnover | % to total | Profit/(Loss) after Tax | % to total |
|-------------------|----------------|-----------|------------|----------|------------|-------------------------|------------|
| Demerged division | 22-23 | 1,334.01 | 66.34% | 2,185.19 | 33.10% | (89.42) | (51.08%) |
| | 21-22 | 1,155.02 | 62.99% | 2,372.34 | 40.14% | (17.31) | (26.80%) |
| Other divisions | 22-23 | 676.92 | 33.66% | 4,417.45 | 66.90% | 264.49 | 151.08% |
| | 21-22 | 678.72 | 37.01% | 3,538.46 | 59.86% | 81.90 | 126.80% |
| Total | 22-23 | 2,010.93 | 100.00% | 6,602.64 | 100.00% | 175.07 | 100.00% |
| | 21-22 | 1,833.74 | 100.00% | 5,910.80 | 100.00% | 64.59 | 100.00% |

Notes:

- Total Net Worth, Revenue and Profit / (Loss) is based on audited financial statements of the Company for the financial years ended 31st March, 2023 and 31st March, 2022
- Net Worth, Revenue and Profit / (Loss) of the Demerged division is based on management certified financials for the Demerged Undertaking as on 31st March, 2023 and 31st March, 2022. The Net Worth has been calculated on the basis of the net assets of the division i.e., total assets as reduced by total liabilities
- Net Worth of the remaining undertaking/ divisions is calculated by reducing the net worth of the demerged division from the total net worth of the Company as whole.
- The Net Worth of the Company has been computed as per Section 2(57) of the Companies Act, 2013.
- The above turnover consists of revenue from operations.

For Khadim India Limited

Indrajit Chaudhuri

Indrajit Chaudhuri
Chief Financial Officer
ICAI Membership No.: 61162



Place: Kolkata
Date: October 19, 2023

Additional Requirements

| S. No. | Particulars | Yes/ No/ Not Applicable | Remarks | Annexure (Document Provided) |
|--------|--|-------------------------|---|---|
| 1. | Apportionment of losses of the listed company among the companies involved in the Scheme. | Not Applicable | Since there are no accumulated losses being transferred to the Resulting Company | - |
| 2. | Details of assets, liabilities, revenue and net worth of the companies involved in the Scheme, both pre and post Scheme of Arrangement, along with a write up on the history of the Demerged Undertaking / Transferor Company certified by Chartered Accountant (CA). | Yes | - | A Certificate issued in this regard by the Statutory Auditors, CA, is attached as Annexure Y1 |
| 3. | Any type of arrangement or agreement between the demerged company / resulting company / merged / amalgamated company/ creditors / shareholders / promoters / directors/etc., which may have any implications on the Scheme of Arrangement as well as on the shareholders of listed entity. | Not Applicable | - | - |
| 4. | Reasons along with relevant provisions of Companies Act, 2013 or applicable laws for proposed utilization of reserves viz. Capital Reserve, Capital Redemption Reserve, Securities premium, as a free reserve, certified by CA. | Not Applicable | Since we are not adjusting the difference between assets and liabilities with the available reserves in the books of the Demerged Company | - |
| 5. | Built up for reserves viz. Capital Reserve, Capital Redemption Reserve, Securities premium, certified by CA. | Not Applicable | Since no addition is being made to reserves in the books of the Demerged Company | - |
| 6. | Nature of reserves viz. Capital Reserve, Capital Redemption Reserve, whether they are notional and/or unrealized, certified by CA. | Not Applicable | Since there are no notional and/or unrealized reserves | - |
| 7. | The built up of the accumulated losses over the years, certified by CA. | Not Applicable | Since there are no accumulated losses | - |
| 8. | Relevant sections of Companies Act, 2013 and applicable Indian Accounting Standards and Accounting treatment, certified by CA. | Yes | Accounting Treatment certificate has been attached as Annexure I1 and I2 of the application | - |
| 9. | Details of shareholding of companies involved in the scheme at each stage, in case of composite scheme. | Not Applicable | Since not a composite Scheme | - |



| S. No. | Particulars | Yes/ No/ Not Applicable | Remarks | Annexure (Document Provided) |
|--------|--|---|---|---|
| 10. | Whether the Board of unlisted company has taken the decision regarding issuance of Bonus shares. If yes, provide the details thereof. If not, provide the reasons thereof. | No | - | - |
| 11. | List of comparable companies considered for comparable companies' multiple method. | Not Applicable | - | - |
| 12. | Share Capital built-up in case of scheme of arrangement involving unlisted entity/entities, certified by CA. | Yes | - | A Certificate issued in this regard by the Statutory Auditors, CA, is attached as Annexure Y2 |
| 13. | Any action taken/pending by Govt./Regulatory body/Agency against all the entities involved in the scheme. | Not Applicable | - | - |
| 14. | Comparison of revenue and net worth of demerged undertaking with the total revenue and net worth of the listed entity in last three financial years. | Yes | - | Annexure Y3 |
| 15. | Detailed rationale for arriving at the swap ratio for issuance of shares as proposed in the draft Scheme of Arrangement by the Board of Directors of the listed company. | Yes | The detailed rationale for arriving at the swap ratio is stated in the Share Entitlement Ratio Report. The Share Entitlement Ratio Report is attached herewith as Annexure - B1 of the application. | |
| 16. | In case of Demerger, basis for division of assets and liabilities between divisions of Demerged entity. | - | The basis for division of assets and liabilities between divisions has been the assets and liabilities as attributable to the respective divisions. | - |
| 17. | How the Scheme will be beneficial to public shareholders of the Listed entity and details of change in value of public shareholders pre and post Scheme of Arrangement. | Refer Para III of draft Scheme attached as Annexure A of the application | There will no change in the value or No. of shares held by public shareholders pre and post Scheme of Arrangement | - |
| 18. | Tax/other liability/benefit arising to the entities involved in the scheme, if any. | Not Applicable | - | - |

| S. No. | Particulars | Yes/ No/ Not Applicable | Remarks | Annexure (Document Provided) |
|--------|---|-------------------------|---------|------------------------------|
| 19. | Revenue, PAT and EBIDTA (in value and percentage terms) details of entities involved in the Scheme for all the number of years considered for valuation. Reasons justifying the EBIDTA / PAT margin considered in the Valuation Report. | Not Applicable | - | - |
| 20. | Confirmation from valuer that the valuation done in the Scheme is in accordance with applicable valuation standards. | Not Applicable | - | - |
| 21. | Confirmation from Company that the scheme is in compliance with the applicable securities laws. | Yes | - | Annexure Y4 |
| 22. | Confirmation that the arrangement proposed in the Scheme is yet to be executed. | Yes | - | Annexure Y4 |

For Khadim India Limited



Indrajit Chaudhuri
Chief Financial Officer
 ICAI Membership No. F61162



Date: October 19, 2023

Place: Kolkata

RAY & RAY

CHARTERED ACCOUNTANTS

Webel Bhavan, Ground Floor,
Block - EP & GP, Sector V,
Salt Lake, Kolkata - 700 091
Tel. : +91-33-4064 8107 / 8108 / 8109
E-mail : raynray@raynray.net

To,
The Board of Directors,
Khadim India Limited,
7th Floor, Tower C, DLF IT Park,
08 Major Arterial Road, Block - AF
New Town (Rajarhat), Kolkata - 700 156

Independent Auditor's Certificate certifying details to be submitted by the Company in case of demerger where there is no change in shareholding pattern of Demerged company and the Resulting company and a mirror image is created in the Resulting Company.

1. This Certificate is issued in accordance with the terms of our Engagement Letter dated October 6, 2023 with Khadim India Limited and for the purpose of the draft Scheme of Arrangement between Khadim India Limited (hereinafter the 'Company' or the 'Demerged Company' or 'KIL'), KSR Footwear Limited (hereinafter referred to as 'the Resulting Company' or 'KFL') and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act") ['Scheme'].
2. Statements containing details to be submitted by the Company in case of demerger where there is no change in shareholding pattern of the Demerged company and the Resulting company and a mirror image is created in the Resulting Company duly signed by the authorized signatory of the Company ('the Statements') is attached as an **Annexure - 1A, 1B and 2** to this Certificate, which we have initialled for identification purpose only.

Management's responsibility

3. The responsibility for the preparation of the Statements is that of the Management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Statements and applying appropriate basis of preparation, making estimates that are reasonable in the circumstances and ensuring that the Statements are correct and free from error.

Auditor's responsibility

4. Pursuant to the requirements of the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ('SEBI Circular') as amended, it is our responsibility to examine the Statements and provide a reasonable assurance that the amounts in the Statements are prepared in accordance with Section 133 of the Act,

read with the Companies (Indian Accounting Standard) Rules, 2015 (the 'applicable Indian Accounting Standards'), and Other Generally Accepted Accounting Principles.

5. We carried out our examination of the Statements in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Act, in so far as applicable for the purpose of this Certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Undertaking.

Opinion

7. Based on our examination, as above, we are of the opinion that the amounts in the Statements have been prepared in accordance with Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015 (the 'applicable Indian Accounting Standards'), and Other Generally Accepted Accounting Principles.

Restriction on Use

8. This Certificate is issued at the request of the Company to enable them to comply with the requirements of the SEBI Circular which requires them to submit this Certificate along with the Statements for onward submission by the Company to Securities and Exchange Board of India ('SEBI'), BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') and such other statutory or regulatory authorities as may be required in connection with the Scheme. This Certificate should not be used for any other purpose or to be distributed to any other parties without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this Certificate is shown or into whose hands it may come without our prior consent in writing.

