

May 31, 2025

The Manager  
The Department of Corporate Services  
BSE Limited  
P. J. Towers,  
Dalal Street, Mumbai - 400 001  
**Scrip Code - 540775**

The Manager  
The Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai - 400 051  
**Symbol - KHADIM**

Dear Sir / Madam,

**Ref: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")**

**Sub: Outcome of Investor Meet**

This is with reference to Investor Meet held on Monday, May 26, 2025.

Pursuant to the provisions of Regulation 30 of the Listing Regulations, we enclose herewith the concall transcript of the said Meeting w.r.t. Audited Standalone and Consolidated Financial Results of the Company for the quarter and year ended March 31, 2025.

Kindly take the same on record.

Thanking You,

Yours faithfully,

For Khadim India Limited

**ABHIJIT DAN**

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**Group Company Secretary & Head- Legal**  
ICSI Membership No. A21358

Encl: As above



“Khadim India Limited  
Q4 & FY ‘2025 Earnings Conference Call”

**May 26, 2025**



**MANAGEMENT:**    **MR. RITTICK ROY BURMAN – MANAGING DIRECTOR,**  
                              **MR. INDRAJIT CHAUDHURI – GROUP CHIEF FINANCIAL OFFICER**

**MODERATOR:**    **MS. MASOOM RATERIA – MUFG INVESTOR RELATIONS**

**Moderator:** Ladies and gentlemen, good day and welcome to the Q4 & FY '25 Earnings Conference Call of Khadim India Limited, hosted by MUFG Investor Relations.

As a reminder, all participant lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "\*", then "0" on your touch tone phone. I now hand the conference over to Ms. Masoom Rateria from MUFG. Thank you and over to you.

**Masoom Rateria:** Thank you very much. Good evening, everyone, and welcome to Q4 FY '25 Earnings Call of Khadim India Limited.

Today to discuss the Results we have with us from the Management, Mr. Rittick Roy Burman – the Managing Director; Mr. Indrajit Chaudhuri – the Group CFO.

They will take you through the Results and Business Performance, after which we can begin the Q&A session.

Before we begin the conference, I would like to mention that this conference contains certain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the Company as on date of this call. The actual results may differ materially. These statements are not guarantees the future performance of the company and involve risks and uncertainties that are difficult to predict.

I now hand the conference to Mr. Rittick. Over to you.

**Rittick Roy Burman:** Hello, good evening. On behalf of Khadim India Limited, I am pleased to welcome you all to today's conference call where we will be discussing our Q4 & FY '25 Results. We sincerely appreciate your time and interest in our company's performance, and we hope you have had the opportunity to review the financial results and investor presentation available on the stock exchange.

The global macroeconomic environment during the quarter remained challenging with shifts in consumer spending behavior, leading to a muted demand. Despite these headwinds, we maintained steady revenue growth with Q4 revenue at Rs. 149 crores, which is up 3.8% year-on-year. Gross margin improved by 68 basis points, driven by volume growth and better cost control.

One of the key milestones during the quarter was the successful completion of our demerger process. The scheme of arrangement for transfer of distribution business of Khadim India Limited into KSR Footwear Limited has been approved by the Honorable National Company Law Tribunal, Kolkata Bench, by its order dated 27th March, 2025. The said scheme has been effective from 1st May, 2025 and in terms of the said scheme, all the assets and liabilities as demarcated pertaining to the distribution business of Khadim India Limited stands vested with KSR Footwear Ltd with effect from the appointed date which is 1st April, 2025.

KSR Footwear Ltd will be listed shortly and we believe this strategic move will enable sharper focus and better performance across both the retail and distribution segments. We are targeting breakeven in the distribution segment by FY '26, with a renewed focus on cost reduction and sales growth. The retail business will continue to drive performance with the two-pronged approach, maintaining value focused pricing under the Khadim brand and premiumizing our sub brands through price enhancement.

