KEWAL KIRAN CLOTHING LTD

Financial Results Review – Q3 FY2018 and YTD ended 31.12.2017

Operational Performance: Q3 FY 2018

Particulars	Q3 FY 2018 Rs crs	% of sales	Q3FY 2017 Rs crs	% of sales	Growth	FY 2018 Rs crs	% of sales	FY 2017 Rs crs	% of sales	Growth
Total Revenue	94.39	100.00%	96.41	100.00%	0.00%	341.91	100.00%	355.39	100.00%	0.00%
Operating EBITDA	15.74	16.68%	10.79	11.19%	5.48%	71.88	21.02%	67.72	19.06%	1.97%
Profit before tax (PBT)	16.27	17.24%	12.29	12.75%	4.49%	79.18	23.16%	74.86	21.06%	2.09%
Profit after tax (PAT)	10.71	11.35%	8.57	8.89%	2.46%	54.18	15.85%	50.53	14.22%	1.63%
Apparel Sales value growth	-4.07%					-2.75%				
Volume Growth	0.98%					-1.98%				
Realisation growth	-3.13%					-4.50%				

Operational Performance: Q3 and YTD FY 2018

	Q3 FY 2018 Rs crs	**% of sales**	Q3 FY 2017 Rs crs	% of sales	Variation	**YTD FY 2018 Rs crs**	**% of sales**	YTD FY 2017 Rs crs	% of sales	Variation
Net Sales (including Excise Duty)*	**93.23**		95.83			**338.32**		352.11		
Other operating income	**1.16**		0.58			**3.59**		3.28		
Total Revenue	**94.39**	**100.00%**	96.41	100.00%	0.00%	**341.91**	**100.00%**	355.39	100.00%	0.00%
Cost of goods sold	**38.38**	**40.66%**	44.83	46.50%	-5.84%	**140.61**	**41.12%**	148.32	41.73%	-0.61%
Excise Duty*	**-**		2.24			**1.64**		7.92		
Personnel cost	**15.34**	**16.25%**	14.92	15.48%	0.78%	**49.12**	**14.37%**	46.12	12.98%	1.39%
Manufacturing and operating expenses	**8.46**	**8.96%**	10.34	10.73%	-1.76%	**33.73**	**9.87%**	40.59	11.42%	-1.56%
Administrative and other expenses	**8.29**	**8.78%**	6.91	7.17%	1.62%	**23.62**	**6.91%**	20.38	5.73%	1.17%
Selling and distribution expenses	**8.18**	**8.67%**	6.38	6.62%	2.05%	**21.31**	**6.23%**	24.34	6.85%	-0.62%
Operational expenditure	**78.65**	**83.32%**	85.62	88.81%	-5.48%	**270.03**	**78.98%**	287.67	80.94%	-1.97%
				0.00%						
EBITDA	**15.74**	**16.68%**	10.79	11.19%	5.48%	**71.88**	**21.02%**	67.72	19.06%	1.97%
Finance expenses	**1.50**	**1.59%**	0.91	0.94%	0.65%	**3.80**	**1.11%**	2.60	0.73%	0.38%
Depreciation/ Ammotisation	**1.50**	**1.59%**	1.24	1.29%	0.30%	**4.23**	**1.24%**	3.43	0.97%	0.27%
Other income	**3.53**	**3.74%**	3.65	3.79%	-0.05%	**15.33**	**4.48%**	13.17	3.71%	0.78%
Profit before tax (PBT)	**16.27**	**17.24%**	12.29	12.75%	4.49%	**79.18**	**23.16%**	74.86	21.06%	2.09%
Income Tax	**5.90**	**6.25%**	4.01	4.16%	2.09%	**25.39**	**7.43%**	24.06	6.77%	0.66%
Profit after tax (PAT)	**10.37**	**10.98%**	8.28	8.59%	2.39%	**53.79**	**15.73%**	50.80	14.29%	1.44%

***Net sales include Excise Duty**

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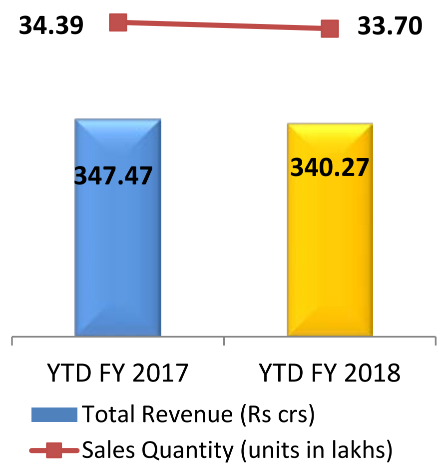
Trend in Revenue

Q3 FY2017-18

- Total revenue marginally up by 0.23%
- Apparel sales value down by 3.13% to Rs. 88.12 crores
- Apparel sales realization per unit at Rs. 928