For Ray & Ray

Chartered Accountants

Firm registration number: 301072E

Amitava Chowdhury

(Amitava Chowdhury)

Partner

Membership No: 056060

UDIN: 23056060BGWPNC8514



Place: Kolkata

Date: 13.10.2023

Details of Assets, Liability, Revenue and Net Worth of the companies involved in the Scheme, both pre and post Scheme of Arrangement

Khadim India Limited ('KIL')

Statement of Assets and Liabilities

(INR in millions)

| Particulars | Pre scheme (As on June 30,2023) | Post scheme |
|-------------------------------|------------------------------------|-----------------|
| Assets | | |
| Property, Plant and Equipment | 809.57 | 358.21 |
| Capital work - in - progress | 2.91 | 0.29 |
| Right of Use Asset | 1,622.90 | 1,179.56 |
| Intangible assets | 5.60 | 5.60 |
| Investments | 1.39 | 1.39 |
| Other Financial Assets | 207.56 | 197.25 |
| Deferred tax assets (net) | 130.06 | 130.06 |
| Income tax assets (net) | 20.85 | 20.85 |
| Other non-current assets | 97.92 | 76.35 |
| Inventories | 2,113.73 | 1,479.87 |
| Trade receivables | 2,009.00 | 1,489.12 |
| Cash and cash equivalents | 58.33 | 56.61 |
| Other Bank balances | 141.90 | 141.90 |
| Other financial assets | 103.70 | 103.70 |
| Other current assets | 533.45 | 521.92 |
| Total Assets | 7,858.87 | 5,762.68 |
| Liabilities | | |
| Borrowings | 1,233.35 | 1,183.35 |
| Lease liabilities | 1,933.40 | 1,464.13 |
| Non-current Provisions | 1.29 | 1.29 |
| Other non-current liabilities | 7.65 | Nil |
| Trade payables | 2,225.60 | 1,911.78 |
| Other financial liabilities | 140.65 | 130.93 |
| Other current liabilities | 45.37 | 39.76 |
| Current provisions | 1.02 | 1.02 |
| Total Liabilites | 5,588.33 | 4,732.26 |



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Rayk Ray
RAY & RAY



033-4009 0501



033-4009 0500



frontoffice@khadims.com

www.khadims.com

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

Statement of Net worth

(INR in millions)

| Particulars | Pre Scheme (As on June 30,2023) | Post Scheme |
|---------------------------------|------------------------------------|----------------|
| Share Capital | | |
| Equity Share Capital | 179.70 | 179.70 |
| Total share Capital (1) | 179.70 | 179.70 |
| Free reserves | | |
| Retained Earnings | 626.39 | 626.39 |
| Total Free reserves (2) | 626.39 | 626.39 |
| Other Reserves | | |
| Securities Premium | 1,221.83 | 1,221.83 |
| Capital reserve on demerger | Nil | (1,240.12) |
| Total Other Reserves (3) | 1,221.83 | (18.29) |
| Net worth (1 + 2+ 3) | 2,027.92 | 787.80 |

Revenue from operations

(INR in millions)

| Particulars | Pre Scheme (As on June 30,2023) | Post Scheme |
|-------------------------|------------------------------------|-------------|
| Revenue from Operations | 1,579.80 | 1,035.89 |

Notes:

1. The post Scheme Assets, liabilities, Net Worth and Revenue of KIL has been computed considering the accounting treatment contained in the Scheme which is subject to Securities Exchange Board of India (SEBI) and National company Law Tribunal (NCLT) approval.
2. The post Scheme Assets, Liabilities, Net Worth and Revenue are indicative and may change basis actual data as on effective date.
3. The Net Worth of KIL has been computed as per Section 2(57) of the Companies Act, 2013.

For Khadim India Limited

Indrajit Chaudhuri
Indrajit Chaudhuri
Chief Financial Officer
 ICAI Membership No.: 61162

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OF IDENTIFICATION

Ray & Ray
RAY & RAY

Date: October 13, 2023

Place: Kolkata



@
frontoffice@khadims.com

033-4009 0501

033-4009 0500

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KHADIM INDIA LIMITED

CIN : L19129WB1981PLC034337

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 CITY OFFICE : 7A, LINDSAY STREET, KOLKATA - 700 087

KSR FOOTWEAR LIMITED

CIN : U46413WB2023PLC264443

REGISTERED OFFICE : FLAT NO. 4A, 4TH FLOOR, KALYANI COMPLEX, P-22, BLOCK - A, BANGUR AVENUE, KOLKATA - 700055

E-MAIL : ksr082023@gmail.com

Annexure - 1B

Details of Assets, Liability, Revenue and Net Worth of the companies involved in the Scheme, both pre and post Scheme of Arrangement.

KSR Footwear Limited ('KFL')

Statement of Assets and Liabilities

(INR in millions)

| Particulars | Pre Scheme (As on September 30, 2023) | Post Scheme |
|-------------------------------|--|-----------------|
| <u>Assets</u> | | |
| Property, Plant and Equipment | Nil | 451.36 |
| Capital work - in - progress | Nil | 2.62 |
| Right of Use Asset | Nil | 443.34 |
| Other financial assets | Nil | 10.31 |
| Other non-current assets | Nil | 21.57 |
| Inventories | Nil | 633.86 |
| Trade receivables | Nil | 519.88 |
| Cash and cash equivalents | 0.10 | 1.82 |
| Total Assets | 0.10 | 2,096.29 |
| <u>Liabilities</u> | | |
| Lease liabilities | Nil | 469.27 |
| Other non-current liabilities | Nil | 7.65 |
| Borrowings | Nil | 50.00 |
| Trade payables | 0.04 | 313.86 |
| Other financial liabilities | Nil | 9.72 |
| Other current liabilities | Nil | 5.61 |
| Total Liabilities | 0.04 | 856.11 |

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KSR FOOTWEAR LIMITED

CIN : U46413WB2023PLC264443

REGISTERED OFFICE : FLAT NO. 4A, 4TH FLOOR, KALYANI COMPLEX, P-22, BLOCK - A, BANGUR AVENUE, KOLKATA - 700055

E-MAIL : ksr082023@gmail.com

Statement of Net worth

(INR in millions)

| Particulars | Pre Scheme (As on September 30, 2023) | Post Scheme |
|---------------------------------|--|-----------------|
| Share Capital | | |
| Equity Share Capital | 0.10 | 179.70 |
| Total share Capital (1) | 0.10 | 179.70 |
| Free reserves | | |
| Retained Earnings | (0.04) | (0.04) |
| Total Free reserves (2) | (0.04) | (0.04) |
| Other Reserves | | |
| Capital reserve on demerger | Nil | 1,060.42 |
| Total Other Reserves (3) | Nil | 1,060.42 |
| Net worth (1 + 2+ 3) | 0.06 | 1,240.08 |

Revenue from operations

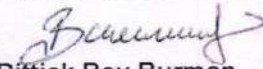
(INR in millions)

| Particulars | Pre Scheme (As on September 30, 2023) | Post Scheme |
|-------------------------|--|-------------|
| Revenue from Operations | Nil | 543.91 |

Notes:

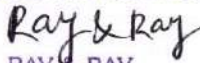
1. The post Scheme Assets, Liabilities, Net Worth and Revenue of KFL has been computed considering the accounting treatment contained in the Scheme which is subject to Securities Exchange Board of India (SEBI) and National company Law Tribunal (NCLT) approval.
2. The post Scheme Assets, Liabilities, Net Worth and Revenue are indicative and may change basis actual data as on effective date.
3. The Net Worth of KFL has been computed as per Section 2(57) of the Companies Act, 2013.
4. The post Scheme Net Worth of KFL is calculated basis the Limited Review Financial Results of Khadim India Limited as on 30th June 2023 as the Limited Review Financial Results of Khadim India Limited as on 30th September 2023 are not available.

For KSR Footwear Limited


Rittick Roy Burman
Director
DIN: 08537366

Date: October 13, 2023
Place: Kolkata

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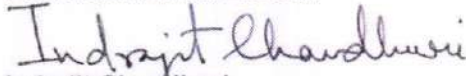


Brief History of Demerged Undertaking

The Division to be demerged or the Demerged Undertaking (as defined in the Scheme) includes the entire Distribution Business (as defined in the Scheme) of Khadim India Limited, as a going concern, including the business, assets, activities, operations and properties related to or pertaining to the Distribution Business of the Demerged Company.

Distribution business includes the Company's distribution segment which provides branded and affordable footwears in the mass footwear category catering to lower- & middle-income consumers in Tier I to Tier III cities. The distribution business operates through a network of 732 distributors (as on June 30, 2023) selling to multi-brand-outlets across India. The distribution segment manufactures approximately 96% of the products of this category to have better control over quality, supply and cost.

For Khadim India Limited



Indrajit Chaudhuri
Chief Financial Officer
ICAI Membership No.: 61162

Date: October 13, 2023

Place: Kolkata

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RAY & RAY

frontoffice@khadims.com



033-4009 0501



033-4009 0500

www.khadims.com

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

Webel Bhavan, Ground Floor,
Block - EP & GP, Sector V,
Salt Lake, Kolkata - 700 091
Tel. : +91-33-4064 8107 / 8108 / 8109
E-mail : raynray@raynray.net

To,
The Board of Directors,
Khadim India Limited,
7th Floor, Tower C, DLF IT Park,
08 Major Arterial Road, Block - AF
New Town (Rajarhat), Kolkata - 700 156

Certificate certifying details regarding share Capital built-up in case of Scheme of Arrangement involving unlisted entity

1. This Certificate is issued in accordance with the terms of our Engagement Letter dated October 6, 2023 with Khadim India Limited and for the purpose of the draft Scheme of Arrangement between Khadim India Limited (hereinafter the 'Company' or the 'Demerged Company' or 'KIL'), KSR Footwear Limited (hereinafter referred to as 'the Resulting Company' or 'KFL') and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act") ['Scheme'].
2. Statement containing details regarding share Capital built-up in case of Scheme of Arrangement involving unlisted entity duly signed by the authorized signatory of the Company ('the Statement') is attached as an **Annexure – 1** to this Certificate, which we have initialled for identification purpose only.

Management's responsibility

3. The responsibility for the preparation of the Statement is that of the Management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying appropriate basis of preparation, making estimates that are reasonable in the circumstances and ensuring that the Statement are correct and free from error.

Auditor's Responsibility

4. Pursuant to the requirements of the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ('SEBI Circular') as amended, it is our responsibility to examine the Statement and provide a reasonable assurance that the Statement is prepared on the basis of actual data and is accurate.

5. We carried out our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this Certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination, as above, we are of the opinion that the Statement is prepared on the basis of actual data and is accurate.

Restriction on Use

8. This Certificate is issued at the request of the Company to enable them to comply with the requirements of the SEBI Circular which requires them to submit this Certificate along with the Statement for onward submission by the Company to Securities and Exchange Board of India ('SEBI'), BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') and such other statutory or regulatory authorities as may be required in connection with the Scheme. This Certificate should not be used for any other purpose or to be distributed to any other parties without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this Certificate is shown or into whose hands it may come without our prior consent in writing.