Looking ahead, we are excited about the launch of our new athleisure segment in the upcoming spring summer season. This price sensitive range combined with our higher margin products is expected to contribute positively to our gross margin in the coming quarters. As part of our cost efficiency measures, we have also shifted some ecommerce warehouse operations to Ekart Logistics, allowing us to benefit from the scale and expertise, while converting fixed overheads to variable cost.

As of FY '25, our retail store network stands at 886 stores, with 14 new stores already added during the quarter. This includes 213 company-owned outlets and 673 franchise stores, reflecting our continued commitment to an asset-light expansion strategy. Looking ahead, we are optimistic for FY '26, expecting volume growth driven by reduced MRPs and new product introduction.

Now, moving on to our financial performance:

Q4 FY '25 - For the quarter, we reported revenue from operations of Rs. 149.1 crores, reflecting a 3.8% year-on-year growth. Our gross margin for the quarter stood at 46.9%, up by 62 basis points as compared to the same period last year.

EBITDA for the quarter stood at Rs. 15.18 crores. EBITDA margins for the quarters stood at 10.2%. Profit after tax for Q4 FY '25 was Rs. 0.92 crores, showing a 10.1% decline year-on-year with margins at 0.6%.

For the year ended FY '25, revenue stood at Rs. 623.7 crores with a slight increase of 1.4%. And gross profit margin stood at 46.7%, which has improved by 130 basis points through our consistent efforts and premiumization. EBITDA for the years stood at Rs. 66.6 crores with an EBITDA margin of 10.7%. Profit after tax for the year stood at Rs. 5.06 crores and PAT margin stood at 0.8%.

Looking ahead, we remain confident in our strategy and proactive approach. We are committed to building on our strong brand, expanding our retail footprint and innovating to meet evolving consumer demands. We believe that these efforts will bring positive outcomes in the coming quarters, and we are excited about the opportunities ahead.

With that, I conclude my update, and I am happy to open the floor for any questions. Thank you.

**Moderator:**

Thank you very much. We will now begin the question-and-answer session. We take the first question from the line of Arnav Sakhuja from Ambit Capital. Please go ahead.

- Arnav Sakhuja:** Thanks for taking my question. So, I wanted to know, in the retail segment how many stores are we planning to open in FY '26?
- Indrajit Chaudhuri:** In retail, we are planning to open around 50 stores combining of COCO and franchisee in the FY '26.
- Arnav Sakhuja:** And what would be the mix of COCO and franchisee amongst the 50 stores?
- Indrajit Chaudhuri:** Around seven to eight COCO, and balance franchisee.
- Arnav Sakhuja:** And is there any profitability guidance you can give us for the retail segment in FY '26?
- Indrajit Chaudhuri:** Retail, as we have told that we have reduced the MRP in our Khadim brand, so there will be some margin reduction in that. So for that maybe in the first quarter and in the second quarter there will be some gross margin reduction. However, we think that it will be combined with the value growth. Already we have seen this year in FY '25 the value degrowth has stopped. We are static at, whatever volume we have sold in FY '24, we have sold the same volume in FY '25 also. In the last three years there was continuous volume degrowth. So I think we would be able to increase the volume that will increase the value sale. However, the margin will be slightly on the lower side.
- Arnav Sakhuja:** And just one more question. So, as you mentioned in your opening comments and as we discussed in the last quarter call as well, you have been piloting athleisure segment, this new segment. So, would the margins be better for this segment? What would be the margins in the athleisure segment?
- Indrajit Chaudhuri:** Athleisure margin will be more or less same as the footwear. We have kept value based product, so that the more volume uptake is there. Because in the athleisure segment there is a lot of competition, if we keep a higher margin product, I think that will not be able to sell from our store. So, we have kept at the same level of margin what we generally get in our Khadim products. So more or less, the margin will remain the same, but it will increase the value sales for our store with no cost, because already we are incurring fixed cost in the store.
- Arnav Sakhuja:** Okay. Thank you for answering my questions.
- Moderator:** Thank you. Next question is from the line of Bhargav from Ambit Asset Management. Please go ahead.
- Bhargav:** Yes. Good afternoon and thank you for the opportunity. Sir, my first question is that, is there any timeline on the listing of KSR Footwear?
- Indrajit Chaudhuri:** We are already in that timeline zone, but what has happened is that in the NCLT order there is a transfer of authorized capital from Khadim India to KSR, which is pending in the MCA. So once that thing is done, which will be done within this week, we will be announcing the record date and the listing process will also start.