YTD FY2017-18

- Total revenue marginally down by 2.07%
- Apparel sales value down by 4.50% to Rs. 321.65 crores
- Apparel sales realization per unit at Rs. 954

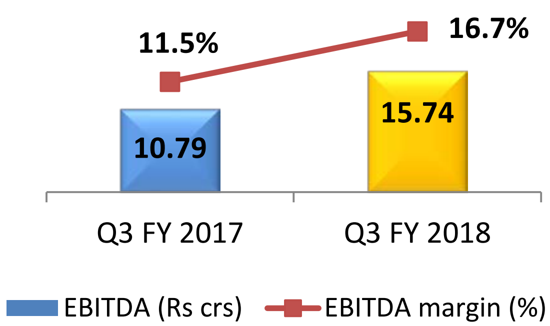


Revenue numbers are inclusive of excise duty. However, for this presentation purposes, Revenue numbers are taken net of Excise Duty

Trend in Operating Profit

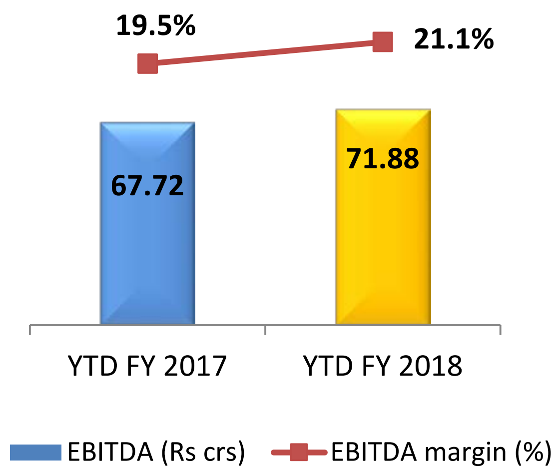
Q3 FY2017-18

- **EBITDA increased by 45.91% to Rs.15.74 crores**
- **EBITDA margin increased to 16.7%**



YTD FY2017-18

- **EBITDA increased to Rs. 71.88 crores**
- **EBITDA margin increased to 21.1%**



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

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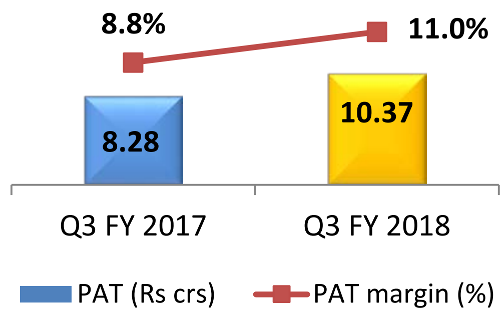
Trend in Net Profit

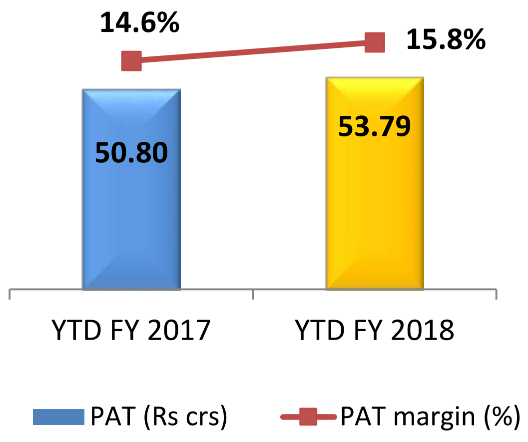
Q3 FY2017-18

- **PAT increased to Rs. 10.37 crores**
- **PAT margin higher at 11%**
- **Quarterly EPS at Rs. 8.41 (6.73)**



YTD FY2017-18

- **PAT increased to Rs. 53.79 crores**
- **PAT margin higher at 15.8%**
- **YTD EPS at Rs. 43.64 (41.22)**



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

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Balance Sheet

(Rs. In Lakhs)