For Ray & Ray

Chartered Accountants

Firm Registration number: 301072E

Amitava Chowdhury

(Amitava Chowdhury)

Partner

Membership No:056060

UDIN: 23056060BGWPNB5371



Place: Kolkata

Date: 13.10. 2023

Share Capital built-up in case of scheme of arrangement involving unlisted entity

The capital evolution details of the Demerged Company are given hereunder:

Name of the Company: Khadim India Limited

Equity Share Capital

| Date of Issue | No. of shares issued | Issue Price per share(₹) | Type of Issue (IPO / FPO / Preferential Issue / Scheme/ Bonus/ Rights, etc.) | Cumulative capital (No. of shares) | Whether listed, if not listed, give reasons thereof |
|--|----------------------|--------------------------|---|------------------------------------|---|
| December 03, 1981 | 225 | 100 | Initial Subscription to MOA | 225 | Unlisted |
| From December 04, 1981 to May 21, 2000 | 9,775 | 100 | Equity issue | 10000 | Unlisted |
| September 26, 1998 | - | 10 | Sub division of equity shares of ₹ 100 each to 10 Equity Shares of ₹ 10 each | 1,00,000 | Unlisted |
| May 22, 2000 | 3,000,000 | 10 | Bonus issue in the ratio of 30 :1 | 3,100,000 | Unlisted |
| September 02, 2005 | 5,639,308 | 10 | As per scheme of amalgamation | 8,739,308 | Unlisted |
| August 07, 2006 | 2,184,830 | 10 | Rights issue | 10,924,138 | Unlisted |
| August 11, 2007 | 200,000 | 10 | Preferential allotment | 11,124,138 | Unlisted |
| August 11, 2007 | 511,100 | 10 | Preferential allotment | 11,635,238 | Unlisted |
| September 03, 2007 | 500,000 | 10 | Preferential allotment | 12,135,238 | Unlisted |
| October 30, 2013 | 36,405,714 | 10 | Bonus issue in the ratio of 3 :1 | 48,540,952 | Unlisted |
| March 14, 2014 (Pursuant to the Order of the High Court at Calcutta | - | - | Reduction of Equity Share capital (reducing the face value of equity shares from ₹ 10 per | 48,540,952 | Unlisted |

| | | | | | |
|--|-----------|----|--|------------|----------|
| dated March 14, 2014 and shareholder's resolution dated March 11, 2014) | | | equity share to ₹ 2.5 per equity share) | | |
| June 04, 2014 (Pursuant to the shareholders resolution dated June 4, 2014) | - | - | Consolidated of equity shares from face value of ₹ 2.5 each to ₹ 10 each | 12,135,238 | Unlisted |
| August 01, 2014 | 5,163,293 | 10 | Allotment pursuant to conversion of CCDs | 17,298,531 | Unlisted |
| November 10, 2017 | 666,666 | 10 | Fresh issue of equity shares pursuant to Initial Public Offer (IPO) | 17,965,197 | Listed |
| December 13, 2018 | 4,417 | 10 | Allotment pursuant to ESOP 2017 | 17,969,614 | Listed |

For Khadim India Limited



Abhijit Dan
Company Secretary & Head - Legal
ICSI Membership No. A21358

Place: Kolkata
Date: October 13, 2023

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Comparison of Revenue and Net Worth of the Demerged Undertaking with the total revenue and net worth of the listed / demerged entity in last three financial years

(INR in millions)

| Particulars | Financial Year | Net Worth | Revenue |
|----------------------|----------------|-----------|----------|
| Demerged undertaking | 22-23 | 1,334.01 | 2,185.19 |
| | 21-22 | 1,155.02 | 2,372.34 |
| | 20-21 | 983.48 | 2,073.40 |
| Demerged Company | 22-23 | 2,010.93 | 6,602.64 |
| | 21-22 | 1,833.74 | 5,910.80 |
| | 20-21 | 1,767.23 | 6,261.78 |

Notes:

- Net Worth and Revenue of the Demerged Undertaking is based on Management certified Financials for the Demerged Undertaking as on 31st March, 2023, 31st March, 2022 and 31st March, 2021. The Net Worth has been calculated on the basis of the net assets of the division i.e., total assets as reduced by total liabilities.
- Net Worth and Revenue of Demerged Company is based on audited financial statements of the Company for the financial year ended 31st March, 2023, 31st March, 2022 and 31st March, 2021.

For Khadim India Limited


Indrajit Chaudhuri
Chief Financial Officer

ICAI Membership No.: 61162


Date: October 19, 2023

Place: Kolkata


To,
The Manager
The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051

Symbol: KHADIM

Dear Sir / Madam,

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Arrangement between Khadim India Limited (hereinafter referred to as 'the Company' or 'the Demerged Company' or 'KIL' or 'listed entity'), KSR Footwear Limited (hereinafter referred to as 'the Resulting Company' or 'KFL' or 'unlisted entity') and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with relevant rules made there under ['Scheme']

In connection with the above application, we hereby confirm that:

1. The Scheme is in compliance with the applicable securities laws.
2. The Arrangement proposed in the Scheme is yet to be executed. The proposed Scheme of Arrangement to be presented to any Court or Tribunal does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992 and the Securities Contracts (Regulation) Act, 1956.

For Khadim India Limited



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



Place: Kolkata

Date: October 19, 2023



Date: November 07, 2023

To,

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

Scrip Code – 540775

Dear Sir,

Sub: Application under Clause 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations')

Ref: Your observation dated October 30, 2023

This is with reference to BSE observation dated October 30, 2023, wherein we have been requested to provide certain information in response to the queries raised and to submit certain documents. Please find below our point wise reply to the same:

1. Kindly provide the working of SEBI processing fees.

Reply:

We have made an online payment dated October 27, 2023 for INR 2,12,041.45 (Two Lakh Twelve Thousand Forty One and Forty Five Paise), towards SEBI processing fees. The receipt for the same generated from the SEBI's portal is attached herewith as **Annexure 1** to this reply.

The detailed working of the SEBI processing fess is as follows:

| Particulars | Amount (₹) |
|---|--------------------|
| Paid up capital post sanction of the proposed scheme for both the following shall be same: <ul style="list-style-type: none"> • listed entity, Khadim India Limited • Resulting Company, KSR Footwear Limited | 17,96,96,140.00 |
| Fees Payable to SEBI at the rate of 0.1% of the paid-up share capital of KIL (0.1% of ₹ 17,96,96,140.00) | 1,79,696.14 |
| GST Amount @18% | 32,345.31 |
| Total SEBI Processing Fees | 2,12,041.45 |

2. In Report from the Audit Committee recommending the draft scheme taking into consideration the following are not found–

- a. Need for the merger/demerger/amalgamation/arrangement
- b. Synergies of business of the entities involved in the scheme



@
frontoffice@khadims.com

033-4009 0501 033-4009 0500

www.khadims.com

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

Reply:

- a. **Need for the merger/demerger/amalgamation/arrangement** - The need for the demerger is same as the Rationale for the Scheme stated in paragraph 3 of the Audit Committee Report attached as **Annexure D** to the original application, also attached as **Annexure 2** to this reply.
- b. **Synergies of business of the entities involved in the scheme** - Synergies of business of the entities involved in the Scheme is same as the Rationale set out in paragraph 3.1 of the Audit Committee Report attached as Annexure D to the original application, also attached as Annexure 2 to this reply.

Relevant extract of the Audit Committee Report attached as **Annexure D** to the original application, also attached as **Annexure 2** to this reply has been provided below:

“

3.0 Rationale of the Scheme:

3.1 *The Demerged Company has 2 (two) distinct businesses viz. (i) Retail Business and (ii) Distribution Business. The retail business operates through 848 retail stores (as on June 30, 2023) and caters to the middle and upper middle-income consumers, while the distribution business operates through a wide network of 732 distributors (as on June 30, 2023) selling to multi-brand-outlets across India and caters to lower and middle-income consumers. The transfer and vesting of the Demerged Undertaking (defined hereinafter) comprising of Distribution Business into the Resulting Company pursuant to this Scheme shall be in the interest of all concerned stakeholders including shareholders, customers, creditors, employees and general public, in the following ways:*

- (i) *The Demerged Undertaking and the Remaining Business (defined hereinafter) address different market segments with divergic dynamics in terms of business strategy, customer set and distinct capital requirements. The transfer of the Demerged Undertaking into the Resulting Company will enable both the Demerged and Resulting Company to focus on their activities in the respective segments. This would help to improve their competitiveness, operational efficiency, agility and strengthen their position in relevant markets.*
- (ii) *The nature of risk, competition, challenges, opportunities, market segment, target customer and business methods for the Distribution Business (as defined hereinafter) is separate and distinct from the Remaining Business (as defined hereinafter) carried out by the Demerged Company.*
- (iii) *The segregation of the business vertical shall enable them to move forward independently, with specialization building on their respective capabilities. It will also help to channelize resources required for all the businesses to focus on the growing businesses and attracting right talent and providing enhanced growth opportunities to existing talent in line with a sharper strategic focus on each business segment under separate entities.*
- (iv) *The Scheme will also enable the Demerged Company and the Resulting Company to focus and enhance their respective management structure ensuring better and more efficient management control.*
- (v) *Bifurcation of these businesses will enable unlocking value of each vertical thereby paving way for focused growth with a view to create significant stakeholder value, will attract distinct investor base and at the same time allow investors to allocate their portfolio into separate entities, focused on the distinct entities. Further, it will enable independent and distinct capital allocation approach and balance sheet management based on the distinct needs of each business.*



(vi) Thus, the demerger would help in achieving the desired operating structure and shall interalia have following benefits:

- Create sector focused companies;
- Attract business specific investors;
- Streamline the management structure;
- Unlock value for shareholders;
- Ring-fence businesses from each other;
- Better risk management; and
- Better Management Bandwidth utilization.

3.2 The Audit Committee reviewed and noted the Share Entitlement Ratio recommended in the Share Entitlement Ratio Report and confirmed the following ratio:

“1 (One) fully equity share of the face value of INR 10/- each fully paid-up of the Resulting Company for every 1 (One) equity share of face value INR 10/- each fully paid up held by equity shareholders of the Demerged Company.”

3.3 The Audit Committee reviewed and confirmed the accounting treatment provided in clause 14 of the Scheme which has been certified by the auditors of the Company. Pursuant to the Scheme, in the books of the Demerged Company, the excess / deficit, if any, of the net assets transferred to the Resulting Company after giving effect to investment cancellation as mentioned in Clause 14.1.2 of the Scheme and elimination of balances as mentioned in Clause 14.1.3 of the Scheme, shall be adjusted with the Capital Reserve, General Reserve and Retained Earnings of the Demerged Company. In the books of the Resulting Company, the excess/deficit, if any, of the net assets transferred to the Resulting Company after giving effect to Clause 14.1.6 and Clause 14.1.7 of the Scheme, shall be transferred to the Capital Reserve of the Resulting Company.

3.4 The Fairness Opinion confirmed that the Share Entitlement Ratio as recommended by the Registered Valuer, is fair and reasonable.”

3. Post Amalgamation/ Arrangement number of Shareholders in all the companies in the format as provided in Annexure III – NOT FOUND

Reply:

Post Arrangement number of Shareholders have already been provided in **Annexure - H1** for the Demerged Company & **Annexure - H2** for the Resulting Company of the original application, also attached as **Annexure 3** to this reply.

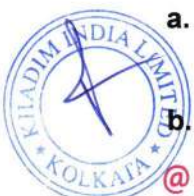
4. Details to be submitted by the company in case of demerger where there is no change in shareholding pattern of Demerged company and the Resulting company:

And

5. In case of scheme of demerger wherein mirror image is created in the resulting company, following standard information to be submitted by the listed company:

a. Details of assets, liability, revenue and net worth of the companies involved in the scheme, both pre and post scheme of arrangement

b. Assets, liability, revenue and net worth of the demerged undertaking along with a write up on the history of the demerged undertaking



- c. Comparison of revenue and net worth of demerged undertaking with the total revenue and net worth of the listed / demerged entity in last three financial years.
- d. Detailed rationale for arriving at the swap ratio for issuance of shares as proposed in the draft scheme of arrangement.

Such information to be certified by Auditor of the company / PCA/PCS

Reply to Query 4 and 5:

The required documents answering the query have already been provided in **Annexure W** of the original application, also attached as **Annexure 4** to this reply.