- Bhargav:** Well, at best in a month's time it should get listed, right?
- Indrajit Chaudhuri:** Yes, yes, we are already on it.
- Bhargav:** Okay. Second, what is the debt reduction plan in the retail business? Because I believe there will be close to about Rs. 100 crores odd of debt on the retail business.
- Indrajit Chaudhuri:** Yes, we have a plan of reducing the debt, but that depends on the cash flow and also the profitability of the business and some extraordinary income. So whatever cash is generated in excess of what is required will be used for reducing the debt. In the last two, three years, we have already reduced the debt from Rs. 125 crores to Rs. 100 crores, and we will be again in the process of reducing the debt.
- Bhargav:** Because if I look at your FY '25 operating cash flow in the retail business, it's closer to Rs. 44 odd crores, right?
- Indrajit Chaudhuri:** Yes.
- Bhargav:** Then we are generating good cash flows, so is it fair to say that in two years' time we should be debt free in the retail business?
- Indrajit Chaudhuri:** That will be an aggressive statement, but we will definitely try. Another thing is that we have creditors also, we also need to reduce the creditor debt so that the working capital cycle is also improved. So, taking both the thing together, definitely if the cash flow comes in, we will reduce the debt, because our debt is mainly working capital debt, it is cash credit type of thing. So whatever excess cash you park in the cash credit account, your interest is saved.
- Bhargav:** Okay. And as both companies become separate, do you envisage any increase in fixed cost, because there will be some duplication, or you do not think?
- Indrajit Chaudhuri:** Yes, in some cases like the audit fees and all these things, there will be. But we are maintaining the two departments, so the costs are totally different. And may be some common expenses like the NSE, BSE fees and all these, that we will be incurring in both the companies, that is not a very big amount but there will be some duplication.
- Bhargav:** And lastly, I mean, on the distribution side, we have a factory in place whereas in retail we do most of outsourcing. But now with the demerger, is there any change in plan or we continue with our in-house manufacturing on the distribution?
- Indrajit Chaudhuri:** In-house manufacturing will be catering to the distribution, but some product which we used to take from our manufacturing division, Khadim India will purchase it from KSR Footwear Limited.
- Bhargav:** Okay, sir. Thank you very much and all the very best.

