

July 24, 2026

The Manager
The Listing Department
National Stock Exchange of India Limited ('NSE')
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
Symbol – KSR

Dear Sir / Madam,

Subject: Our reply against NSE queries dated July 17, 2026 pertaining to Financial Statements submitted to the Exchange on November 27, 2025

This is with reference to below NSE queries dated July 17, 2026 pertaining to interim Audited Financial Statements for the quarter ended June 30, 2025, submitted to NSE on November 27, 2025:

1. Segment details not submitted

Reply:

The Company is engaged in one business segment namely, Footwear. Hence segment-wise reporting is not applicable to the Company.

2. Machine readable Form/Legible copy of Financial Results not submitted

Reply:

Please note that the copy of Financial Results as on June 30, 2025 was submitted in Machine Readable Form. However, a high-resolution file in Machine Readable Form is also enclosed herewith for your record.

3. Financial results submitted is not as per format prescribed by SEBI-Comparative Figures not submitted

Reply:

The Scheme of Arrangement between Khadim India Limited ("Demerged Company") and the Company ("Resulting Company") and their respective shareholders and creditors under Sections 230 to 232 read with the other applicable provisions of the Companies Act, 2013 ("Scheme") was sanctioned by the Hon'ble National Company Law Tribunal, Kolkata Bench ("Hon'ble NCLT") by its Order dated March 27, 2025. The Scheme provided for demerger of the Distribution Business ("Demerged Undertaking") of Khadim India Limited, as a going concern, into the Company.

The Scheme became effective on and from May 01, 2025 in terms of the provisions of the Scheme. Further, pursuant to the aforesaid Order and upon Scheme became effective, the entire Distribution Business ("Demerged Undertaking") stands transferred from the Demerged Company and vested with the Resulting Company as a 'Going Concern' on and from April 01, 2025, being the Appointed Date as determined in terms of the said Scheme.

Consequent to the Order of Hon'ble NCLT, the Company had filed application with NSE and BSE Limited (together "the stock exchanges") on July 19, 2025 and July 23, 2025 respectively for listing of shares as per the Scheme.

The listing approval was granted by the stock exchanges on September 05, 2025 and the trading approval for the same was granted by the stock exchanges on November 25, 2025 effective from November 27, 2025.

As there was no major business activity prior to the Appointed Date i.e., April 01, 2025, no comparative figures had been included in the interim Audited Financial Statements for the quarter ended June 30, 2025.

Trust the above clarification would suffice in the matter.

Thanking you,

Yours faithfully,

For **KSR Footwear Limited**

Company Secretary

ICSI Membership No. - A58192

Encl: As above





INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of KSR FOOTWEAR LIMITED

Opinion

We have audited the accompanying special purpose interim Ind AS financial statements of KSR Footwear Limited ("the Company"), which comprise the interim Balance Sheet as at June 30, 2025, the interim Statement of Profit and Loss, including the interim statement of Other Comprehensive Income, the interim Statement Cash Flows for the three months period then ended, and a summary of select explanatory notes.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose interim Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standard (Ind AS) 34 specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended of the state of affairs of the Company as at June 30, 2025, its loss including other comprehensive income and its cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit of the special purpose interim Ind AS financial statements in accordance with the Standards on Auditing (SAs), as 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 special purpose interim Ind AS 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 together with the ethical requirements that are relevant to our audit of the special purpose interim Ind AS 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the special purpose interim Ind AS financial statements.

Responsibilities of Management for the Special Purpose Interim Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these special purpose interim Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income and cash flows of the Company in accordance with the requirement of Indian Accounting Standard (Ind AS) 34 specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special



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

In preparing the special purpose interim Ind AS financial statements, Board of Directors are responsible for assessing the ability of the Company 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 also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Interim Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose interim Ind AS 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 special purpose interim Ind AS 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 special purpose interim Ind AS 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting 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 special purpose interim Ind AS 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 special purpose interim Ind AS financial statements, including the disclosures, and whether the special purpose interim Ind AS 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.