6. In the explanatory statement to be forwarded by the company to the shareholders u/s 230 or accompanying a proposed resolution to be passed u/s 66 of the Companies Act 2013, it shall disclose:
 - i. the pre and post-arrangement or amalgamation (expected) capital structure and shareholding pattern and
 - ii. the “fairness opinion” obtained from an Independent merchant banker on valuation of assets / shares done by the valuer for the company and unlisted company.
 - iii. Information about unlisted companies involved in the scheme as per the format provided for abridged prospectus of the SEBI ICDR Regulations, if applicable:
 - iv. The Complaint report as per Annexure III.
 - v. The observation letter issued by the stock exchanges

Reply:

This declaration has been provided in paragraph “b” of **Annexure R** of the original application and also attached as **Annexure 5** to this reply.

7. Confirmation by the Managing Director/ Company Secretary of the resulting/transferee company on the letter head of resulting company that:
 - a. Equity shares issued by the company pursuant to the scheme of amalgamation/ arrangement shall be listed on the BSE Limited, subject to SEBI granting relaxation from applicability under Rule 19(2) (b) of the Securities Contract (Regulation) Rules, 1957- Not found.

Reply:

This declaration has been provided in paragraph “a” of **Annexure S2** of the original application, also attached as **Annexure 6** to this reply.

8. Please provide a snapshot of the website upload of documents related to the scheme as the link is not working.

Reply:

The snapshot of the website upload of documents has been annexed as **Annexure 7** to this



reply.

Below is the link for the website:

<https://www.khadims.com/demerger-distribution-business>

9. Please mention whether audited, unaudited, or limited reviewed in the heading of the annexure I1 for June 2023.

Reply:

The Revised Annexure I1 to the original application has been attached as **Annexure 8** to this reply.

10. Kindly submit the following documents, please mention NA where not applicable-

| Sl. No. | Particulars | Reply | Remarks |
|---------|--|--|---|
| a) | In cases of Demerger, Apportionment of losses of the listed company among the companies involved in the scheme. | NA | Since there are no accumulated losses being transferred to the Resulting Company |
| b) | Details of assets, liabilities, revenue and net worth of the Companies involved in the scheme, both pre and post scheme of arrangement, along with a write up on the history of the demerged undertaking/Transferor Company certified by Chartered Accountant (CA). | A Certificate issued in this regard by the Statutory Auditors, CA, is attached as Annexure 9A | - |
| c) | Any type of arrangement or agreement between the demerged company/resulting company/ merged/ amalgamated company/ creditors / shareholders / promoters / directors/etc., which may have any implications on the scheme of arrangement as well as on the shareholders of listed entity. | NA | - |
| d) | In cases of Capital reduction, reasons along with relevant provisions of Companies Act, 2013 or applicable laws for proposed utilization of reserves viz. Capital Reserve, Capital Redemption Reserve, Securities premium, as a free reserve, certified by CA. | NA | Since we are not adjusting the difference between assets and liabilities with the available reserves in the books of the Demerged Company |
| e) | In the cases of Capital reduction, Built up for reserves viz. Capital Reserve, Capital Redemption Reserve, Securities premium, certified by CA. | NA | Since no addition is being made to reserves in the books of the Demerged Company |
| f) | In the cases of Capital reduction, Nature of reserves viz. Capital Reserve, Capital Redemption Reserve, whether they are | NA | Since there are no notional and/or unrealized reserves |



| | | | |
|----|--|---|--|
| | notional and/or unrealized, certified by CA. | | |
| g) | In the cases of Capital reduction, the built up of the accumulated losses over the years, certified by CA. | NA | Since there are no accumulated losses |
| h) | Relevant sections of Companies Act, 2013 and applicable Indian Accounting Standards and Accounting treatment, certified by CA. | Annexure 9B | Accounting Treatment certificate has been attached |
| i) | In case of Composite Scheme, details of shareholding of companies involved in the scheme at each stage | NA | Since not a composite scheme |
| j) | Whether the Board of unlisted Company has taken the decision regarding issuance of Bonus shares. If yes provide the details thereof. | No | - |
| k) | List of comparable companies considered for comparable companies' multiple method, if the same method is used in valuation | NA | - |
| l) | Share Capital built-up in case of scheme of arrangement involving unlisted entity/entities, certified by CA. | A Certificate issued in this regard by the Statutory Auditors, CA, is attached as Annexure 9C | - |
| m) | Any action taken/pending by Govt./Regulatory body/Agency against all the entities involved in the scheme for the period of recent 8 years. | NA | - |
| n) | Comparison of revenue and net worth of demerged undertaking with the total revenue and net worth of the listed entity in last three financial years. | Annexure 9D | - |
| o) | Detailed rationale for arriving at the swap ratio for issuance of shares as proposed in the draft scheme of arrangement by the Board of Directors of the listed company. | The detailed rationale for arriving at the swap ratio is stated in the Share Entitlement Ratio Report. The Share Entitlement Ratio Report is attached herewith as Annexure – 9E of the application. | |



| | | | |
|----|--|---|---|
| p) | In case of Demerger, basis for division of assets and liabilities between divisions of Demerged entity. | Yes | The basis for division of assets and liabilities between divisions has been the assets and liabilities as attributable to the respective divisions. |
| q) | How the scheme will be beneficial to public shareholders of the Listed entity and details of change in value of public shareholders pre and post scheme of arrangement. | Refer Rationale of the Scheme as enclosed in Query 2 above There will be no change in the value or no. of shares held by public shareholders pre and post Scheme of Arrangement. However, Post-Scheme shareholding may vary depending on the actual shareholding as on the Record Date. | - |
| r) | Tax/other liability/benefit arising to the entities involved in the scheme, if any. | NA | - |
| s) | Comments of the Company on the Accounting treatment specified in the scheme to confirm whether it is in compliance with the Accounting Standards/Indian Accounting Standards. | Yes | We confirm that the Accounting Treatment specified in the scheme is in compliance with the with the Accounting Standards / Indian Accounting Standards as also mentioned in the Management Certified Accounting treatment Certificate attached as Annexure A of Annexure 9B of this reply. |
| t) | If the Income Approach method used in the Valuation, Revenue, PAT and EBIDTA (in value and percentage terms) details of entities involved in the scheme for all the number of years considered for valuation. Reasons justifying the EBIDTA/PAT margin considered in the valuation report. | NA | - |

| | | | |
|----|--|--------------------|---|
| u) | Confirmation that the valuation done in the scheme is in accordance with applicable valuation standards. | NA | - |
| v) | Confirmation that the scheme is in compliance with the applicable securities laws. | Annexure 9F | - |
| w) | Confirmation that the arrangement proposed in the scheme is yet to be executed. | Annexure 9F | - |

Thanking You,

Yours sincerely,

For Khadim India Limited



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



Place: Kolkata

Date: November 07, 2023

RAY & RAY

CHARTERED ACCOUNTANTS

Webel Bhavan, Ground Floor,
Block - EP & GP, Sector V,
Salt Lake, Kolkata - 700 091
Tel. : +91-33-4064 8107 / 8108 / 8109
E-mail : raynray@raynray.net

To,
The Board of Directors,
Khadim India Limited,
7th Floor, Tower C, DLF IT Park,
08 Major Arterial Road, Block - AF
New Town (Rajarhat), Kolkata - 700 156

Independent Auditor's Certificate certifying details to be submitted by the Company in case of demerger where there is no change in shareholding pattern of Demerged company and the Resulting company and a mirror image is created in the Resulting Company.

1. This Certificate is issued in accordance with the terms of our Engagement Letter dated October 6, 2023 with Khadim India Limited and for the purpose of the draft Scheme of Arrangement between Khadim India Limited (hereinafter the 'Company' or the 'Demerged Company' or 'KIL'), KSR Footwear Limited (hereinafter referred to as 'the Resulting Company' or 'KFL') and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act") ['Scheme'].
2. Statements containing details to be submitted by the Company in case of demerger where there is no change in shareholding pattern of the Demerged company and the Resulting company and a mirror image is created in the Resulting Company duly signed by the authorized signatory of the Company ('the Statements') is attached as an **Annexure - 1A, 1B and 2** to this Certificate, which we have initialled for identification purpose only.

Management's responsibility

3. The responsibility for the preparation of the Statements is that of the Management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Statements and applying appropriate basis of preparation, making estimates that are reasonable in the circumstances and ensuring that the Statements are correct and free from error.

Auditor's responsibility

4. Pursuant to the requirements of the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ('SEBI Circular') as amended, it is our responsibility to examine the Statements and provide a reasonable assurance that the amounts in the Statements are prepared in accordance with Section 133 of the Act,

read with the Companies (Indian Accounting Standard) Rules, 2015 (the 'applicable Indian Accounting Standards'), and Other Generally Accepted Accounting Principles.

5. We carried out our examination of the Statements in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Act, in so far as applicable for the purpose of this Certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Undertaking.

Opinion

7. Based on our examination, as above, we are of the opinion that the amounts in the Statements have been prepared in accordance with Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015 (the 'applicable Indian Accounting Standards'), and Other Generally Accepted Accounting Principles.

Restriction on Use

8. This Certificate is issued at the request of the Company to enable them to comply with the requirements of the SEBI Circular which requires them to submit this Certificate along with the Statements for onward submission by the Company to Securities and Exchange Board of India ('SEBI'), BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') and such other statutory or regulatory authorities as may be required in connection with the Scheme. This Certificate should not be used for any other purpose or to be distributed to any other parties without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this Certificate is shown or into whose hands it may come without our prior consent in writing.

For Ray & Ray

Chartered Accountants

Firm registration number: 301072E

Amitava Chowdhury

(Amitava Chowdhury)

Partner

Membership No: 056060

UDIN: 23056060BGWPNC8514



Place: Kolkata

Date: 13.10.2023

Details of Assets, Liability, Revenue and Net Worth of the companies involved in the Scheme, both pre and post Scheme of Arrangement

Khadim India Limited ('KIL')

Statement of Assets and Liabilities

(INR in millions)

| Particulars | Pre scheme (As on June 30,2023) | Post scheme |
|-------------------------------|------------------------------------|-----------------|
| Assets | | |
| Property, Plant and Equipment | 809.57 | 358.21 |
| Capital work - in - progress | 2.91 | 0.29 |
| Right of Use Asset | 1,622.90 | 1,179.56 |
| Intangible assets | 5.60 | 5.60 |
| Investments | 1.39 | 1.39 |
| Other Financial Assets | 207.56 | 197.25 |
| Deferred tax assets (net) | 130.06 | 130.06 |
| Income tax assets (net) | 20.85 | 20.85 |
| Other non-current assets | 97.92 | 76.35 |
| Inventories | 2,113.73 | 1,479.87 |
| Trade receivables | 2,009.00 | 1,489.12 |
| Cash and cash equivalents | 58.33 | 56.61 |
| Other Bank balances | 141.90 | 141.90 |
| Other financial assets | 103.70 | 103.70 |
| Other current assets | 533.45 | 521.92 |
| Total Assets | 7,858.87 | 5,762.68 |
| Liabilities | | |
| Borrowings | 1,233.35 | 1,183.35 |
| Lease liabilities | 1,933.40 | 1,464.13 |
| Non-current Provisions | 1.29 | 1.29 |
| Other non-current liabilities | 7.65 | Nil |
| Trade payables | 2,225.60 | 1,911.78 |
| Other financial liabilities | 140.65 | 130.93 |
| Other current liabilities | 45.37 | 39.76 |
| Current provisions | 1.02 | 1.02 |
| Total Liabilites | 5,588.33 | 4,732.26 |