Particulars	As at 31-Dec-17	As at 31-Mar-17
ASSETS		
1) Non-Current Assets		
a) Property, Plant and Equipment	6,725	6,299
b) Capital Work in Progress	856	725
c) Investment Property	155	106
d) Other Intangible Assets	54	50
e) Intangible Assets under Development	15	3
f) Financial Assets		
i) Investments	11,131	12,929
ii) Loans	-	-
iii) Other Financial Assets	236	190
g) Deferred Tax Assets(Net)	-	-
h) Other Non-Current Assets	420	533
	19,593	20,835
2) Current Assets		
a) Inventories	5,780	5,126
b) Financial Assets		
i) Investments	10,721	7,583
ii) Trade Receivables	12,422	10,616
iii) Cash & Cash Equivalents	6,957	6,556
iv) Bank balances (other than iii above)	80	88
v) Loans	-	-
vi) Other Financial Assets	160	133
c) Current Tax Assets (Net)	-	-
d) Other Current Assets	579	377
	36,699	30,479
TOTAL ASSETS	**56,292**	**51,314**
EQUITY & LIABILITIES		
Equity		
a) Equity Share Capital	1,233	1,233
b) Other Equity	38,892	36,219
	40,125	37,452
Liabilities		
1) Non-Current Liabilities		
a) Financial Liabilities		
b) Provisions	7	8
c) Deferred Tax Liability	335	113
d) Other non - current liabilities	165	-
	507	121
2) Current Liabilities		
a) Financial Liabilities		
i) Borrowings	5,974	4,051
ii) Trade Payables		
- Due to Micro and Small Enterprises	85	20
- Due to Others	4,022	3,926
iii) Other financial liabilities	784	956
b) Other Current Liabilities	2,374	2,597
c) Provisions	2,421	2,105
d) Current Tax Liabilities (Net)	-	86
	15,660	13,741
TOTAL EQUITY AND LIABILITIES	**56,292**	**51,314**

Ratios and Cash-flow Analysis

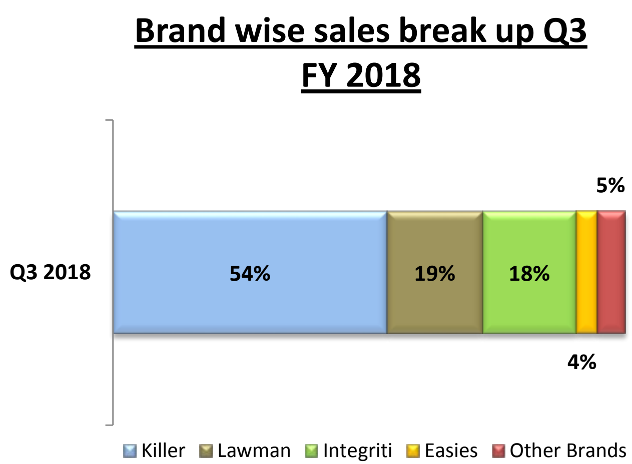
	Cash Flows (in Rs crs)	Period Ended 31st December 2017
I.	**Cash Flow from Operating Activity**	**21.19**
	**Operating Profit before Working Capital Changes*	*72.43*
	**Adjustment for Working Capital*	*(27.01)*
	**Direct Taxes Paid*	*(24.23)*
II.	**Cash Flow from Investing Activity**	**(5.72)**
	**(Purchase)/ Sale of Fixed Assets*	*(6.42)*
	**(Purchase)/Redemption of Investments in mutual funds*	*0.47*
III.	**Cash Flow from Financing Activity**	**(11.46)**
	**Secured Loans - Bank Overdraft (Net)*	*19.24*
	**Interest Paid*	*(3.26)*
	Payment of Dividend (Including Dividend Tax)	*(27.44)*
	Cash and Cash Equivalents - Closing	**69.57**

Ratios	Q3 FY2018
Debt Equity ratio	0.15
Current Ratio	2.34
Debtors turnover (days)	85
Creditors turnover (days)	40
Inventory turnover (days)	43
RONW	18.62
ROCE	20.59
ROCE (in operation)	55.84

- **The financial position remains strong with healthy cash reserves**

Brands

- Killer continues to be the flagship brand with revenue share of 54%
- Lawman and Integriti revenue share was 19% and 18% respectively

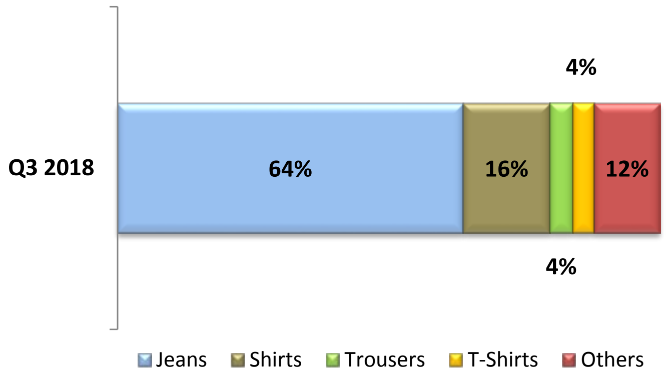


Sales (Rs crs)	Q3 2018	Q3 2017	% Change
Killer	49.50	48.62	2%
Lawman	17.50	19.59	-11%
Integriti	17.23	19.75	-13%
Easies	3.89	2.99	30%
Other Brands	5.11	4.87	5%
Total	93.23	95.83	-3%

Products

- **Jeans remained the largest selling product with revenue share of 64%**
- **Shirts was the second largest selling product with revenue share of 16%**

