

# KEWAL KIRAN CLOTHING LTD

Financial Results Review – Q4 FY2018 and fiscal year  
ended 31.03.2018

# Operational Performance: Q4 and FY 2018

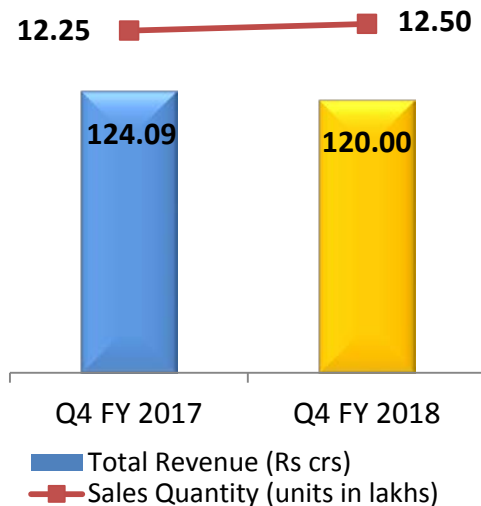
	Q4 FY 2018 Rs crs	% of sales	Q4 FY 2017 Rs crs	% of sales	Variation	FY 2018 Rs crs	% of sales	FY 2017 Rs crs	% of sales	Variation
Net Sales (including Excise Duty)*	118.64		123.32			456.97		473.09		
Other operating income	1.36		0.77			4.94		4.00		
<b>Total Revenue</b>	<b>120.00</b>	<b>100.00%</b>	124.09	100.00%	0.00%	<b>461.91</b>	<b>100.00%</b>	477.09	100.00%	0.00%
Cost of goods sold	52.88	44.07%	53.63	43.22%	0.85%	193.49	41.89%	201.96	42.33%	-0.44%
Excise Duty*	-		2.68			1.64		10.59		
Personnel cost	15.95	13.29%	13.10	10.56%	2.73%	65.07	14.09%	59.21	12.41%	1.68%
Manufacturing and operating expenses	11.61	9.68%	9.42	7.59%	2.08%	45.35	9.82%	47.77	10.01%	-0.19%
Administrative and other expenses	6.97	5.81%	9.14	7.37%	-1.56%	30.61	6.63%	29.53	6.19%	0.44%
Selling and distribution expenses	6.16	5.13%	4.99	4.02%	1.11%	27.47	5.95%	29.19	6.12%	-0.17%
<b>Operational expenditure</b>	<b>93.57</b>	<b>77.98%</b>	92.96	74.92%	3.06%	<b>363.63</b>	<b>78.72%</b>	378.25	79.28%	-0.56%
<b>EBITDA</b>	<b>26.43</b>	<b>22.03%</b>	31.13	25.08%	-3.06%	<b>98.28</b>	<b>21.28%</b>	98.84	20.72%	0.56%
Finance expenses	1.18	0.98%	0.67	0.54%	0.44%	4.98	1.08%	3.27	0.69%	0.39%
Depreciation/ Ammotisation	1.54	1.28%	1.32	1.07%	0.22%	5.77	1.25%	4.76	1.00%	0.25%
Other income	5.69	4.74%	4.30	3.46%	1.28%	21.02	4.55%	17.47	3.66%	0.89%
<b>Profit before tax (PBT)</b>	<b>29.40</b>	<b>24.50%</b>	33.43	26.94%	-2.44%	<b>108.55</b>	<b>23.50%</b>	108.28	22.70%	0.80%
Income Tax	9.93	8.28%	9.64	7.77%	0.51%	35.32	7.65%	33.69	7.06%	0.59%
<b>Profit after tax (PAT)</b>	<b>19.47</b>	<b>16.22%</b>	23.79	19.17%	-2.95%	<b>73.23</b>	<b>15.85%</b>	74.59	15.63%	0.22%