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OF IDENTIFICATION

Rayk Ray
RAY & RAY



033-4009 0501



033-4009 0500



frontoffice@khadims.com

www.khadims.com

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

Statement of Net worth

(INR in millions)

| Particulars | Pre Scheme (As on June 30,2023) | Post Scheme |
|---------------------------------|------------------------------------|----------------|
| Share Capital | | |
| Equity Share Capital | 179.70 | 179.70 |
| Total share Capital (1) | 179.70 | 179.70 |
| Free reserves | | |
| Retained Earnings | 626.39 | 626.39 |
| Total Free reserves (2) | 626.39 | 626.39 |
| Other Reserves | | |
| Securities Premium | 1,221.83 | 1,221.83 |
| Capital reserve on demerger | Nil | (1,240.12) |
| Total Other Reserves (3) | 1,221.83 | (18.29) |
| Net worth (1 + 2+ 3) | 2,027.92 | 787.80 |

Revenue from operations

(INR in millions)

| Particulars | Pre Scheme (As on June 30,2023) | Post Scheme |
|-------------------------|------------------------------------|-------------|
| Revenue from Operations | 1,579.80 | 1,035.89 |

Notes:

1. The post Scheme Assets, liabilities, Net Worth and Revenue of KIL has been computed considering the accounting treatment contained in the Scheme which is subject to Securities Exchange Board of India (SEBI) and National company Law Tribunal (NCLT) approval.
2. The post Scheme Assets, Liabilities, Net Worth and Revenue are indicative and may change basis actual data as on effective date.
3. The Net Worth of KIL has been computed as per Section 2(57) of the Companies Act, 2013.

For Khadim India Limited

Indrajit Chaudhuri
Indrajit Chaudhuri
Chief Financial Officer
 ICAI Membership No.: 61162

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Ray & Ray
RAY & RAY

Date: October 13, 2023

Place: Kolkata



@
frontoffice@khadims.com

033-4009 0501

033-4009 0500

www.khadims.com

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

KSR FOOTWEAR LIMITED

CIN : U46413WB2023PLC264443

REGISTERED OFFICE : FLAT NO. 4A, 4TH FLOOR, KALYANI COMPLEX, P-22, BLOCK - A, BANGUR AVENUE, KOLKATA - 700055

E-MAIL : ksr082023@gmail.com

Annexure - 1B

Details of Assets, Liability, Revenue and Net Worth of the companies involved in the Scheme, both pre and post Scheme of Arrangement.

KSR Footwear Limited ('KFL')

Statement of Assets and Liabilities

(INR in millions)

| Particulars | Pre Scheme (As on September 30, 2023) | Post Scheme |
|-------------------------------|--|-----------------|
| <u>Assets</u> | | |
| Property, Plant and Equipment | Nil | 451.36 |
| Capital work - in - progress | Nil | 2.62 |
| Right of Use Asset | Nil | 443.34 |
| Other financial assets | Nil | 10.31 |
| Other non-current assets | Nil | 21.57 |
| Inventories | Nil | 633.86 |
| Trade receivables | Nil | 519.88 |
| Cash and cash equivalents | 0.10 | 1.82 |
| Total Assets | 0.10 | 2,096.29 |
| <u>Liabilities</u> | | |
| Lease liabilities | Nil | 469.27 |
| Other non-current liabilities | Nil | 7.65 |
| Borrowings | Nil | 50.00 |
| Trade payables | 0.04 | 313.86 |
| Other financial liabilities | Nil | 9.72 |
| Other current liabilities | Nil | 5.61 |
| Total Liabilities | 0.04 | 856.11 |

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KSR FOOTWEAR LIMITED

CIN : U46413WB2023PLC264443

REGISTERED OFFICE : FLAT NO. 4A, 4TH FLOOR, KALYANI COMPLEX, P-22, BLOCK - A, BANGUR AVENUE, KOLKATA - 700055

E-MAIL : ksr082023@gmail.com

Statement of Net worth

(INR in millions)

| Particulars | Pre Scheme (As on September 30, 2023) | Post Scheme |
|---------------------------------|--|-----------------|
| Share Capital | | |
| Equity Share Capital | 0.10 | 179.70 |
| Total share Capital (1) | 0.10 | 179.70 |
| Free reserves | | |
| Retained Earnings | (0.04) | (0.04) |
| Total Free reserves (2) | (0.04) | (0.04) |
| Other Reserves | | |
| Capital reserve on demerger | Nil | 1,060.42 |
| Total Other Reserves (3) | Nil | 1,060.42 |
| Net worth (1 + 2+ 3) | 0.06 | 1,240.08 |

Revenue from operations

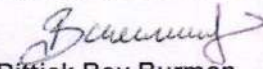
(INR in millions)

| Particulars | Pre Scheme (As on September 30, 2023) | Post Scheme |
|-------------------------|--|-------------|
| Revenue from Operations | Nil | 543.91 |

Notes:

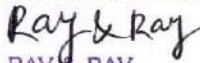
1. The post Scheme Assets, Liabilities, Net Worth and Revenue of KFL has been computed considering the accounting treatment contained in the Scheme which is subject to Securities Exchange Board of India (SEBI) and National company Law Tribunal (NCLT) approval.
2. The post Scheme Assets, Liabilities, Net Worth and Revenue are indicative and may change basis actual data as on effective date.
3. The Net Worth of KFL has been computed as per Section 2(57) of the Companies Act, 2013.
4. The post Scheme Net Worth of KFL is calculated basis the Limited Review Financial Results of Khadim India Limited as on 30th June 2023 as the Limited Review Financial Results of Khadim India Limited as on 30th September 2023 are not available.

For KSR Footwear Limited


Rittick Roy Burman
Director
DIN: 08537366

Date: October 13, 2023
Place: Kolkata

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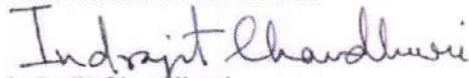


Brief History of Demerged Undertaking

The Division to be demerged or the Demerged Undertaking (as defined in the Scheme) includes the entire Distribution Business (as defined in the Scheme) of Khadim India Limited, as a going concern, including the business, assets, activities, operations and properties related to or pertaining to the Distribution Business of the Demerged Company.

Distribution business includes the Company's distribution segment which provides branded and affordable footwears in the mass footwear category catering to lower- & middle-income consumers in Tier I to Tier III cities. The distribution business operates through a network of 732 distributors (as on June 30, 2023) selling to multi-brand-outlets across India. The distribution segment manufactures approximately 96% of the products of this category to have better control over quality, supply and cost.

For Khadim India Limited



Indrajit Chaudhuri
Chief Financial Officer
ICAI Membership No.: 61162

Date: October 13, 2023

Place: Kolkata

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RAY & RAY



Date: 29th September, 2023

To,
The Board of Directors and Audit Committee,
Khadim India Limited,
7th Floor, Tower C, DLF IT Park
08 Major Arterial Road, Block - AF
New Town (Rajarhat), Kolkata - 700 156

Independent Auditor's Certificate on the proposed accounting treatment specified in the Draft Scheme of Arrangement between Khadim India Limited and KSR Footwear Limited and their respective shareholders and creditors

1. This certificate is issued in accordance with the terms of our engagement letter dated 23rd September, 2023 with Khadim India Limited (hereinafter the '**Company**' or the '**Demerged Company**' or 'KIL') in accordance with Sections 230 to Section 232 of the Companies Act, 2013 ("the Act").
2. We, **Ray & Ray**, Chartered Accountants, the Statutory Auditors of the Company have examined the proposed accounting treatment specified in Clause 14 "Accounting Treatment" of the Draft Scheme of Arrangement between the Company, KSR Footwear Limited ('**Resulting Company**' or '**KFL**') and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Act (hereinafter referred to as the '**Draft Scheme**') with reference to its compliance with the applicable Indian Accounting Standards notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) (the '**applicable Indian Accounting Standards**') and Other Generally Accepted Accounting Principles.

Management's responsibility

3. The responsibility for the preparation of the Draft Scheme and its compliance with the provision of the Act, Rules and other relevant laws and regulations, including the applicable Indian Accounting Standards read with rules issued thereunder and Other Generally Accepted Accounting Principles as aforesaid, is that of the Board of Directors of the Company. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Draft

Scheme and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.

Auditor's responsibility

4. Our responsibility pursuant to the requirements prescribed under section 232 of the Act and part of SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ('**SEBI Master Circular**') is to examine and report whether the accounting treatment referred to in Clause 14 of the Draft Scheme referred to above, complies with the applicable Indian Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this certificate, nor anything said or done in the course of, or in connection with the services that are subject to this certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.
5. We conducted our examination of the proposed accounting treatment specified in Clause 14 of the Draft Scheme as reproduced in Annexure – A to the certificate, in accordance with the Guidance Note on Reports or Certificates for Special Purposes (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI') and Standards on Auditing specified under Section 143(10) of the Act, in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements. Further, our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Scheme.

Opinion

7. Based on our examination and according to the information and explanations given to us, in our opinion, the proposed accounting treatment as specified in Clause 14 of the Draft Scheme, attached as an Annexure herewith and signed by us for identification purpose only, is in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable Indian Accounting Standards notified by the Central Government under the Act and Other Generally Accepted Accounting Principles in India.
8. For ease of reference, Clause 14 of the Scheme, duly authenticated on behalf of the Company, is reproduced in **Annexure - A** to this Certificate and is initialed by us only for the purposes of identification.



Restriction on Use

9. This certificate has been issued at the request of **Khadim India Limited** pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for onward submission by the Company to the SEBI, BSE Limited, National Stock Exchange of India Limited, Company Law Tribunal(s), Regional Director and Registrar of Companies and such other statutory or regulatory authorities as may be required in connection with the Scheme. This certificate should not be used, quoted or referred for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For Ray & Ray

Chartered Accountants

Firm registration number: 301072E

Amitava Chowdhury

AMITAVA CHOWDHURY

Partner

Membership No: 056060

UDIN:23056060BGWPME7341

Place: Kolkata

Date: 29.09.2023



Relevant extract of clause 14 to the Draft Scheme of Arrangement between Khadim India Limited ('Demerged Company') and KSR Footwear Limited ('Resulting Company') and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('Act')

Clause 14: Accounting Treatment

The Demerged Company and the Resulting Company shall account for the Scheme in their respective books / financial statements in accordance with applicable Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, and Generally Accepted Accounting Principles in India, as amended from time to time including as provided herein below:

Accounting treatment in the books of the Demerged Company:

- 14.1.1 Upon the Scheme becoming effective, with effect from the appointed date, the respective carrying value of assets, liabilities and identified reserves pertaining to the Demerged Undertaking, transferred shall be reduced from the books of accounts of Demerged Company.
- 14.1.2 The Demerged Company shall derecognise the carrying amount of investments, if any, in the Resulting Company pursuant to the Scheme.
- 14.1.3 Loans and advances, receivables, payables and other dues outstanding between the Demerged Company and the Resulting Company relating to the Demerged Undertaking will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 14.1.4 The excess / deficit if any, of the net assets transferred to the Resulting Company pursuant to Clause 14.1.1 after giving effect to investment cancellation as mentioned in Clause 14.1.2 and effect to elimination of balances as mentioned in Clause 14.1.3, shall be adjusted with the Capital Reserve, General Reserve and Retained Earnings of the Demerged Company.