Other Matter

The accompanying special purpose interim Ind AS financial statements, have been prepared, and this report thereon issued, solely for use by the management for its inclusion in the information memorandum to be filed by the Company with the relevant stock exchanges for the proposed listing of equity shares of the Company in accordance with the scheme of demerger of distribution business of Khadim India Limited into the Company. Accordingly, this report should not be used, referred to or distributed for any other purpose without our prior written consent. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Place: Kolkata
Date: 14.10.2025



For Agarwal & Associates
Chartered Accountants
(Firm Registration No. 323210E)

(Naresh Agarwal)
(Partner)
Membership No. 063049
UDIN: 25063049BMJJWF5815

KSR Footwear Limited
Balance Sheet as at 30th June 2025

(Rs. In Millions)

	Particulars	As at 30th June 2025
	ASSETS	
1	Non - current assets	
(a)	Property, Plant and Equipment	340.90
(b)	Capital work - in - progress	1.21
(c)	Right of Use Assets	332.19
(d)	Intangible assets	0.09
(e)	Financial Assets	21.45
	Others	13.25
(f)	Deferred tax assets (net)	0.13
(g)	Income tax assets (net)	19.49
(h)	Other non-current assets	
2	Current assets	732.94
(a)	Inventories	
(b)	Financial Assets	472.36
	(i) Trade receivables	42.50
	(ii) Cash and cash equivalents	40.62
	(iii) Other Bank balances	9.79
	(iv) Others	35.03
(c)	Other current assets	
	Total Assets	2,061.95
	EQUITY AND LIABILITIES	
	Equity	183.78
(a)	Equity Share capital	648.87
(b)	Other Equity	
	LIABILITIES	
1	Non-current liabilities	
(a)	Financial Liabilities	-
	(i) Borrowings	358.17
	(ii) Lease liabilities	0.10
(b)	Provisions	-
(c)	Deferred tax liabilities (Net)	4.05
(d)	Other non-current liabilities	
2	Current liabilities	
(a)	Financial Liabilities	150.00
	(i) Borrowings	43.26
	(ii) Lease liabilities	-
	(iii) Trade payables	-
	Total outstanding dues of micro enterprises and small enterprises	656.12
	Total outstanding dues of creditors other than micro enterprises and small enterprises	7.40
	(iv) Other financial liabilities	10.20
(b)	Other current liabilities	-
(c)	Provisions	
	Total Equity and Liabilities	2,061.95

In terms of our report of even date attached

For and on behalf of Board of Directors

For Agarwal & Associates
Chartered Accountants
FRN - 323210E

Naresh Agarwal
Partner
Membership no.- 063049

Place: Kolkata
Date: 14th October 2025



Suman Barman Roy
Chairman
DIN: 07285500

Shikha Jindal
Company Secretary
Membership No.: ACS 58192

Rittick Roy Burman
Managing Director
DIN: 08537366

Sujoyit Chowdhury
Chief Financial Officer

KSR Footwear Limited
Statement of Profit and Loss for the quarter ended 30th June 2025

(Rs. In Millions)	
Particulars	Quarter ended 30th June 2025
Revenue From Operations	520.61
Other Income	5.42
Total Income	526.03
Expenses	
Cost of materials consumed	322.72
Purchases of Stock-in-Trade	18.81
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	56.57
Employee benefits expense	33.97
Finance costs	8.87
Depreciation and amortization expense	28.57
Other expenses	107.30
Total expenses	576.81
Loss before tax	(50.78)
Tax expense:	
Current tax	-
Deferred tax	(2.51)
Loss for the period/year	(48.27)
Other Comprehensive Income	-
Total Comprehensive Income for the period/year	(48.27)