\*Net sales include Excise Duty as per IND AS

# Trend in Revenue

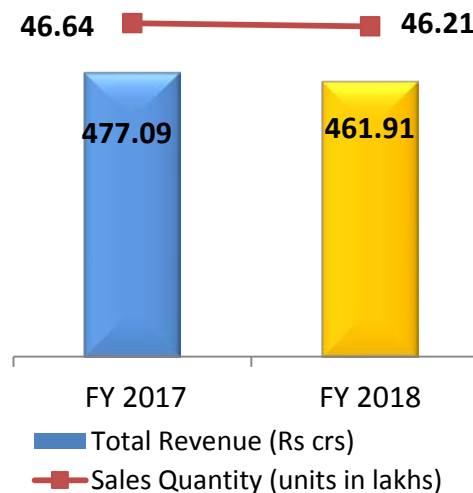
## Q4 FY2017-18

- Total revenue down by 3.3%
- Apparel sales quantity higher by 2.05%
- Apparel sales realization lower by 2.1% at Rs. 911 per unit



## FY 2017-18

- Total revenue down by 3.18%
- Apparel sales quantity lower by 0.92%
- Apparel sales realization lower by 2.49% at Rs. 943 per unit

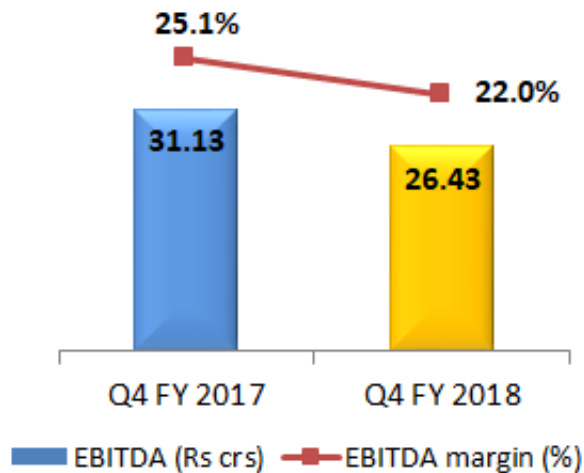


Revenue numbers are inclusive of excise duty. However, for this presentation purposes, Revenue numbers are taken net of Excise Duty

# Trend in Operating Profit

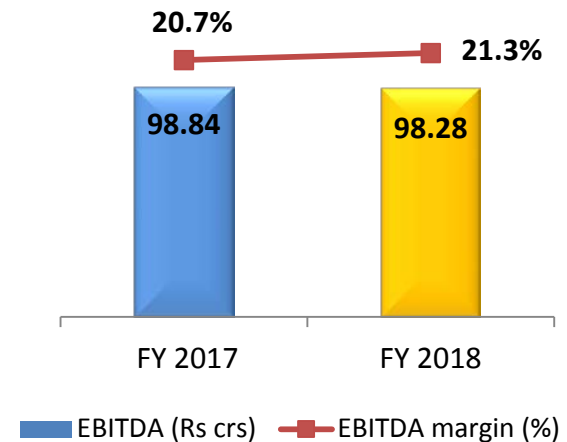
## Q4 FY2017-18

- EBITDA lower at Rs.26.43 crores
- EBITDA margin down to 22.0%



## FY 2017-18

- EBITDA flat at Rs.98.28 crores
- EBITDA margin increased to 21.3%

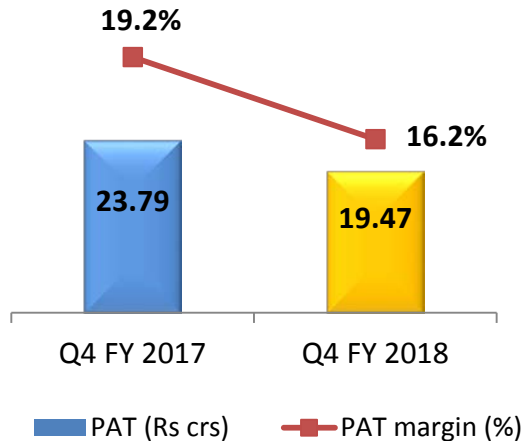


Revenue numbers are inclusive of excise duty. However, for this presentation purposes, Revenue numbers are taken net of Excise Duty