Accounting treatment in the books of the Resulting Company:

- 14.1.5 The Resulting Company shall record the assets, liabilities and identified reserves pertaining to the Demerged Undertaking, transferred to and vested in it at their respective carrying values as appearing in the books of the Demerged Company.
- 14.1.6 Loans and advances, receivables, payables and other dues outstanding between the Demerged Company and the Resulting Company relating to the Demerged Undertaking will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 14.1.7 The Resulting Company shall credit to its share capital in its books of accounts the aggregate face value of equity shares issued by it to the shareholders of the Demerged Company pursuant to Clause 11 of this Scheme.
- 14.1.8 The excess / deficit if any, of the net assets transferred to the Resulting Company pursuant to Clause 14.1.5 after giving effect to Clause 14.1.6 and Clause 14.1.7, shall be transferred to the Capital Reserve of the Resulting Company.

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- 14.1.9 In case of any difference in accounting policy between the Demerged Company and the Resulting Company, the accounting policies followed by the Resulting Company shall prevail and the difference shall be adjusted appropriately as per the applicable Ind-AS.
- 14.1.10 The Resulting Company's share capital cancelled pursuant to Clause 12 shall be credited to the Capital Reserve account.
- 14.1.11 On the Effective Date, the financial information in the financial statements in respect of prior periods will be restated as if the demerger had occurred from the beginning of the preceding period or the date of incorporation of the Resulting Company, whichever is later, irrespective of the actual date of the combination.

For KHADIM INDIA LIMITED



Indrajit Chaudhuri
Chief Financial Officer

Date: 29th September, 2023

Place: Kolkata

INITIALLED FOR THE PURPOSE
OF IDENTIFICATION

Ray & Ray
RAY & RAY





To,

The Board of Directors,

KSR Footwear Limited,

Flat No. 4A, Kalyani Complex,

P-22, Block-A, Bangur Avenue,

North 24 Parganas, 700 055.

Independent Auditor's Certificate on the proposed accounting treatment specified in the Draft Scheme of Arrangement between KSR Footwear Limited, Khadim India Limited and their respective shareholders and creditors

1. This certificate is issued in accordance with the terms of our engagement letter dated 04-09-2023 with KSR Footwear Limited (hereinafter the 'Company' or 'KFL' or the '**Resulting Company**') in accordance with Sections 230 to Section 232 of the Companies Act, 2013 ('the Act').
2. We, **AGARWAL & ASSOCIATES**, the Statutory Auditors of KSR Footwear Limited have examined the proposed accounting treatment specified in Clause 14 'Accounting Treatment' of the Draft Scheme of Arrangement ('**Draft Scheme**') between the Company, Khadim India Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Act with reference to its compliance with the applicable Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 (the '**applicable Indian Accounting Standards**'), and other generally accepted accounting principles.

Management's responsibility

3. The responsibility for the preparation of the Draft Scheme and its compliance with the provision of the Act, Rules and other relevant laws and regulations, including the applicable Indian Accounting Standards read with rules issued thereunder and other generally accepted accounting principles as aforesaid, is that of the Board of Directors of the Company. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Draft Scheme and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.



Auditor's responsibility

4. Our responsibility pursuant to the requirements prescribed under section 232 of the Act and part of SEBI master circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ('**SEBI Master Circular**') is to examine and report whether the accounting treatment referred to in Clause 14 of the Draft Scheme referred to above, complies with the applicable Indian Accounting Standards and other generally accepted accounting principles. Nothing contained in this certificate, nor anything said or done in the course of, or in connection with the services that are subject to this certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.
5. We conducted our examination of the proposed accounting treatment specified in Clause 14 of the Draft Scheme as reproduced in Annexure to the certificate, in accordance with the Guidance Note on Reports or Certificates for Special Purposes (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI') and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Scheme.

Opinion

7. Based on our examination and according to the information and explanations given to us, in our opinion, the proposed accounting treatment as specified in clause 14 of the Draft Scheme, attached as an Annexure herewith and signed by us for identification purpose only, is in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable Indian Accounting Standards notified by the Central Government under the Companies Act, 2013 and other generally accepted accounting principles in India.
8. For ease of reference, Clause 14 of the Scheme, duly authenticated on behalf of the Company, is reproduced in **Annexure** to this Certificate and is initialed by us only for the purposes of identification.



Restriction on Use

9. This certificate has been issued at the request of **KSR Footwear Limited** pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for onward submission by the Company to the Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited, Company Law Tribunal(s), Regional Director and Registrar of Companies and such other statutory or regulatory authorities as may be required in connection with the Scheme. This certificate should not be used, quoted or referred for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For Agarwal & Associates

Chartered Accountants

Firm Registration Number: 0323210E

Naresh Agarwal

CA Naresh Agarwal

Partner

Membership No: 063049

UDIN: 23063049BGWQPN8796



Place: Kolkata

Date: 29.09.2023

KSR FOOTWEAR LIMITED

CIN: U46413WB2023PLC264443

Registered Office : Flat No. 4A, 4th Floor, Kalyani Complex,
P-22, Block-A, Bangur Avenue, Kolkata-700055

E-mail- ksr082023@gmail.com

Annexure

Relevant extract of clause 14 to the Draft Scheme of Arrangement between Khadim India Limited ('Demerged Company') and KSR Footwear Limited ('Resulting Company') and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('Act')

Clause 14: Accounting Treatment

14.1 The Demerged Company and the Resulting Company shall account for the Scheme in their respective books / financial statements in accordance with applicable Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, and Generally Accepted Accounting Principles in India, as amended from time to time including as provided herein below:

Accounting treatment in the books of the Resulting Company:

- 14.1.5 The Resulting Company shall record the assets, liabilities and identified reserves pertaining to the Demerged Undertaking, transferred to and vested in it at their respective carrying values as appearing in the books of the Demerged Company.
- 14.1.6 Loans and advances, receivables, payables and other dues outstanding between the Demerged Company and the Resulting Company relating to the Demerged Undertaking will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 14.1.7 The Resulting Company shall credit to its share capital in its books of accounts the aggregate face value of equity shares issued by it to the shareholders of the Demerged Company pursuant to Clause 11 of this Scheme.
- 14.1.8 The excess/deficit if any, of the net assets transferred to the Resulting Company pursuant to Clause 14.1.5 after giving effect to Clause 14.1.6 and Clause 14.1.7, shall be transferred to the Capital Reserve of the Resulting Company.
- 14.1.9 In case of any difference in accounting policy between the Demerged Company and the Resulting Company, the accounting policies followed by the Resulting Company shall prevail and the difference shall be adjusted appropriately as per the applicable Ind-AS.
- 14.1.10 The Resulting Company's share capital cancelled pursuant to Clause 12 shall be credited to the Capital Reserve account.
- 14.1.11 On the Effective Date, the financial information in the financial statements in respect of prior periods will be restated as if the demerger had occurred from the beginning of the preceding period or the date of incorporation of the Resulting Company, whichever is later, irrespective of the actual date of the combination.

For KSR Footwear Limited



Rittick Roy Burman

Director

DIN: 08537366



Date: 29th September, 2023

Place: Kolkata

RAY & RAY

CHARTERED ACCOUNTANTS

Webel Bhavan, Ground Floor,
Block - EP & GP, Sector V,
Salt Lake, Kolkata - 700 091
Tel. : +91-33-4064 8107 / 8108 / 8109
E-mail : raynray@raynray.net

To,
The Board of Directors,
Khadim India Limited,
7th Floor, Tower C, DLF IT Park,
08 Major Arterial Road, Block - AF
New Town (Rajarhat), Kolkata - 700 156

Certificate certifying details regarding share Capital built-up in case of Scheme of Arrangement involving unlisted entity

1. This Certificate is issued in accordance with the terms of our Engagement Letter dated October 6, 2023 with Khadim India Limited and for the purpose of the draft Scheme of Arrangement between Khadim India Limited (hereinafter the 'Company' or the 'Demerged Company' or 'KIL'), KSR Footwear Limited (hereinafter referred to as 'the Resulting Company' or 'KFL') and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act") ['Scheme'].
2. Statement containing details regarding share Capital built-up in case of Scheme of Arrangement involving unlisted entity duly signed by the authorized signatory of the Company ('the Statement') is attached as an **Annexure – 1** to this Certificate, which we have initialled for identification purpose only.

Management's responsibility

3. The responsibility for the preparation of the Statement is that of the Management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying appropriate basis of preparation, making estimates that are reasonable in the circumstances and ensuring that the Statement are correct and free from error.

Auditor's Responsibility

4. Pursuant to the requirements of the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ('SEBI Circular') as amended, it is our responsibility to examine the Statement and provide a reasonable assurance that the Statement is prepared on the basis of actual data and is accurate.

5. We carried out our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this Certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination, as above, we are of the opinion that the Statement is prepared on the basis of actual data and is accurate.

Restriction on Use

8. This Certificate is issued at the request of the Company to enable them to comply with the requirements of the SEBI Circular which requires them to submit this Certificate along with the Statement for onward submission by the Company to Securities and Exchange Board of India ('SEBI'), BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') and such other statutory or regulatory authorities as may be required in connection with the Scheme. This Certificate should not be used for any other purpose or to be distributed to any other parties without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this Certificate is shown or into whose hands it may come without our prior consent in writing.

