

Make Money Differently



IPO NOTE

from

Khadim India Limited

Khadim's®

Issue Opens on: Nov 2 , 2017

Issue Closes on: Nov 6, 2017

Promoters of the Company:

The promoters of the Company are:

- Siddhartha Roy Burman** is the Chairman and Managing Director of the company and is the individual Promoter. He is responsible for the overall strategic decision making of the company and provides leadership to all operations. He has been associated with the company since its incorporation and has 34 years of experience in the Footwear Industry.
- Knightsville Private Limited** is the holding company of Khadim India Limited and is currently not engaged in any other business. Siddhartha Roy Burman and Tanusree Roy Burman are the directors of Knightsville Private Limited.

Issue Break up:

Reservation For	No. of Shares	Rs. in Cr.	% of Issue
QIB*	3,620,379 - 3,622,616	270-272	50%
NIB	1,086,114 - 1,086,785	81-81	15%
Retail	2,534,266 - 2,535,832	189-190	35%
Total	7,240,759 - 7,245,233	540-543	100%

*Company may allocate up to 60% Shares of the QIB Portion to Anchor Investors.

Object of the Issue:

The Offer comprises a Fresh Issue by the Company and an Offer for Sale by the Selling Shareholders.

The Offer for Sale

The Selling Shareholders will receive the proceeds of the Offer for Sale. Company will not receive any proceeds from this.

The Fresh Issue

The Net Proceeds from the Fresh Issue are proposed to be utilised towards the following objects:

1. Prepayment or scheduled repayment of all or a portion of term loans and working capital facilities availed by the Company; and
2. General corporate purposes.

Brief Financial Details* (Rs. In Cr.)

Particulars	As of June 30, 2017	As of Mar 31, 2017	As of Mar 31, 2016	As of Mar 31, 2015
Share capital	17.30	17.30	17.30	17.30
Reserves	174.96	167.86	137.10	111.86
Net worth	192.26	185.16	154.40	129.16
Revenue from Operations (Gross)	178.54	621.73	535.11	461.84
Revenue Growth (%)	-	16.19%	15.86%	-
Profit Before Tax	10.84	40.71	25.82	(19.11)
Net Profit After Tax as restated	7.11	30.76	25.24	(18.66)
EPS(Rs.)#	4.11^	17.78	14.59	(11.98)
RoNW (%)	3.70%^	16.61%	16.35%	-
Net Asset Value (Rs.)	111.14	107.04	89.26	74.66

Source: RHP, * Restated Summary ^ not annualized

Indicative Timetable:

Activity	On or about
Finalization of Basis of Allotment	November 10, 2017
Refunds/Unblocking ASBA Fund	November 13, 2017
Credit of equity shares to Depository account	November 13, 2017
Trading commences	November 14, 2017

Business Overview:

Khadim India Limited (“Khadim”) is one of the leading Footwear Brands in India, with a two-pronged focus on Retail and Distribution of Footwear. Khadim is 2nd largest Footwear Retailer in India in terms of number of exclusive retail stores operating under the ‘Khadim’s’ brand, with the largest presence in East India and one of the top 3 players in South India, in fiscal 2016. Khadim also had the largest Footwear Retail Franchisee Network in India in fiscal 2016. (Source: Technopak Report)

Company’s core business objective is ‘Fashion for Everyone’, and Khadim has established an identity as an ‘affordable fashion’ brand, catering to the entire family for all occasions. As at June 30, 2017, Khadim operated 853 ‘Khadim’s’ branded exclusive retail stores across 23 states and 1 union territory in India, respectively, through their retail business vertical. Further, they had a network of 377 distributors in the 3 month period ended June 30, 2017, in their distribution business vertical.

Khadim was incorporated in 1981, and through the next several years, they were involved in wholesaling and distribution of branded basic utility footwear, and they forayed into the retail business in 1993.

The company operates through 2 distinct business verticals, Retail and Distribution, each with its predominantly own customer base, sale channels and product range.

The Retail Business operates through their exclusive retail stores catering to middle and upper middle income consumers in metros (including mini-metros) and Tier I – Tier III cities, who primarily shop in high street stores and malls, for fashionable products.

The Distribution Business operates through a wide network of distributors catering to lower and middle income consumers in metros and Tier I – Tier III cities, who primarily shop in multi-brand-outlets (“MBO”) for functional products.

Khadim has manufacturing unit at Panpur and Kasba in West Bengal. Further, they also manufacture products through facilities located at Amgachia, West Bengal and Bahadurgarh, Haryana, for which raw material is supplied by Khadim, catering primarily to their Distribution Business. As at June 30, 2017, they procured raw materials, including PVC, leather, rubber, EVA, PU and other compounds from 33 major suppliers. Khadim has 4 distribution centers across India, located at Bantala and Titagarh in West Bengal, Chennai in Tamil Nadu and New Delhi.

During fiscal year 2017, Khadim commenced the Institutional Business and supplied products directly to several institutions, including certain government departments in the states of West Bengal and Tamil Nadu.

They are presently exporting footwear to countries including United Kingdom, France, Spain, Ghana and United Arab Emirates.

The company is led by the Promoter, Chairman and Managing Director, Siddhartha Roy Burman. With 34 years of experience of working with the Company, Siddhartha Roy Burman has been instrumental in the growth of their business.

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