# Trend in Net Profit

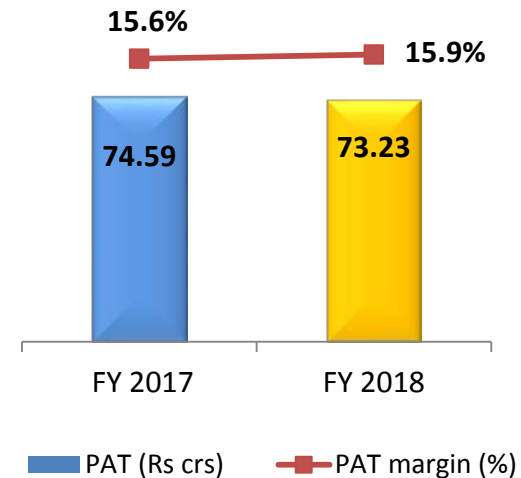
## Q4 FY2017-18

- PAT lower at Rs. 19.47 crores
- PAT margin stood at 16.2%
- Quarterly EPS at Rs. 15.8 (19.3)



## FY 2017-18

- PAT lower at Rs.73.23 crores
- PAT margin higher at 15.9%
- FY 2018 EPS at Rs. 59.42 (60.52)



Revenue numbers are inclusive of excise duty. However, for this presentation purposes, Revenue numbers are taken net of Excise Duty

# Balance Sheet (Assets)

(Rs crs)	As at 31 March 2018 (Audited)	As at 31 March 2017 (Unaudited)
<b>Non-Current Assets</b>		
Property, Plant and Equipment	67.56	62.50
Capital Work in Progress	9.09	7.24
Investment Property	1.52	1.60
Other Intangible Assets	0.50	0.45
Intangible Assets under Development	0.15	0.03
Financial Assets		
Investments	137.12	129.30
Other Financial Assets	2.30	1.90
Other Non-Current Assets	2.32	5.33
<b>Total Non-Current Assets</b>	<b>220.56</b>	<b>208.35</b>
<b>Current Assets</b>		
Inventories	52.85	51.26
Financial Assets		
Investments	93.30	75.83
Trade Receivables	136.17	106.15
Cash & Cash Equivalents	61.54	65.56
Bank balances	0.94	0.88
Other Financial Assets	1.64	1.33
Other Current Assets	5.29	3.78
<b>Total Current Assets</b>	<b>351.73</b>	<b>304.79</b>
<b>Total Assets</b>	<b>572.29</b>	<b>513.14</b>

# Balance Sheet (Liabilities)

(Rs crs)	As at 31 March 2018 (Audited)	As at 31 March 2017 (Unaudited)
<b>Equity</b>		
Equity Share Capital	12.33	12.33
Other Equity	387.30	362.19
<b>Total Equity</b>	<b>399.63</b>	<b>374.52</b>
<b>Non-Current Liabilities</b>		
Provisions	0.07	0.08
Deferred Tax Liability	4.62	1.12
Other non-current liabilities	1.59	-
<b>Total Non-Current Liabilities</b>	<b>6.28</b>	<b>1.20</b>
<b>Current Liabilities</b>		
Financial Liabilities		
Borrowings	48.30	40.51
Trade Payables		
Due to Micro and Small Enterprises	0.85	0.20
Due to Others	42.66	39.26
Other financial liabilities	7.02	9.55
Other Current Liabilities	44.53	25.98
Provisions	22.33	21.06
Current Tax Liabilities (Net)	0.69	0.86
<b>Total Current Liabilities</b>	<b>166.38</b>	<b>137.42</b>
<b>Total Equity and Liabilities</b>	<b>572.29</b>	<b>513.14</b>