For Ray & Ray

Chartered Accountants

Firm Registration number: 301072E

Amitava Chowdhury

(Amitava Chowdhury)

Partner

Membership No:056060

UDIN: 23056060BGWPNB5371



Place: Kolkata

Date: 13.10. 2023

Share Capital built-up in case of scheme of arrangement involving unlisted entity

The capital evolution details of the Demerged Company are given hereunder:

Name of the Company: Khadim India Limited

Equity Share Capital

| Date of Issue | No. of shares issued | Issue Price per share(₹) | Type of Issue (IPO / FPO / Preferential Issue / Scheme/ Bonus/ Rights, etc.) | Cumulative capital (No. of shares) | Whether listed, if not listed, give reasons thereof |
|--|----------------------|--------------------------|---|------------------------------------|---|
| December 03, 1981 | 225 | 100 | Initial Subscription to MOA | 225 | Unlisted |
| From December 04, 1981 to May 21, 2000 | 9,775 | 100 | Equity issue | 10000 | Unlisted |
| September 26, 1998 | - | 10 | Sub division of equity shares of ₹ 100 each to 10 Equity Shares of ₹ 10 each | 1,00,000 | Unlisted |
| May 22, 2000 | 3,000,000 | 10 | Bonus issue in the ratio of 30 :1 | 3,100,000 | Unlisted |
| September 02, 2005 | 5,639,308 | 10 | As per scheme of amalgamation | 8,739,308 | Unlisted |
| August 07, 2006 | 2,184,830 | 10 | Rights issue | 10,924,138 | Unlisted |
| August 11, 2007 | 200,000 | 10 | Preferential allotment | 11,124,138 | Unlisted |
| August 11, 2007 | 511,100 | 10 | Preferential allotment | 11,635,238 | Unlisted |
| September 03, 2007 | 500,000 | 10 | Preferential allotment | 12,135,238 | Unlisted |
| October 30, 2013 | 36,405,714 | 10 | Bonus issue in the ratio of 3 :1 | 48,540,952 | Unlisted |
| March 14, 2014 (Pursuant to the Order of the High Court at Calcutta | - | - | Reduction of Equity Share capital (reducing the face value of equity shares from ₹ 10 per | 48,540,952 | Unlisted |

| | | | | | |
|--|-----------|----|--|------------|----------|
| dated March 14, 2014 and shareholder's resolution dated March 11, 2014) | | | equity share to ₹ 2.5 per equity share) | | |
| June 04, 2014 (Pursuant to the shareholders resolution dated June 4, 2014) | - | - | Consolidated of equity shares from face value of ₹ 2.5 each to ₹ 10 each | 12,135,238 | Unlisted |
| August 01, 2014 | 5,163,293 | 10 | Allotment pursuant to conversion of CCDs | 17,298,531 | Unlisted |
| November 10, 2017 | 666,666 | 10 | Fresh issue of equity shares pursuant to Initial Public Offer (IPO) | 17,965,197 | Listed |
| December 13, 2018 | 4,417 | 10 | Allotment pursuant to ESOP 2017 | 17,969,614 | Listed |

For Khadim India Limited



Abhijit Dan
Company Secretary & Head - Legal
ICSI Membership No. A21358

Place: Kolkata
Date: October 13, 2023

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Comparison of Revenue and Net Worth of the Demerged Undertaking with the total revenue and net worth of the listed / demerged entity in last three financial years

(INR in millions)

| Particulars | Financial Year | Net Worth | Revenue |
|----------------------|----------------|-----------|----------|
| Demerged undertaking | 22-23 | 1,334.01 | 2,185.19 |
| | 21-22 | 1,155.02 | 2,372.34 |
| | 20-21 | 983.48 | 2,073.40 |
| Demerged Company | 22-23 | 2,010.93 | 6,602.64 |
| | 21-22 | 1,833.74 | 5,910.80 |
| | 20-21 | 1,767.23 | 6,261.78 |

Notes:

- Net Worth and Revenue of the Demerged Undertaking is based on Management certified Financials for the Demerged Undertaking as on 31st March, 2023, 31st March, 2022 and 31st March, 2021. The Net Worth has been calculated on the basis of the net assets of the division i.e., total assets as reduced by total liabilities.
- Net Worth and Revenue of Demerged Company is based on audited financial statements of the Company for the financial year ended 31st March, 2023, 31st March, 2022 and 31st March, 2021.

For Khadim India Limited



Indrajit Chaudhuri
Chief Financial Officer
 ICAI Membership No.: 61162

**Date:** October 19, 2023**Place:** Kolkata

frontoffice@khadims.com



033-4009 0501



033-4009 0500

www.khadims.com

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

Vikram Kumar Singh
(Registered Valuer – SFA)

Recommendation of fair equity share entitlement ratio
for the proposed demerger

FAIR SHARE ENTITLEMENT RATIO REPORT

for the proposed demerger of

Distribution Business

of

Khadim India Limited
(Demerged Company)

into

KSR Footwear Limited
(Resulting Company)

Through Scheme of Arrangement
under section 230-232 read with section 66 and other
applicable provisions of the Companies Act, 2013

VIKRAM KUMAR SINGH
Registered Valuer under IBBI (SFA)
Regn No - IBBI/RV/06/2019/11320
P6, Bangur Avenue, Block-A
Dutson Apartment, 2nd Floor
Kolkata – 700 055
M: +91 98 3091 5295
E: cavikramsingh@gmail.com



Recommendation of fair equity share entitlement ratio
for the proposed demerger

29th September 2023

To,
The Board of Directors and Audit Committee
Khadim India Limited
7th Floor, Tower C, DLF IT Park,
08 Major Arterial Road, Block - AF, New Town
(Rajarhat), Kolkata – 700156

To,
The Board of Directors
KSR Footwear Limited
Flat No. 4A, 4th Floor, Kalyani Complex,
P-22, Block-A, Bangur Avenue,
North 24 Parganas - 700055

Sub: Recommendation of fair equity share entitlement ratio for the proposed demerger of the Distribution Business of Khadim India Limited ("KIL") and its transfer to and vesting into KSR Footwear Limited ("KFL") on a going concern basis pursuant to a Scheme of Arrangement between KIL and KFL and their respective shareholders and creditors under sections 230 to 232, 66 and other relevant provisions of the Companies Act, 2013 ("the Act").

Dear Sir/Madam,

I appreciate having been given the opportunity to recommend the fair equity share entitlement ratio for the proposed demerger of the Distribution business ("Demerged Undertaking") of Khadim India Limited ("KIL" or "Demerged Company") into KSR Footwear Limited ("KFL" or "Resulting Company") on a going concern basis pursuant to Scheme of Arrangement between KIL and KFL and their respective shareholders and creditors under sections 230 to 232, 66 and other relevant provisions of the Companies Act, 2013 ("the Scheme"). KIL and KFL shall hereinafter collectively be referred as "the Companies".

In accordance with engagement letter dated August 25, 2023, I am pleased to present herewith a report on the fair equity share entitlement ratio ("Report").

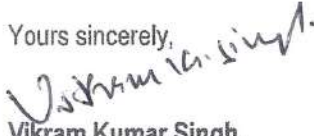
I have determined the fair equity share entitlement ratio for the proposed demerger as at date of this report ("Valuation Date"). A summary of the analysis is presented in the accompanying Report, as well as description of the methodology and procedure I used, and the factors I considered in formulating my opinion.

The "Fair Equity Share Entitlement Ratio" for the purpose of this report refers to the number of fully paid up equity shares of face value INR 10/- each to be issued by the Resulting Company to the equity shareholders of the Demerged Company as consideration for the proposed demerger of Distribution Business.

The fees for this report are in no way contingent upon the results of the findings. I have no responsibility to update this report for events and circumstances occurring subsequent to the date of this report.

This report is subject to the attached exclusions & limitations and to all the terms and conditions of the engagement letter and hence it should be read in its entirety. If you have any questions or require additional information, please do feel free to contact the undersigned.

Yours sincerely,


Vikram Kumar Singh,
Registered Valuer under IBBI
Regn No - IBBI/RV/06/2019/11320



Encl: As above

Recommendation of fair equity share entitlement ratio
for the proposed demerger

1. Background of the Companies

1.1. Khadim India Limited ("Demerged Company")

Khadim India Limited ("Demerged Company") is a public company incorporated on December 03, 1981 under the provisions of the Companies Act, 1956, having Corporate Identification No. (CIN): L19129WB1981PLC034337 and registered office at 7th Floor, Tower C, DLF IT Park, 08 Major Arterial Road, Block - AF, New Town (Rajarhat), Kolkata – 700156.

The Demerged Company has 2 (two) distinct businesses viz. (i) Retail Business and (ii) Distribution Business. The retail business operates through 848 retail stores (as on June 30, 2023) and caters to the middle and upper middle-income consumers, while the distribution business operates through a wide network of 732 (as on June 30, 2023) distributors selling to multi-brand-outlets across India and caters to lower and middle-income consumers.

The equity shares of the Demerged Company are listed on BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

The share capital of the Demerged Company as on 22nd September 2023 is as follows:

| Particulars | Amount (in INR) |
|--|-----------------|
| Authorised Share Capital 6,00,00,000 Equity Shares of INR 10/- each | 60,00,00,000 |
| Issued, Subscribed and Paid up Capital 1,79,69,614 Equity Shares of INR 10/- each | 17,96,96,140 |

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid-up capital of the Demerged Company until the date of approval of the Scheme by the Board of the Demerged Company.

1.2. Demerged Undertaking- Distribution Business

"Demerged Undertaking" shall mean the Company's distribution segment which provides branded and affordable footwear in the mass footwear category catering to lower- & middle-income consumers in Tier-I to Tier-III cities. The distribution business operates through a network of 732 distributors (as on June 30, 2023) selling to multi-brand-outlets across India. The distribution segment manufactures approximately 96% of the products of this category to have better control over quality, supply and cost.

1.3. KSR Footwear Limited ("Resulting Company")

KSR Footwear Limited ("Resulting Company") is a public company incorporated on 22nd August 2023 under the provisions of the Companies Act 2013 with an object to carry on the business of manufacturing and wholesaling of Footwear, having CIN - U46413WB2023PLC264443 and registered office Flat No. 4A, 4th Floor, Kalyani Complex, P-22, Block-A, Bangur Avenue, North 24 Parganas - 700055.

The Resulting Company is a Wholly-owned Subsidiary of the Demerged Company. However, post the Scheme is effective, the existing paid up equity share capital of the Resulting company shall stand reduced and cancelled pursuant to section 66 and other applicable provisions of the Companies Act, 2013 and the Resulting Company will issue fresh equity shares to the shareholders of the Demerged Company. Accordingly, the shareholders of the Demerged Company, are and will upon demerger, be ultimate economic beneficial owners of the Resulting Company in the same proportion as they hold in the Demerged Company and the Resulting Company will reflect a mirror shareholding as that of the Demerged Company.

It has also been informed by the management that the equity shares of the "Resulting Company" will be listed on BSE and NSE pursuant to the Scheme.



Recommendation of fair equity share entitlement ratio
for the proposed demerger

The share capital of the Resulting Company as on 22nd September 2023 is as follows:

| Particulars | Amount (in INR) |
|---|-----------------|
| Authorised Share Capital 1,50,000 Equity Shares of INR 10/- each | 15,00,000 |
| Issued, Subscribed and Paid up Capital 10,000 Equity Shares of INR 10/- each | 1,00,000 |

2. Purpose of Engagement

Based on discussions with the Demerged Company and the Resulting Company, I understand that the Demerged Company has proposed to transfer and vest the Demerged Undertaking comprising of its Distribution Business into the Resulting Company in accordance with the Scheme, and thus the fair share entitlement ratio of equity shares is required.

The appointment of the undersigned as Registered Valuer has been duly authorised/confirmed/ratified by the Board of Directors of the Demerged Company and the Resulting Company.

This Report and the information contained herein are strictly confidential and are intended for the sole use of the Companies in order to comply with sections 230 to 232 and other applicable provisions of the Companies Act, 2013, as well as applicable provisions and circulars issued by the Securities and Exchange Board of India ("SEBI") applicable to a scheme of arrangement. The results of valuation analysis and this Report may not be used or relied on by the Companies or any other person for any other reason.

3. Rationale of the Proposed Demerger

It is considered desirable and expedient to re-organise and reconstruct the Demerged Company by demerging its Distribution Business to the Resulting Company as part of an overall strategy for optimum management, growth and development of the Demerged Company's operations.

The transfer and vesting of the Demerged Undertaking comprising of Distribution Business into the Resulting Company pursuant to the Scheme shall be in the interest of all concerned stakeholders including shareholders, customers, creditors, employees and general public.

