

KHADIM INDIA LIMITED

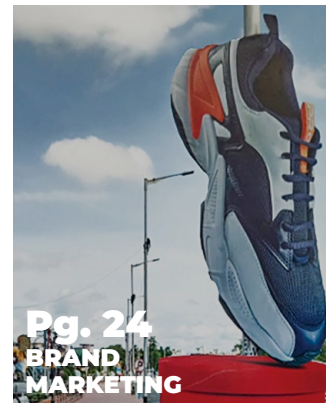
KHADIM

ANNUAL REPORT 2022-23



www.khadims.com





Contents

01/35

CORPORATE OVERVIEW

- 02** Khadim – At a Glance
- 06** Business Model
- 08** Our Brands
- 10** Business Strengths
- 12** CMD's Message
- 14** Whole-time Director's Message
- 18** Segment Review – Retail
- 22** Segment Review – Distribution
- 24** Brand Marketing
- 28** Human Resources
- 29** Corporate Social Responsibility
- 30** Financial Performance
- 31** Board of Directors
- 33** Leadership Team
- 35** Corporate Information

36/85

STATUTORY REPORTS

- 36** Management Discussion and Analysis
- 46** Board's Report

86/202

FINANCIAL STATEMENTS

Standalone

- 87** Independent Auditor's Report
- 98** Balance Sheet
- 99** Statement of Profit and Loss
- 100** Statement of Changes in Equity
- 102** Cash Flow Statement
- 104** Notes to Financial Statements
- 146** Form AOC-1

Consolidated

- 147** Independent Auditor's Report
- 154** Balance Sheet
- 155** Statement of Profit and Loss
- 156** Statement of Changes in Equity
- 158** Cash Flow Statement
- 160** Notes to Financial Statements

203/224

NOTICE



To know more about the Company,
scan the QR Code



To view the Report online, log on to
www.khadims.com/annual-report

Embrace the spirit of

‘AFFORDABLE FASHION FOR EVERYONE’

with Khadim, the home-grown footwear brand that resonates with every Indian.

Our essence lies in affordability, driving our purpose to offer trendy and vibrant footwear at irresistible prices, perfect for all occasions for all age groups. With a steadfast focus on economy and mass segments, we make fashion accessible to every family, setting us apart from other retail footwear players in India.

As we expand our retail presence and deepen market penetration, our stylish yet affordable footwear continues to WOW our customers, making us the preferred choice for families.

Step into our world, where fashion knows no boundaries!



At a Glance

Established in 1981, Khadim is one of India's largest branded footwear companies. We are a prime player in the affordable fashion segment, providing high-quality footwear for the entire family, suitable for all occasions.

Our brand 'Khadim' has successfully positioned itself as a popular choice for fashionable footwear, offering style without the burden of a high price tag. Our products are available nationwide and particularly resonate with the growing aspirations of India's middle-class segment, who seek trendy and value-for-money footwear. With a vibrant collection that is regularly refreshed, we remain committed to delivering the best footwear experience for our valued customers.

OUR VISION

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

OUR MISSION

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





Key Facts and Figures

2nd

Largest footwear retailer in India*

One of the top 3

Players in South India*

846

Retail Stores

765

Employees

60%

Revenue contribution from
tier 2 cities and beyond



₹ 725 Million

EBITDA in FY 2022-23,

51.7% 

year-on-year

**Largest
presence**

in Eastern India*

Largest footwear

retail franchise network in India

* In terms of number of exclusive retail stores

700

Distributors

76 Lakh

Pairs Retail volume sales in FY 2022-23
(vs. 70 lakh pairs in FY 2021-22)

₹ 6,603 Million

Revenue in FY 2022-23,

11.7% 

year-on-year

₹ 175 Million

PAT in FY 2022-23,

171.1% 

year-on-year



Business Model

Our two-pronged market reach strategy, with a focused approach towards the retail and distribution segments, puts us in a strong position to capitalise on the Indian footwear industry's growth potential.