# Ratios and Cash-flow Analysis

Cash Flows (in Rs crs)	FY 2018	Ratios	31:03:18	31:03:17
<b>I. Cash Flow from Operating Activity</b>	<b>55.57</b>	<b>Debt Equity ratio</b>	2.11	2.22
<i>*Operating Profit before Working Capital Changes</i>	98.55			
<i>*Adjustment for Working Capital</i>	(12.49)	<b>Current Ratio</b>	0.12	0.11
<i>*Direct Taxes Paid</i>	(30.49)			
<b>II. Cash Flow from Investing Activity</b>	<b>(14.02)</b>	<b>Debtors turnover (days)</b>	84.00	82.00
<i>*(Purchase)/Sale of Fixed Assets</i>	(8.98)			
<i>*(Purchase)/Redemption of Investments in mutual funds</i>	(5.34)	<b>Creditors turnover (days)</b>	46.00	45.00
<i>*Interest/Dividend Income</i>	0.14			
<b>III. Cash Flow from Financing Activity</b>	<b>(45.57)</b>	<b>Inventory turnover (days)</b>	41.00	39.00
<i>*Payment of Dividend (Including Dividend Tax)</i>	(48.95)			
<i>*Interest Paid</i>	(4.41)	<b>RONW</b>	19.00%	19.00%
<i>*Secured Loans - Bank Overdraft (Net)</i>	7.79			
<b>Cash and Cash Equivalents - Closing</b>	<b>61.54</b>	<b>ROCE</b>	61.00%	61.00%

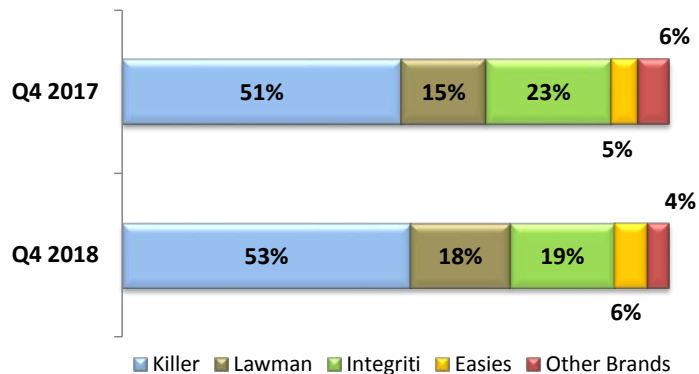
- The cash and financial position remains strong with healthy cash reserves (net of borrowings) of Rs.24,162lakhs.



# Brands : Q4 FY 2017-18

- Killer continues to be the flagship brand with share of 53% in total sales
- Easies grew by 21%

## Brand wise sales break up Q4 FY 2018



Sales (Rs crs)	Q4 2018	Q4 2017	% Change
Killer	62.63	61.79	1%
Lawman	21.53	18.57	16%
Integriti	22.67	27.82	-19%
Easies	7.10	5.85	21%
Other Brands	4.74	6.89	-31%
<b>Total</b>	<b>118.67</b>	<b>120.92</b>	<b>-2%</b>

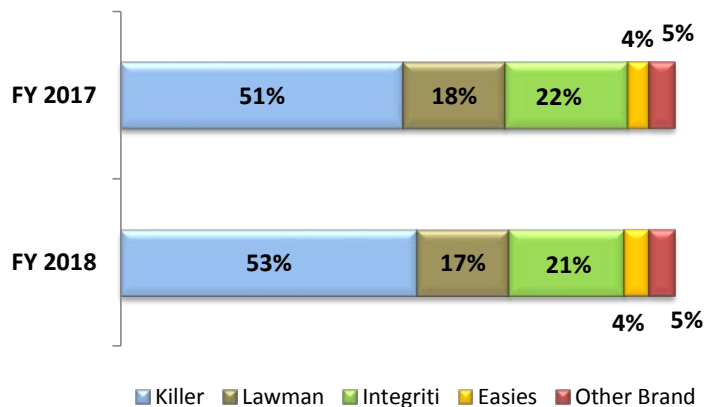
Revenue numbers are inclusive of excise duty. However, for this presentation purposes, Revenue numbers are taken net of Excise Duty

# Brands : FY 2017-18

- Sales for Killer brand for the year was higher by 2% at Rs.244.4 crores
- Easies grew by 15% during the year