- Indrajit Chaudhuri:** Thank you.
- Moderator:** Thank you. Next question is from the line of Divyesh Dagliya from Neo Wealth and Asset Management. Please go ahead.
- Divyesh Dagliya:** Hi. I had a couple of questions. Number one, I wanted to firstly ask with respect to the balance sheet split that we are going to see between the businesses of KSR and Khadim India. How much is going to be split to the distribution business and what proportion will stay in the company itself?
- Indrajit Chaudhuri:** The assets that are used for the distribution business has been transferred to KSR Footwear Limited like the factory, machinery, moulds, the factory buildings, the warehouse that caters to the distribution business, all the movable assets of this division have been transferred to KSR. And the retail assets have been kept in the Khadim India Limited. Already the assets detail has been given in our SEBI results If you want a detail, we can provide that way.
- Divyesh Dagliya:** Yes, please, that will be helpful. And I just wanted to understand, the loans and the borrowings we have in our books, that is not against any of these factories or it's not pledged against any of the fixed assets, right?
- Indrajit Chaudhuri:** Loans are generally of cash credit nature, so some portion of the cash has been given to the KSR Footwear, and Rs. 100 crores of loans are kept in Khadim India Limited.
- Divyesh Dagliya:** So, I believe the split is Rs. 120 crores, so Rs. 100 crores with Khadim and Rs. 20 crores with KSR?
- Indrajit Chaudhuri:** Yes.
- Divyesh Dagliya:** Okay. Thank you so much.
- Moderator:** Thank you. Next question is from the line of Anupam Jain from Indira Securities. Please go ahead.
- Anupam Jain:** Thanks for the opportunity , sir. What is the update regarding Punjab dues?
- Indrajit Chaudhuri:** It is pending before the High Court. Already we have got a date and I think that has been done on 19th of this month. And the next date would be in the month of July. One of the bidder has already got the payment and we think that we will definitely get it within this financial year.
- Anupam Jain:** Okay. My final question is also that, why are we taking this case in court?
- Indrajit Chaudhuri:** Because we have got the arbitration order in our favor, for that, against the arbitration the government has moved to the court.
- Anupam Jain:** Okay. And the UP Government, that you have received till now?

- Indrajit Chaudhuri:** Yes, yes, all the payment from UP government has been received.
- Anupam Jain:** Okay, so Punjab Government is still pending, Rs. 25 crores, Rs. 26 crores that was pending, right?
- Indrajit Chaudhuri:** Around Rs. 32 crores.
- Moderator:** Thank you. The next question is from the line of Raj Patel from RK Securities. Please go.
- Raj Patel:** Thank you for the opportunity. Just two quick questions from my side. So, can you please elaborate on what specific changes have you observed in customer behavior and spending patterns? And how are you evolving the consumer preference influencing the product development, pricing and marketing strategy? Apart from that, is there any notable shift towards online or omni-channel purchasing? And how is the company adapting to this trend?
- Rittick Roy Burman:** Yes. Hi. Thank you for your question. So, regarding the consumer preferences, what I can say is that over the past many months there was a little bit of an inflationary pressure, because of that we have taken the call of reducing prices in some of our mother brand, Khadim. So, because of that, as the CFO mentioned a while back, last year we were able to arrest the volume degrowth. We have to give discounts and all these things. So, pricing wise, that is one consumer trend is there that they are looking for some sort of value.
- But having said that, it's not that they are looking in all products for value. There is also a segment of consumers in our country that are looking for value added products, like one is total value and another is value added products. So, there also we have done a lot of work in our sub-brands. We are changing a lot of elements in our products. We are changing historically whatever soles you are using we are trying to use better soles, better materials, we are trying to give better comfort into our products, we are trying to make our products less serious looking because of the casual need of the consumer, the consumer wants to wear casual stuff, okay. So, all of that work is also going on. A lot of work has gone on behind it. Many of it has come into effect and a lot would come into effect in regards to the product in the near future for our sub-brands.
- And regarding the online bit, yes, online people are consuming products online. But you need to promote the online products digitally, which we are doing. I would say, online is not as upbeat as it used to be during COVID times, but it still has its fair share. A lot of people are buying online. But the other part is, because most of the brands are offering discounts now, almost six, seven months in a year, so you know the discounts that you get on your e-commerce sites, you are also getting it in the stores. So that way also the sale is happening from the store also who are looking for the discount.
- Raj Patel:** Okay. And my second question was, what is your outlook on the consumer demand trends for the upcoming quarters? And how does the company expect this to impact the revenue growth? Additionally, could you provide the guidance on anticipated margin and any key factor that may influence the profitability going ahead?