Our Company operates through two distinct business verticals, Retail and Distribution, each with its predominantly own customer base, sales channels and product range. We have established growth and success in both segments, serving customers' needs for affordable and quality footwear while also diversifying and de-risking our operations.

Retail Segment

Under our retail business, we outsource the majority of our product requirements from a large network of vendors to offer a wide selection of designs, sizes and colors. These products are relatively more premium than those sold in our distribution business.

The products are sold through our extensive network of exclusive retail stores (company owned outlets and franchisees). We predominantly follow the asset-light model to expand our retail presence, with 74% of our outlets operating under the franchisee route, and the remaining under the company-owned and company-operated (COCO) format. The product mix in our stores is maintained according to the customer profile of a given market to ensure product relevance and customer satisfaction.

Distribution Segment

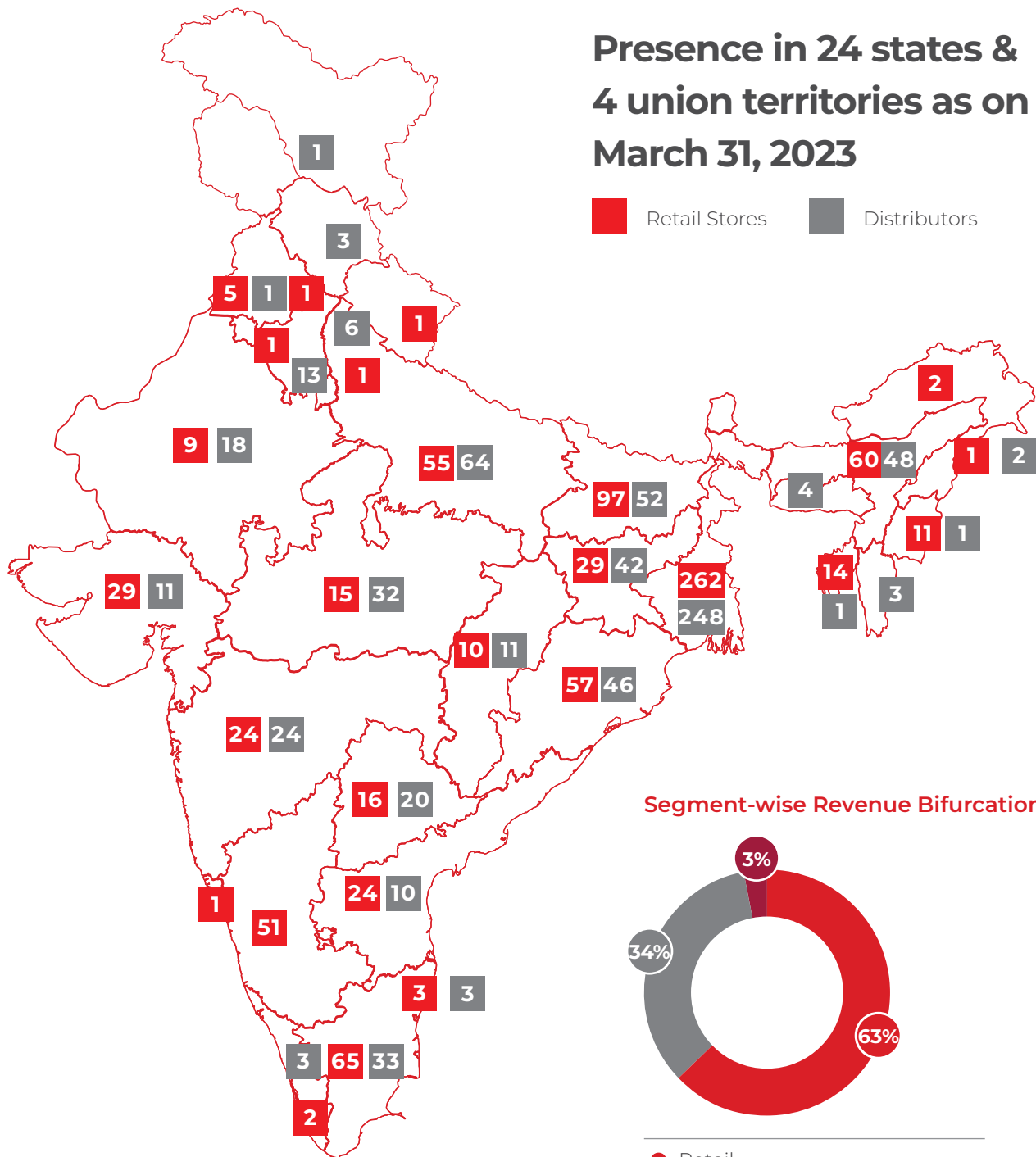
Under our distribution business, we manufacture and supply footwear to distributors, who, in turn, supply them to MBOs (Multi-Brand Outlets) across the country. These products range from basic utility footwear to affordable premium footwear. With products being manufactured through a mix of in-house and contract manufacturing facilities, our distribution business has a highly scalable model at the front-end.