In terms of our report of even date attached

For and on behalf of Board of Directors

For Agarwal & Associates
Chartered Accountants
FRN - 323210E

Naresh Agarwal
Naresh Agarwal
Partner

Membership no.- 063049

Place: Kolkata
Date: 14th October 2025



Suman Barman Roy
Suman Barman Roy
Chairman
DIN: 07285500

Shikha Jindal

Shikha Jindal
Company Secretary
Membership No.: ACS 58192

Rittick Roy Burman
Rittick Roy Burman
Managing Director
DIN: 08537366

Suvant Chowdhury
Suvant Chowdhury
Chief Financial Officer

KSR Footwear Limited
Statement of Cashflows for the quarter ended 30th June 2025

Particulars	Quarter ended 30th June 2025
A CASH FLOW FROM OPERATING ACTIVITIES	
Loss before Tax	(50.78)
Adjustments for:	
Depreciation and amortization expense	28.57
Loss on disposal of property, plant and equipment (net)	-
Interest Received	(0.80)
Government grant received	(0.42)
Liability Not Required Written Back	(3.37)
Finance costs	8.87
Operating Profit before Working Capital Changes	(17.93)
Adjustments for:	
Trade Receivables, Loans and Advances and Other Assets	(33.57)
Inventories	71.28
Trade Payables, Other Liabilities and Provisions	84.86
Cash Generated from Operations	104.64
Net income tax paid	(0.13)
Net Cash generated from Operating Activities	104.51
B CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of property, plant and equipment, intangible assets	(2.50)
Sale of property, plant and equipment, intangible assets	-
Investments in bank deposits	(146.30)
Maturity of bank deposits	96.88
Interest Received	0.15
Net Cash used in Investing Activities	(51.77)
C CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from Issue of equity share capital	-
Interest paid	-
Repayment of lease liability	(18.68)
Payment of initial direct cost recognised as Right of Use Asset	(0.77)
Long term loans taken	-
Long term loans repaid	(1.50)
Net Cash used in Financing Activities	(20.95)
Net Increase in Cash and Cash Equivalents (A+B+C)	31.79
Cash and Cash Equivalents at beginning of the period	(139.29)
Cash and Cash Equivalents transferred pursuant to scheme of arrangement	-
Cash and Cash Equivalents at end of the period	(107.50)

Components of Cash and Cash Equivalents at end of the period

Cash Credit facilities (150.00)
Cash and cash equivalents 42.50
Cash and cash equivalents as above (107.50)

In terms of our report of even date attached

For Agarwal & Associates
Chartered Accountants
FRN - 323210E

Naresh Agarwal
Partner
Membership no.- 063049

Place: Kolkata
Date: 14th October 2025



For and on behalf of Board of Directors

Suman Barman Roy
Chairman
DIN: 07285500

Shikha Jindal
Company Secretary
Membership No.: ACS 58192

Rittick Roy Burman
Managing Director
DIN: 08537366

Suvante Chowdhury
Chief Financial Officer

KSR Footwear Limited
Notes to Financial Statements
(All amounts in Rupees millions, 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 Material 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 as going concern, on accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities that are measured at fair values, as explained in the accounting policies.

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

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

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

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

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

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

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

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
(All amounts in Rupees millions, unless otherwise stated)

2.4 Property, Plant and Equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognized as at 1st April 2016 measured as per the previous GAAP.

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

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

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

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

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

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

2.5 Intangible Assets

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

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

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

2.6 Impairment of Property, Plant and Equipment and Intangible Assets

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

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

2.7 Inventories

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

2.8 Revenue Recognition

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

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made and the Company has performed its obligations. Revenue is measured at the fair value of the consideration received or receivable for goods supplied, net of returns and discounts to Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

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



KSR Footwear Limited
Notes to Financial Statements
(All amounts in Rupees millions, unless otherwise stated)

2.9 Government Grant

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

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

2.10 Foreign Currency Transactions

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

2.11 Borrowing Cost

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

2.12 Employee Benefits

I Short-term employee benefits

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

II Defined contribution plan

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

III Defined benefit plan

The Company maintains Gratuity Plan for all its eligible employees and the same is a defined benefit plan. The cost of providing benefits under the defined benefit gratuity obligation is determined by independent actuary at each balance sheet date using the projected unit credit method.

Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of remeasurements are recognized immediately through other comprehensive income in the period in which they occur.

IV Other long term employee benefits

The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Actuarial gains/losses are immediately taken to the statement of profit and loss. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

2.13 Leases

The Company, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after 1 April, 2019.

Company as a Lessee

The Company assesses whether a contract is or contains a lease according to Ind AS 116 'Leases' at the inception of the contract. A contract is, or contains, a lease if the contract involves—

- (a) the use of an identified asset,
- (b) the right to obtain substantially all the economic benefits from use of the identified asset, and
- (c) the right to direct the use of the identified asset.

The Company at the inception of the lease contract i.e. at the lease commencement date recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term).

Right-of-use assets

At the lease commencement date, the right-of-use asset is initially measured at cost which comprises the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

Lease Liabilities

At the lease commencement date, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. This includes fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees, the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

For short-term leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company is a lessor under an operating lease, the asset is capitalised within property, plant and equipment and depreciated over its useful economic life. Payments received under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the term of the lease.



KSR Footwear Limited
Notes to Financial Statements
(All amounts in Rupees millions, unless otherwise stated)

2.14 Income Taxes

Income tax comprises of current taxes and deferred taxes.

Current 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 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.

2.15 Provisions, Contingent liabilities and Contingent assets

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.