Sales (Rs crs)	FY 2018	FY 2017	% Change
Killer	244.40	239.73	2%
Lawman	75.89	86.36	-12%
Integriti	95.10	107.28	-11%
Easies	20.18	17.47	15%
Others	21.41	22.21	-4%
<b>Total</b>	<b>456.98</b>	<b>473.05</b>	<b>-3%</b>

**Brand wise sales break up FY 2018**

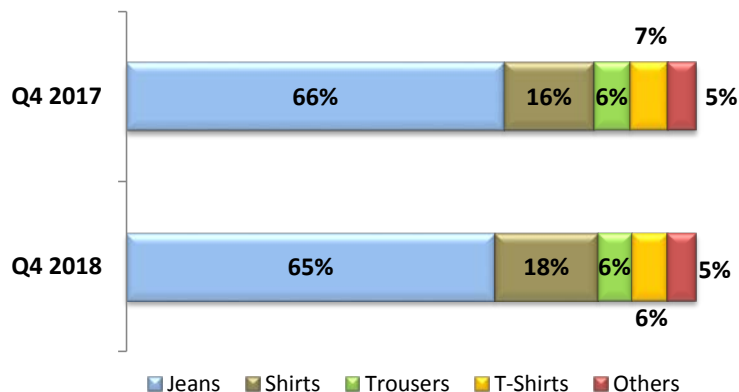


Revenue numbers are inclusive of excise duty.

# Products : FY Q4 2017-18

- Jeans continues to have the dominant share, contributing 65% to sales
- Sales from Shirts grew by 14%

## Product wise sales break up Q4 FY 2018



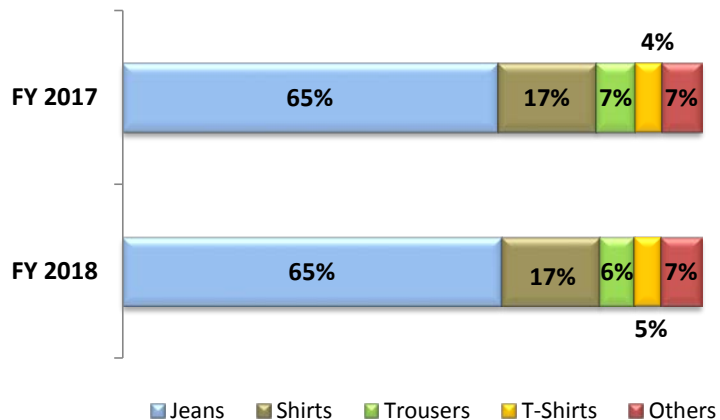
Sales (Rs crs)	Q4 2018	Q4 2017	% Change
Jeans	77.28	79.75	-3%
Shirts	21.52	18.92	14%
Trousers	6.32	7.62	-17%
T-Shirts	7.49	7.95	-6%
Others	6.06	6.68	-9%
<b>Total</b>	<b>118.67</b>	<b>120.92</b>	<b>-2%</b>

Revenue numbers are inclusive of excise duty. However, for this presentation purposes, Revenue numbers are taken net of Excise Duty

# Products : FY 2017-18

- Jeans continues to have the dominant share, contributing 65% to sales
- Shirts is the second largest product with a share of 17%

**Product wise sales break up FY 2018**



Sales (Rs crs)	FY 2018	FY 2017	% Change
Jeans	298.88	306.34	-2%
Shirts	77.82	80.64	-3%
Trousers	27.08	31.90	-15%
T-Shirts	20.84	21.27	-2%
Others	32.36	32.90	-2%
<b>Total</b>	<b>456.98</b>	<b>473.05</b>	<b>-3%</b>