	RETAIL BUSINESS	DISTRIBUTION BUSINESS
Reach	846 Khadim's exclusive branded outlets, as of March 31, 2023	700 distributors supplying to more than 30,000 MBOs across India, as of March 31, 2023
Target Customers	Middle & upper middle income customers in metros (incl. mini metros), Tier I - III cities	Lower- & middle-income customers in Tier I - III cities, who shop in MBOs
Price and Products	<p>₹ 105 – ₹ 4,199</p> <p>75% of our SKUs are below ₹ 1,000</p> <p>Leather / non-leather sandals, slippers, boots, ballerinas, stilettos, moccasins, sports shoes and accessories*</p>	<p>₹ 75 – ₹ 999</p> <p>83% of our SKUs are below ₹ 500</p> <p>EVA, basic and premium Hawaai, PVC, PVC DIP and PU and Stuck On products</p>
Sourcing	91% outsourced and smaller quantities of premium high quality products are self-manufactured	96% own manufacturing and 4% contract manufacturing facilities

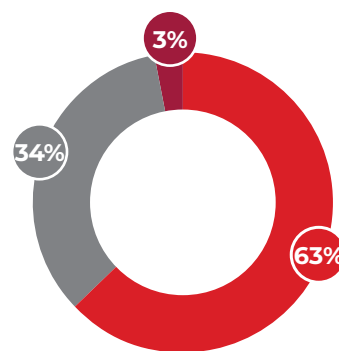
*Accessories include socks, shoe polishes, brushes, leather belts, wallets, laptop bags etc.

Presence in 24 states & 4 union territories as on March 31, 2023

■ Retail Stores ■ Distributors



Segment-wise Revenue Bifurcation



● Retail
63%

● Distribution
34%

● Others*
3%

*Sales through e-commerce and institutional channels

Map not to scale.
For Illustrative purpose only.

Our Brands

At Khadim, we believe that every step matters, and we take immense pride in accompanying our customers on their journey with our brands that seamlessly blend quality, style and affordability.

Khadim has established itself as a popular fashion footwear brand. Alongside our mother brand, Khadim, we have distinct sub-brands within both retail and distribution business. These sub-brands span various categories and price points, allowing us to comprehensively cater to the diverse footwear needs of a wide customer base. Our retail and distribution businesses combined have an addressable market size of approximately 85% of the total Indian footwear market potential.

RETAIL BRANDS



Fashionable & casual footwear for the entire family



Handcrafted premium leather footwear for the working Man



Hi-fashion footwear for the young Man



Men's outdoor footwear



Athleisure footwear for All



Soft & Comfort footwear for Men & Women



Footwear for the working Woman



Hi-fashion footwear for young Girls and Women



Fashionable footwear for Kids



Fashionable footwear for young Girls