- Rittick Roy Burman:** Sorry, can you just repeat the question once again?
- Raj Patel:** So, what is your outlook on consumer demand trend for the upcoming quarters? And how does the company expect this to impact the revenue growth? Additionally, could you provide guidance on anticipated margin? And any key factors that may influence the profitability going forward?
- Rittick Roy Burman:** Okay, okay. So, the consumer trend in the upcoming quarters, I mean, it should be good. It should be better than before, of course. But inflationary pressures remain. But this premiumization trend is there. I will not comment now, but we are looking for some collaborations also, brand collaborations, etc. So, through that also we expect to have more premium customers walk into our store so that they can consume that product also and they can have a look at our sub-brands also. So that trend is there, premiumization trend is there. And for the value customers we have reduced the prices. We expect volume growth from that in the coming quarters.
- Along with that, we have also changed certain policies regarding the channels that we use for selling our products, which is franchisee, then company-owned outlets and then we have changed certain policies. So, due to the change in those policies we are seeing rejuvenated renewed sales growth in many strong market of ours mainly in Assam, Bihar and many other eastern zone states. So, keeping all these things in mind, I will not give any number, but we are hopeful that we will have a good sale growth in the coming quarters.
- Raj Patel:** Okay, that was all from my side. Thank you.
- Moderator:** Thank you. Next question is from the line of Sahil Bora from A&S Associates. Please go ahead.
- Sahil Bora:** Good afternoon, sir. Sir, I have a couple of questions. My first question is regarding Ekart Logistics. So, the shift of warehouse operations to Ekart Logistics is noted as a cost efficiency measure. So, can you give us some quantifiable cost savings and operational improvements expected from this transition?
- Indrajit Chaudhuri:** So mainly we have shifted our e-commerce operation from our own warehouse to Ekart. So, in our own warehouse it was a fixed cost thing. So, when we move to this Ekart, it is the nature of variable, how much article we keep in that Ekart Logistics, the cost is dependent on that. And in terms of the infrastructure, their infrastructure is much better compared to ours, because they deal with this e-commerce business. They have all these things which reduces the sales return, and also we can do the claim at the proper time. And in terms of cost, there is around 20% of cost reduced from whatever cost we are doing in our own warehouse.
- Sahil Bora:** Okay, sir. And how has this affected the company's fixed versus the variable cost structure?
- Indrajit Chaudhuri:** As I told you, in terms of fixed cost that we are doing in our own warehouse through our own workers and through our own rented place, that has gone out. And in place, it is in terms of the nature of variable thing, how much we sell per unit cost, if we sell more then the cost will be

more, if you sell less the cost will be less. But if we keep the same the number of items, we have seen the cost has reduced by 20%. And also, we are able to give better infrastructure and better service to our customer.

**Rittick Roy Burman:**

Yes.

**Sahil Bora:**

That sounds promising, sir. Sir, I wanted to know if there are other similar efficiency initiatives underway or planned.

**Indrajit Chaudhuri:**

Yes, already in our own warehouse we have implemented a new system. The software that we used to use in our warehouse was our homegrown. Now we have shifted to Microsoft D365 WMS. We have already implemented the first phase. In the second phase, all the stocks from the rack it can be billed so that in the physical count also we can do the FIFO basis of billing, which will improve the stock, stock aging can be improved drastically, and also the obsolescence of stock can be reduced. So, these types of things are already in the pipeline of which the first phase is already implemented, the second phase will be implemented after the festive season.

**Sahil Bora:**

Alright. Understood. Sir, my next question is regarding the expansion of the retail store network. So, the retail store network has expanded by 18 new stores, which includes both company operated and franchise outlets. Sir, I wanted to understand the strategy rationale for maintaining this mix and how does the company ensure consistency in brand experience across the franchise stores?

**Indrajit Chaudhuri:**

Last year we have also closed our COCO, around 30 owned stores because they were loss making. So, we have taken a conscious call that in terms of loss making store will not keep it, we will just close it. And we will open a store where the rental is less and comparatively the cost is lower. So that's why you can see only 18 has been added, but 30 stores of COCO have also been closed. So effectively it will be that 48 stores have been opened. And also in terms of combination, we generally keep more around 80:20 ratio of our own store to franchisee, because in our own store there is CAPEX also, and in case of franchise the CAPEX is on the franchise. So, this ratio will be maintained so that the efficiency in the capital can also be done and the sales can also be increased.