The Scheme is expected, inter alia, to result in the following benefits:

- Create sector focused companies;
- Attract business specific investors;
- Streamline the management structure;
- Unlock value for shareholders;
- Ring-fence businesses from each other;
- Better risk management; and
- Better Management Bandwidth utilization.

4. Scope of Work

The scope of work is to recommend a Fair Equity Share Entitlement Ratio for the proposed demerger of Demerged Undertaking of the Demerged Company into the Resulting Company through a scheme of arrangement, using ICAI Valuation Standards 2018 issued by the Institute of Chartered Accountants of India ("ICAI") and internationally accepted valuation methodology as per International Valuation Standards issued by International Valuation Standards Council ("IVSC").

This Report is my deliverable in respect of recommendation of fair equity share entitlement ratio for the proposed demerger.



Recommendation of fair equity share entitlement ratio
for the proposed demerger

This Report is subject to the scope, assumptions, exclusions, caveats, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

5. Caveats, Limitations and Disclaimers

- i. This Fair Share Entitlement Ratio Report has been issued on the specific request of the Demerged Company and the Resulting Company for Determining the Fair Share Entitlement Ratio for the said proposed Scheme of Arrangement in accordance with the Companies Act, 2013 and rules made thereunder and is required for filing the same with the jurisdictional National Company Law Tribunal, Stock Exchanges and SEBI. This Fair Share Entitlement Ratio Report is prepared exclusively for the above stated purpose and must not be copied, disclosed or circulated or referred to in correspondence or discussion with any other party. Neither this report nor its content may be used for any other purpose without my prior written consent.
- ii. This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of my engagement; and (ii) are based on the data detailed in section Sources of Information.
- iii. I am provided with sufficient information and time to make my opinion for this valuation exercise. However, my opinion may change if any material information is not disclosed / hidden from me during this valuation exercise.
- iv. I have no present or planned future interest in the Companies or any of their group companies. I do not have any financial interest in the Companies, nor do I have any conflict of interest in carrying out this valuation, from the date of the engagement letter till the date of this Report. I further state that I am not related to the Companies or their promoters, if any or their director or their relatives
- v. My scope is limited to recommendation of the Fair Equity Share Entitlement Ratio. The Report should not be construed as, my opinion or certifying the compliance of the Proposed Demerger with the provisions of any law including the Companies Act 2013, Foreign Exchange Management Act, 1999, taxation related laws, capital market related laws, any accounting, taxation or legal implications or issues arising from the Proposed Demerger.
- vi. The final responsibility for the determination of Fair Share Entitlement Ratio at which the proposed demerger transaction shall take place will be with the board of directors who should take into account other factors such as their own assessments of the proposed demerger transaction and inputs of other advisors.
- vii. I have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to me or used by me, I have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the Companies. Nothing has come to my knowledge to indicate that the material provided to me was mis-stated or incorrect or would not afford reasonable grounds upon which to base my Report.
- viii. I have also relied on data from external sources to conclude the valuation. These sources are believed to be reliable and therefore, I assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where I have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.
- ix. The scope of the assignment did not include performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was used during the course of the work. Accordingly, I express no audit opinion or any other form of assurance on this information on behalf of the Companies. The assignment did not involve me to conduct the financial or technical feasibility study. I have not done any independent technical valuation or appraisal or due



Recommendation of fair equity share entitlement ratio
for the proposed demerger

- diligence or legal title search of the assets or liabilities of the Companies and have considered them at the value as disclosed by the Companies in their regulatory filings or in submissions, oral or written, made to me.
- x. I assume that the companies fully comply with the relevant laws and regulations applicable in their areas of operations and unless otherwise stated, and that these companies will be managed in a component and responsible manner. Further, except as specifically stated to the contrary, this report has given no consideration to matters of regulatory, tax and legal nature, including issue of legal title and compliance, with local laws and litigation and other contingent liabilities that are not recorded in the audited/ unaudited financial statements of the companies.
- xi. This report does not look into the business/ commercial reason behind the proposal transaction of demerger nor the likely benefit arising out of the same. Similarly, it does not address the relative merits of proposed transactions as compared with any other alternative business transaction or other alternative or whether or not such alternative could be achieved or are available. This report is restricted to recommendations for fair share entitlement ratio only. It's suitability and applicability for any other use has not been checked by the undersigned.
- xii. An analysis of such nature is necessarily based on prevailing stock market, financial, economic and other condition in general and industry trends in particular as in effect on and the information made available to me as of, the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and I do not assume any obligation to update, revise or reaffirm this Report.
- xiii. I do not express any opinion/ recommendation. The shareholders are expected to exercise their own discretion.
- xiv. The fee for this Fair Share Entitlement Ratio Analysis is not contingent upon the values reported herein. The Fair Share Entitlement Ratio Analysis contained herein is not intended to represent the value/ratio at any time other than the date that is specifically reported in this report.
- xv. This Report is to be read in totality, and not in parts in conjunction with the relevant document referred to herein.
- xvi. I will not be liable for any losses, claims, damage or liabilities arising out of the action taken, omissions or advise given by any other advisor to the companies. In no event, I shall be liable for any loss, damages, cost or expenses arising in any way from fraudulent act, misrepresentations or wilful default on the part of the companies, its directors, employees or agents. I do not accept any liability to any third party in relation of this report. In no circumstances the liability of myself, associate or employees relating to the service provided in connection with the engagement set out in this Fair Share Entitlement Report shall exceed the amount of fees paid for the assignment.
- xvii. The Fair Share Entitlement Report should not be construed as investment advice. Moreover, the undersigned does not express any opinion on the suitability or otherwise of entering into the proposed transaction.
- xviii. This Report is meant for a purpose mentioned above and should not be used for any purpose other than the purpose mentioned therein. Neither the Report nor its content may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the proposed Scheme of Arrangement, without my prior consent except for disclosure to relevant regulatory authorities including Stock Exchanges, SEBI, and Ministry of Corporate Affairs.



Recommendation of fair equity share entitlement ratio
for the proposed demerger

6. Sources of Information

For the purpose of arriving at the Share Entitlement Ratio, the following sources of information have been relied upon:

- Draft Scheme of Arrangement.
Note:- The Management has informed that there would be no significant variation between the draft Scheme and the final scheme approved and submitted with the relevant authorities
- Latest Shareholding Pattern of Khadim India Limited & KSR Footwear Limited.
- Audited Financial Statements of Khadim India Limited as on 31st March 2023.
- Other relevant data and information provided to me by the representatives of the Companies either in written or oral form or in the form of soft copy of the Companies.
- MCA Databases and other relevant information and documents for the purpose of engagement; and
- Discussions with the management.

The companies have been provided with the opportunity to review the draft reports as a part of my standard practice to make sure that there are no factual inaccuracies/ omissions in the final report.

7. Valuation Approaches and Methodology

Given the nature of this activity, Fair Value has been considered as a Valuation Base. As the premise of value, I have considered Going Concern Value and "As is where is" Value to be applicable to the companies being valued.

From discussion with the management and on perusal of, draft Scheme of Arrangement, I understand that:

- The management of the listed Demerged Company is contemplating to demerge the Distribution Business.
- For the purpose of demerger, the Resulting Company has been newly incorporated as a Wholly-owned Subsidiary of the Demerged Company.
- However, post the Scheme is effective, the existing paid up equity share capital ("Pre- Demerger Equity Share Capital") of the Resulting company shall stand reduced and cancelled pursuant to section 66 and other applicable provisions of the Companies Act, 2013 and the Resulting Company will issue fresh equity shares to the shareholders of the Demerged Company.
- Accordingly, the shareholders of the Demerged Company as on the record date, are and will upon demerger, be ultimate economic beneficial owners of the Resulting Company in the same proportion as they hold in the Demerged Company. The Resulting Company will reflect a mirror shareholding as that of the Demerged Company and thereafter it will function as an independent listed company.
- As per paragraph (A)(4)(b) of Part I of SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("SEBI Master Circular"), a Valuation Report is not required in cases where there is no change in the shareholding pattern of the listed / resulting company.

The proposed demerger does not require a valuation report since there is no change in the shareholding pattern of the Demerged Company and the Resulting Company. Hence, I have not carried out the valuation of these entities under generally accepted valuation approaches.

Accordingly, considering the approach and the rationale for the fair equity share entitlement ratio discussed in para 7 above, the valuation approaches as indicated in the format (as shown below) as prescribed by circular number NSE/CML/2017 /12 of NSE and LIST /COMP/02/2017-18 of BSE have not been undertaken as they are not applicable in the instant case:



Recommendation of fair equity share entitlement ratio
for the proposed demerger

| Valuation Approach | Distribution Business of Khadim India Limited | | KSR Footwear Limited | |
|-------------------------------|---|--------|----------------------|--------|
| | Value per Share of Khadim India Limited for Distribution Business | Weight | Value per Share | Weight |
| Asset Approach | NA | 0% | NA | 0% |
| Income Approach | NA | 0% | NA | 0% |
| Market Approach | NA | 0% | NA | 0% |
| Relative Value per Share | NA | 0% | NA | 0% |
| Exchange Ratio (Rounded Off)* | | NA | | |

NA - Not Adopted/Not Applicable

8. Recommendation

Based on the foregoing, any share entitlement ratio can be considered for the aforementioned demerger because no shareholder's proportionate shareholding would change.

In light of the Resulting Company's desired capital structure, the Management of the Demerged Company and the Resulting Company has suggested a share entitlement ratio of "1 (one) equity share of the face value of INR 10/- each fully paid-up of the Resulting Company for every 1 (one) equity share of face value INR 10/- each fully paid up held by equity shareholders of the Demerged Company."

Based on the foregoing and on consideration of all relevant factors and circumstances as discussed and outlined herein above, pursuant to the Scheme. The recommended Fair Share Entitlement Ratio is:

"1 (one) equity share of the face value of INR 10/- each fully paid-up of the Resulting Company for every 1 (one) equity share of face value INR 10/- each fully paid up held by equity shareholders of the Demerged Company."

I believe that the above share entitlement ratio is fair and reasonable, given that all Demerged Company's shareholders will be the ultimate beneficial owners of the Resulting Company in the same ratio as they hold shares in the Demerged Company on the record date.



To,
 The Manager
 The Listing Department
 National Stock Exchange of India Limited
 Exchange Plaza, C-1, Block G,
 Bandra Kurla Complex, Bandra (E),
 Mumbai - 400 051

Symbol: KHADIM

Dear Sir / Madam,

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Arrangement between Khadim India Limited (hereinafter referred to as 'the Company' or 'the Demerged Company' or 'KIL' or 'listed entity'), KSR Footwear Limited (hereinafter referred to as 'the Resulting Company' or 'KFL' or 'unlisted entity') and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with relevant rules made there under ['Scheme']

In connection with the above application, we hereby confirm that:

1. The Scheme is in compliance with the applicable securities laws.
2. The Arrangement proposed in the Scheme is yet to be executed. The proposed Scheme of Arrangement to be presented to any Court or Tribunal does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992 and the Securities Contracts (Regulation) Act, 1956.

For Khadim India Limited



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



Place: Kolkata

Date: October 19, 2023