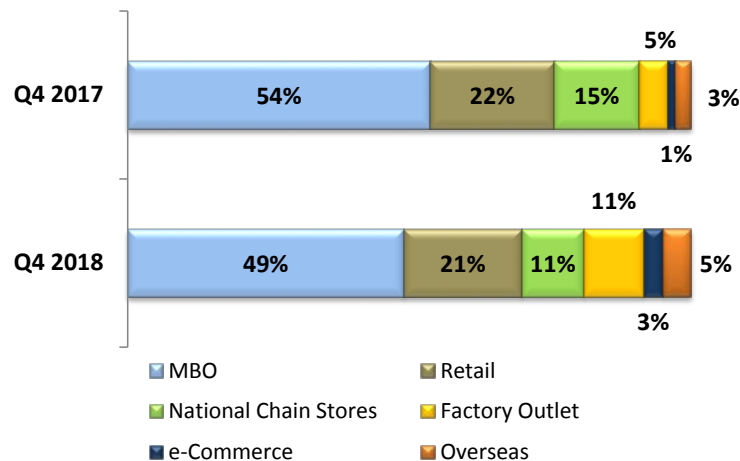
Revenue numbers are inclusive of excise duty.



# Channels : Q4 2017-18

- MBOs continues to be the largest channel with 49% share
- E-commerce segment sales have grown by 160%
- Sales from Factory outlet and Overseas sales have doubled

## Channel wise sales break up Q4 FY 2018



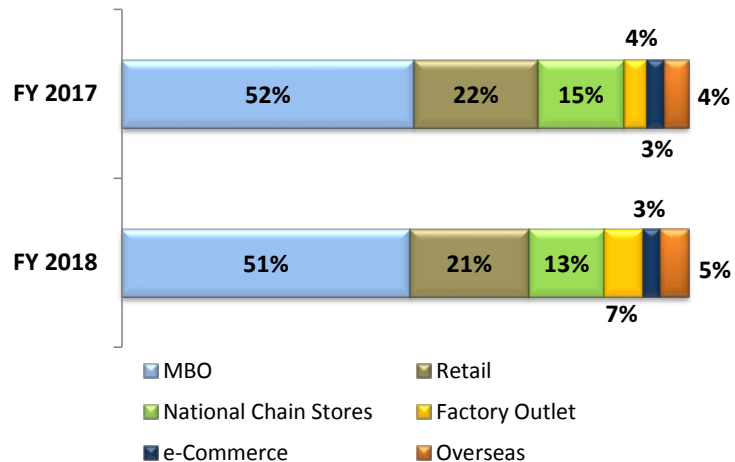
Sales (Rs crs)	Q4 2018	Q4 2017	% Change
MBO	57.80	64.99	-11%
Retail	24.69	26.58	-7%
National Chain Stores	12.94	18.21	-29%
e-Commerce	3.97	1.53	160%
Factory Outlet	12.56	6.25	101%
Overseas	6.71	3.36	99%
<b>Total</b>	<b>118.67</b>	<b>120.92</b>	<b>-2%</b>

Revenue numbers are inclusive of excise duty. However, for this presentation purposes, Revenue numbers are taken net of Excise Duty

# Channels : FY 2017-18

- MBOs have maintained the largest share of revenues of 51% of sales
- Sales from Factory outlets have grown by 63% annually

## Channel wise sales break up FY 2018



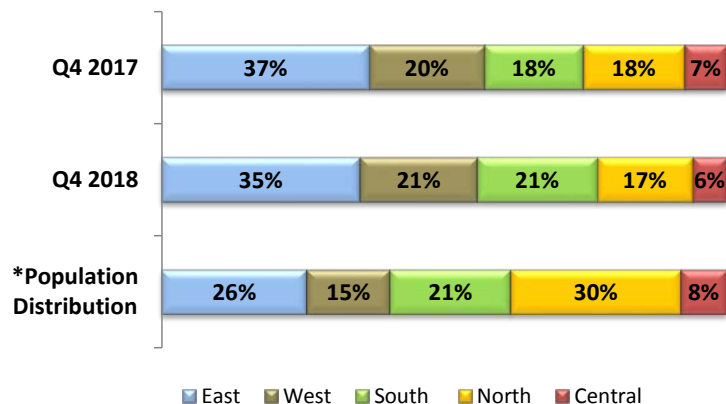
Sales (Rs crs)	FY 2018	FY 2017	% Change
MBO	232.45	245.32	-5%
Retail	95.79	101.56	-6%
National Chain Stores	61.00	72.00	-15%
e-Commerce	13.75	14.65	-6%
Factory Outlet	31.28	19.15	63%
Overseas	22.71	20.37	12%
<b>Total</b>	<b>456.98</b>	<b>473.05</b>	<b>-3%</b>

Revenue numbers are inclusive of excise duty.