**Sahil Bora:**

Understood. And sir, lastly, what are the growth targets for store additions in FY '26? And which markets or formats are prioritized for expansion in the retail network?

**Indrajit Chaudhuri:**

So, as I have already told 50 stores, and that will mainly be in the eastern, northeastern side of the country, and also in the southern India. So, because in this geography the brand is very prominent. And out of that around seven to eight would be our own COCO stores and balance would be franchisee. Franchisee, it will be a combination of both EBO and FRM. FRM means we send the stock to the franchisee, and in case of EBO we sell the stock to the franchise. So, both the methods taken together will be around 40, 42 stores, and COCO around seven to eight stores.

- Sahil Bora:** Got it sir. Thank you for the detailed responses and all the very best. Thank you.
- Indrajit Chaudhuri:** Thank you.
- Moderator:** Thank you. We take the next question from the line of Akhil Parekh from B&K Securities. Please go ahead.
- Akhil Parekh:** Hi, thanks for the appreciation. Sir, three questions on the retail business and one on the distribution front. The retail, if I look at it, our gross margins have declined over last four, five quarters, and one reason we have said that we are giving more push to volumes. Is it now safe to assume the gross margins which was locked in FY '25 at around 56%, we are closer to bottom now and from '26 onwards we should see stabilization in the gross margins and hopefully improve from there? That's my first question.
- Indrajit Chaudhuri:** No, I think because if you see, in the last year in the last two quarter we have reduced the prices of Khadim and the margin has come down. But this year it will be full year of operation of the lower prices. And in certain categories, in children product, in school, we have also taken a conscious call of reducing the price because of the economics. So, I think the margin has not come down, but in FY '26 it will come to a level playing field, means in FY '26 margin will be the margin that we will be sustaining for the next years. However, as our MD told that in some sub-brands there are some products where we are increasing the margin seeing its demand and the acceptability. So, with that also we will try to improve some margin, but in FY '26 we will bottom out in terms of the margin.
- Akhil Parekh:** What would be the safe assumption for margins basically for FY '26?
- Indrajit Chaudhuri:** So, it's purely dependent on the volume thing, how much the combination of Khadim and sub-brands. So, at present I cannot predict what will be the margin, but it will be lower than whatever we have done in this year.
- Akhil Parekh:** Okay. Fair enough. Would you be able to give the pre-Ind AS margins for FY '25 for our retail business?
- Indrajit Chaudhuri:** Can you come back again?
- Akhil Parekh:** The pre-Ind AS EBITDA margins for the retail business for FY '25.
- Indrajit Chaudhuri:** It is around 15.61%.
- Akhil Parekh:** No, but this is a post-Ind AS margin, right, not the pre-Ind AS.
- Indrajit Chaudhuri:** Around 4% is the rent cost, so you can subtract it from that.
- Akhil Parekh:** Okay. So around 11.5 is the pre-Ind AS margin for FY '25.