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.

The Company does not recognise contingent assets.

2.16 Dividend Distribution

Dividends paid (including income tax thereon) is recognized in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by Shareholders.

2.17 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding cash credit as they are considered an integral part of the Company's cash management.

2.18 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. 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.



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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 standalone 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 standalone financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

I Useful lives of property, plant and equipment and intangible assets

Management reviews the useful lives of property, plant and equipment and intangible assets at least once in a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the Management.

II Actuarial Valuation

The determination of Company's liability towards employee benefits in the nature of gratuity and unpaid leave balance is made through independent actuarial valuation including determination of amounts to be recognized in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the standalone financial statements.



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4 Financial Instruments and related disclosures

A Capital Management

The Company aims at maintaining a strong capital base safeguarding business continuity and augments its internal generations with a judicious use of borrowing facilities to meet the requirements of working capital that arise from time to time as well as requirements to finance business growth. The Company is not subject to any externally imposed capital requirements.

B Categories of Financial Instruments

I Financial assets

a. Measured at amortised cost

Trade receivables
Cash and cash equivalents
Other bank balances
Other financial assets
Total Financial assets

II Financial liabilities

a. Measured at amortised cost

Lease liabilities
Borrowings
Trade payables
Other financial liabilities
Total Financial liabilities

As at 30th June 2025	
Carrying value	Fair value
472.36	472.36
42.50	42.50
40.62	40.62
31.24	31.24
586.72	586.72
401.43	401.43
150.00	150.00
656.12	656.12
7.40	7.40
1,214.95	1,214.95
1,546.20	1,962.46
331.25	747.51

C Financial risk management objectives

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

Interest rate risk

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

Price risk

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

Liquidity Risk

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

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

As at 30th June 2025	Carrying value	Less than 1 year	Between 1 to 5 years	Beyond 5 years	Total
Lease liabilities	401.43	43.26	261.30	96.87	401.43
Borrowings	150.00	150.00	-	-	150.00
Trade payables	656.12	656.12	-	-	656.12
Other financial liabilities	7.40	7.40	-	-	7.40
Total	1,214.95	856.78	261.30	96.87	1,214.95

Credit Risk

The Company's customer base is diverse limiting the risk arising out of credit concentration. Further, credit is extended in business interest in accordance with guidelines issued centrally and business-specific credit policies. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. Loss allowances and impairment are recognized, where considered appropriate by responsible management. The Company has adopted a simplified approach by computing the expected credit loss allowance for trade receivables based on a provision matrix taking into account historical credit loss experience.

The movement of the expected loss provision (allowance for bad and doubtful receivables) made by the Company are as under:

Opening Balance
Add: Provisions made

Closing Balance

Expected Loss provision
As at 30th June 2025
22.25
3.97
26.22

Of the trade receivables balance at the end of the year, no dues from any one customer exceeded 20 per cent of gross financial assets. The Company does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.



KSR Footwear Limited
Notes to Financial Statements
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Foreign currency Risk

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

5 Fair value measurement

Fair value hierarchy

Fair value of the financial instruments is classified in various hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

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

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, current investments, trade payables, other current financial assets and liabilities and short-term borrowings are considered to be equal to the carrying amounts of these items due to their short-term nature and accordingly not included in the below table. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

I Financial assets
a. Measured at amortised cost
Other financial assets - Non-Current
Total Financial assets
II Financial liabilities

Fair value hierarchy (Level)	As at 30th June 2025
3	21.45
	21.45
	-



KSR Footwear Limited
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6 Micro, Small and Medium scale business entities:

Details as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). This information has been determined to the extent such parties have been identified on the basis of information available with the Company

Sl. No.	Particulars	30th June 2025
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year. Principal Interest	Nil Nil
2	The amount of interest paid by the buyer in terms of section 16, of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	Nil
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	Nil

In terms of our report of even date attached

For and on behalf of Board of Directors

For Agarwal & Associates

Chartered Accountants
FRN - 323210E

Naresh Agarwal

Naresh Agarwal
Partner
Membership no.- 063049

Place: Kolkata
Date: 14th October 2025



Suman Barman Roy
Chairman
DIN: 07285500

Shikha Jindal

Shikha Jindal
Company Secretary
Membership No.: ACS 58192

Bannu

Rittick Roy Burman
Managing Director
DIN: 08537366

Sujoyit Chowdhury
Chief Financial Officer