# Regional Distribution : Q4 2017-18

- East continues to be the dominant region with 35% share
- South has shown strong growth of 15%

## Region wise sales break up Q4 FY 2018



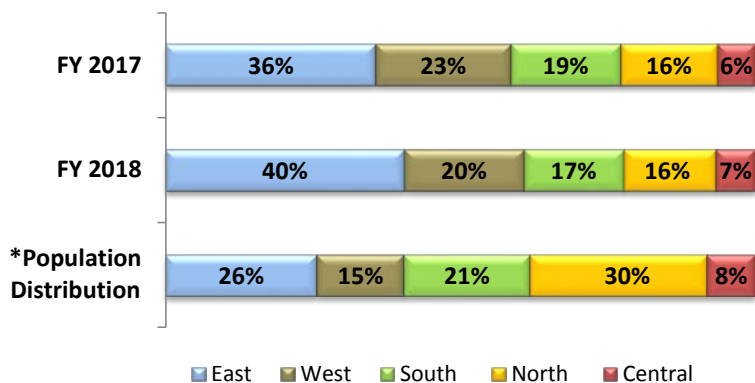
Sales (Rs crs)	Q4 2018	Q4 2017	% Change
East	39.06	43.22	-10%
West	23.10	23.96	-4%
South	23.64	20.58	15%
North	18.75	21.04	-11%
Central	7.41	8.76	-15%
<b>Domestic Sales</b>	<b>111.96</b>	<b>117.56</b>	<b>-5%</b>
Overseas	6.71	3.36	99%
<b>Total</b>	<b>118.67</b>	<b>120.92</b>	<b>-2%</b>

Revenue numbers are inclusive of excise duty. However, for this presentation purposes, Revenue numbers are taken net of Excise Duty

# Regional Distribution : FY 2017-18

- Eastern Region grew by 9% and has maintained the largest share at 40%

**Region wise sales break up FY 2018**



Sales (Rs crs)	FY 2018	FY 2017	% Change
East	175.86	161.57	9%
West	88.04	103.43	-15%
South	73.51	84.29	-13%
North	68.08	74.60	-9%
Central	28.78	28.79	0%
<b>Domestic Sales</b>	<b>434.27</b>	<b>452.68</b>	<b>-4%</b>
Overseas	22.71	20.37	12%
<b>Total</b>	<b>456.98</b>	<b>473.05</b>	<b>-3%</b>

Revenue numbers are inclusive of excise duty.



## Retail stores

Particulars	COCO	COMFO	FOFO	Total
K-Lounge	2	9	180	191
EBO			126	126
Factoy Outlet		1		1
<b>Total</b>	<b>2</b>	<b>10</b>	<b>306</b>	<b>318</b>

COCO - Company Owned Company Operated

COMFO - Company Owned Management Franchisee Operated

FOFO - Franchisee Owned Franchisee Operated

Retail Stores (YTD)	31.03.18	31.03.17
Existing	331	327
New opened	39	43
Converted		
Relocated/closed	52	39
Work-in process	25	21
<b>Total Retail Stores</b>	<b>343</b>	<b>352</b>

# Thank You

*Disclaimer: Certain statements in this document or explanation thereof during discussions may be forward looking statements. Such forward looking statements are subject to certain risks and uncertainties like government actions, direct and indirect tax structures , local, political or economic developments, weather conditions deferring season, technological risks, overall market scenario and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statements. Kewal Kiran Clothing Limited(“KKCL”) will not be in anyway responsible for any action taken based on such statements and undertake s no obligation to publicly update these forward looking statement to reflect subsequent events or circumstances.*