- Indrajit Chaudhuri:** Yes.
- Akhil Parekh:** Okay. And just last two more questions. One is, would you be able to quantify the depreciation cost for the retail business for FY '25?
- Indrajit Chaudhuri:** Yes, already that has been given in our SEBI results. The result that has been given for retail only, and the depreciation for the --
- Akhil Parekh:** Sure, got that point. And lastly on the distribution front, should we expect this business to turn PBT positive from this year, FY '26?
- Indrajit Chaudhuri:** FY '26 we will definitely be in the EBITDA positive, but it's dependent on other factors also, the volume and the prices. But definitely in FY '27, with the lowering of cost reduction initiatives that will be taken this year, we will be profitable in KSR in FY '27.
- Akhil Parekh:** Okay, great. That's all from my side and best wishes for coming quarters. Thank you.
- Moderator:** Thank you. Next question is from the line of Bhargav from Ambit Asset Management. Please go ahead.
- Bhargav:** Sir, just a clarification, when you mentioned that margins in the retail business may be lower because of price cuts, you are referring to gross margins and not EBITDA margins, right?
- Indrajit Chaudhuri:** Yes, yes, gross margins.
- Bhargav:** So, because of the volume growth there is a case to argue that EBITDA margins actually expand during the volume growth, which can come in the result, right?
- Indrajit Chaudhuri:** Yes.
- Bhargav:** Okay. Thank you so much for answering.
- Moderator:** Thank you. We take the last question from the line of Anupam Jain from Indira Securities. Please go ahead.
- Anupam Jain:** Thank you. What will be the ROCE and ROE for Khadim India retail for FY '25?
- Indrajit Chaudhuri:** We can come back with this answer to you in one-to-one basis, okay.
- Anupam Jain:** Okay. And second question that I had was, your franchise store has quite increased since a lot, five years if I will have to see the number, from 543 stores it has increased to 673 currently. But yes, the contribution has not increased that much. So what will be your strategy after the demerger as the demerger has already happened, what will be your strategy in this?

- Indrajit Chaudhuri:** No, this is mainly because our franchisee the sale that we book is MRP less trade discount, for that reason also it is less. And in COCO we booked the sale at MRP. So now there will be a mixture of FRM and TFM where the sale booking will be in the full value. So, there we will see the franchisee, means contribution will increase. But previously the sales booking is the discounted value, and also mainly our franchisee consists of Tier 4, Tier 3 where the sales volume is also less. So, both of them taken together, the franchisee sales remains lower compared to the COCO sales.
- Anupam Jain:** And overall, what will be the SSG growth? Because I can see in the last three, four years there has been no SSG growth.
- Indrajit Chaudhuri:** SSG growth, see SSG growth will come only if the volume increases, because since we are slightly decreasing the ASP. So, if the volume increases then only SSG growth will come. And with the macroeconomic scenario not so good, so we think that the lowering of the prices in the Khadim brand will improve the volume, and that will bring the SSG growth in our store.
- Rittick Roy Burman:** Yes, volume degrowth has been arrested in the last financial that has gone by. So now expected that volume growth would come and that will give us SSG, renovation is also being done in stores that would also give us SSG.
- Anupam Jain:** Okay. And this athleisure apparel that you are launching, this will be launched in all stores?
- Indrajit Chaudhuri:** Yes. Now we are expanding it to many more stores. In the beginning it was limited to around 20 stores, now we are increasing it to around 50 to 75 stores. So, we will slowly expand it in all stores.
- Anupam Jain:** Okay. So, when will it be fully filled up? And especially when will be fully filled up in your company owned stores?
- Indrajit Chaudhuri:** It's there in a company owned stores mainly, and some of it whichever franchisee's feeling confident to keep it, we are also billing it to them. We have an aim to at least complete our entire company owned stores by end of this year.
- Anupam Jain:** So that will stretch your working capital?
- Rittick Roy Burman:** No, it shouldn't stretch because we are also cancelling lot of designs which we feel is not, I mean, it's not trendy enough anymore for the Indian economy. So, we are keeping that check in our mind, like nothing should put a stress on our working capital. Because we are also cancelling lot of designs, we are putting it in discount trying to take them out whatever trends we feel does not work anymore for the Indian consumer. So that way it should be fine.
- Anupam Jain:** We are around looking at 40 stores in your company owned stores to add your segment every quarter.
- Rittick Roy Burman:** Yes, you can say around that.