Product wise sales break up Q3 FY 2018

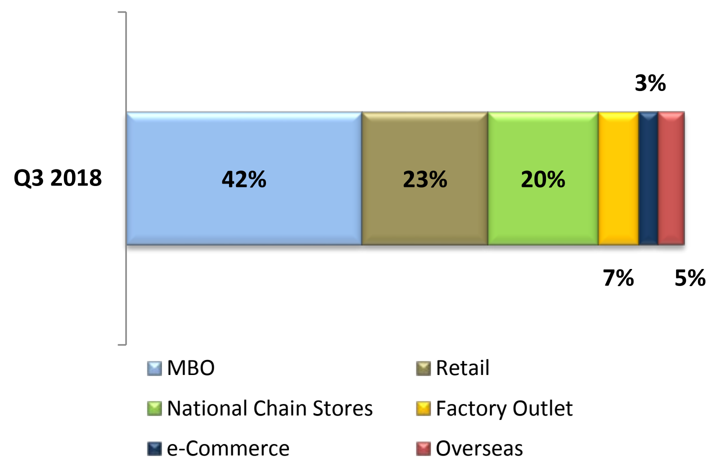


Sales (Rs crs)	Q3 2018	Q3 2017	% Change
Jeans	59.41	53.39	11%
Shirts	14.92	19.28	-23%
Trousers	3.93	8.17	-52%
T-Shirts	3.68	3.56	3%
Others	11.29	11.43	-1%
Total	**93.23**	**95.82**	**-3%**

- Due to application of IND-AS, quarter ended December 2016 numbers are not presented
- Revenue numbers are inclusive of excise duty. However, for this presentation purposes, Revenue numbers are taken net of Excise Duty

Channels

- MBOs continue to be the largest channel with 42% share of revenues
- Retail and National Chain Stores had a revenue share of 23% and 20% respectively

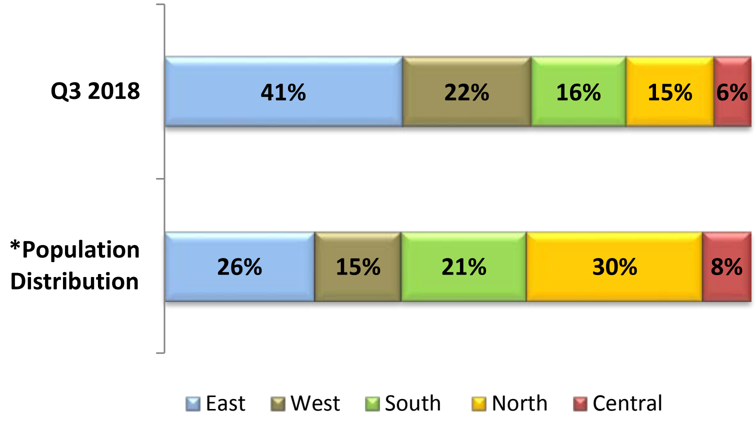


Sales (Rs crs)	Q3 2018	Q3 2017	% Change
MBO	39.49	41.08	-4%
Retail	20.98	19.67	7%
National Chain Stores	18.44	22.04	-16%
Factory Outlet	6.77	5.27	29%
e-Commerce	3.21	5.99	-46%
Overseas	4.34	1.78	144%
Total	93.23	95.83	-3%

Regional Distribution

- The Eastern Region continues to have the largest share in domestic revenues at 41%
- Western and Southern regions had a 22% & 16% share in domestic revenues respectively

Region wise sales break up Q3 FY



Sales (Rs crs)	Q3 2018	Q3 2017	% Change
East	36.35	26.16	39%
West	19.06	28.08	-32%
South	14.51	17.97	-19%
North	13.39	16.19	-17.3%
Central	5.58	5.65	-1%
Domestic Sales	88.89	94.05	-5%
Overseas	4.34	1.78	144%
Total	93.23	95.83	-3%

Key developments

Advertisement and branding initiatives :-

- Integriti brings out with a new campaign of music festival called Integriti Dance Music (IDM)

- IDM partners With Guestlist4Good for the World's Biggest Guestlist Festival with DJ Hardwell held in Mumbai

- IDM partners with Goa's Newest Festival 'Time out 72 Fest' held in Goa.

Retail stores

Particulars	COCO	COMFO	FOFO	Total
K-Lounge	2	9	179	190
Killer EBO			84	84
LawmanPg3-EBO			12	12
Integriti-EBO			40	40
LawmanPg3 cum Integriti-EBO			2	2
Easies - EBO			-	-
Factoy Outlet		1	1	2
Total	2	10	318	330

COCO - Company Owned Company Operated
COMFO - Company Owned Management Franchisee Operated
FOFO - Franchisee Owned Franchisee Operated

Retail Stores (YTD)	31.12.17	31.03.17
Existing	331	327
New opened	28	43
Converted		
Relocated/closed	29	39
Work-in process	27	21
Total Retail Stores	357	352

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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.*