- Anupam Jain:** That is what we are targeting internally?
- Rittick Roy Burman:** Yes.
- Anupam Jain:** And I had a last question. So, you are majorly Kolkata-based East Indian company, more in the terms of brand visibility it has reduced quite significantly in the last two, four years after pandemic, and it is much more aligned with the older people, because that is what the feedback has been generally. And there is a competition that is providing at a lower price point and a better quality, that is what we are hearing. So how are you addressing that?
- Rittick Roy Burman:** Sorry, who's offering what? Can you come back again?
- Anupam Jain:** Your peers in this segment basically is offering at a lower price point and a better quality and the footfalls has been low due to that also, that is the feedback that we are receiving. How much light do you want to shed on this?
- Rittick Roy Burman:** No, maybe some of the peers are offering at a lower price. I do not know where you have got this feedback from. But if you see our product quality, the color combinations and such thing, the only problem which we actually had was for the last three, four years our prices had increased a bit too much, especially in the mother brand Khadims. So that's where some people might have said that the product has become too expensive. But we have taken a call on that and we have reduced the prices. But when it comes to the product attributes and the color combination, the look, I think you should do more thorough research. I do not think it's that much affected. The price we were affected for a while where we have taken the call.
- Anupam Jain:** Okay, fair enough. So, do you think the footfalls will come back? What is your footfall guidance for next year? And what you are targeting internally?
- Rittick Roy Burman:** Footfall guidance we want to grow our pairage. We used to be 1 crore pair few years back, so we want to reach there as fast as possible and then grow beyond that. That would be the footfall guidance. And one thing is footfall and we also want to have meaningful stores. Just to have an unprofitable sale, open store wherever we feel like, we want to have stores in meaningful locations. So these things will help us to increase our sale and our footfall. I think there's a lot of scope left in that. The markets that we are in, in the existing market itself, there are many, many markets still left where if we focus and open the store, we can increase. You are asking for footfall and volume growth, right, the footfall will increase like that, yes, because you have to open the store --
- Anupam Jain:** 30%, 40% volume growth.
- Rittick Roy Burman:** I will not comment on percentage, but some of the markets which we are focusing now in Northeast and many of the eastern states where we felt that the sale has dropped much beyond what the Khadim brand popularity is in those markets. So now that we are coming back with the full-fledged renovated shops with fresh merchandise in those kind of markets in many eastern

locations, I think that would give the increase in footfall for us. That would be the main source of increased footfall. Opening franchises in these locations --

**Moderator:** May I request that you rejoin the queue for further questions as there are several of the participants waiting.

**Anupam Jain:** Just one last question. How many franchisees we have taken over, because we introduced a new model also?

**Rittick Roy Burman:** We have taken over almost 50 now, so as the opportunity arises, we will take over many more, wherever it's needed. It's not that we will take over everywhere, but wherever it's needed we will do it.

**Anupam Jain:** Thank you.

**Moderator:** We take the next question from the line of Akhil Parekh from B&K Securities. Please go ahead.

**Akhil Parekh:** I just have one bookkeeping question, what would be our effective tax rate for the retail operations going forward in '26 and '27?

**Indrajit Chaudhuri:** The effective tax rate will be 25.2% because the losses that were there in the FY '20 and '21 has already been adjusted with the profit for the last three years. So now whatever taxes that come will have to be paid.

**Akhil Parekh:** Okay. Yes, that's all from my side. Thank you.

**Moderator:** Thank you. As there are no further questions from the participants, I now hand the conference over to Ms. Masoom Rateria from MUFG for closing comments.

**Masoom Rateria:** Thanks, everyone, for joining on the call today. I would also like to thank the management for sparing time and addressing the questions today. We are the investor relations team for Khadim India Limited. For any queries, please feel free to reach out to us. Thank you.

**Moderator:** On behalf of Khadim India Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.

Disclaimer: The Company has tried its best to prepare the exact word-to-word transcript of the proceedings of the Earnings' call. However, this may not be the exact replication of the same.