



Kewal Kiran Clothing Limited

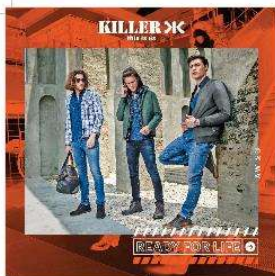
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Corporate Business Presentation & FY22 Financial Overview

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KKCL : Time & Tested Branded Apparel Play

Consistently Profitable Listed Branded Apparel Player



KKCL : Designing Success since 1980s



Amongst the **few Indian Denim brands** to have **successfully contributed** to the evolving Denim culture in India : **40+ years of tasting success**



Learning it the hard way with **Integrated Operations & presence across Value Chain : Designing - Manufacturing - Branding - Retailing**



Denims in Apparels are recognized with distinctive Brand Labels : KKCL has been able to penetrate through its audience with its **evolving brand culture with 4 iconic brands**



With established name in the Menswear category, KKCL intends to replicate its success in the menswear category to other apparel categories gradually keeping its profitability driven ethos in mind



Established Widespread Distribution : 350+ Exclusive Brand Outlets and 125+ Distributors covering 4,000+ MBOs spread across India



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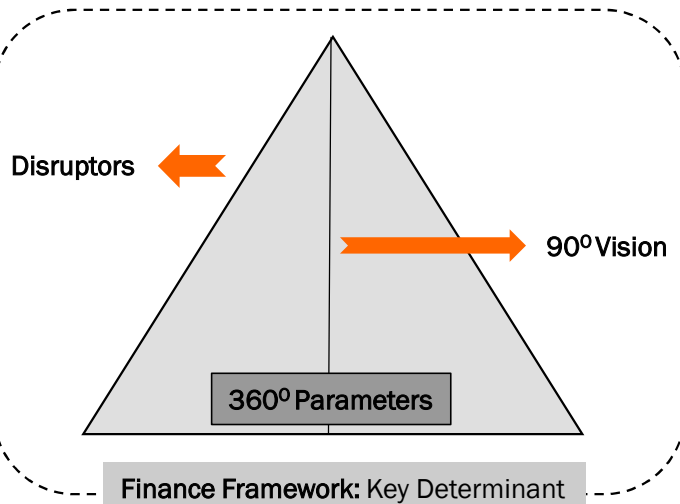
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Riding upon the Pillars of Success



KKCL : Business Structure Pyramid



Financial Sustainability driven Decision Making : Key Driver for achieving the 3 Key "S" of Business

- Business **Stability**
- Business **Sustainability**
- Business **Scalability**

PILLARS OF SUCCESS

Established Brands



①

Manufacturing Excellence



②

Widespread Distribution



③

Financial Sustainability



④



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1

Focused Brand Proposition

Key Mantra - Branding drives Aspiration, commands Premium and sense of Stickiness



Established Brand Portfolio



LABELS THAT COMPETE WITH GLOBAL CONTEMPORARIES



Denims:
Label Tagging an important tool

1 Flagship Brand catering to Premium Luxury segment

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2 Premium Mid Market Segment Brand

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3 Fashion/Partywear Brand Focused on Mid Market Segment

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4 Targeted Premium Mass Market Brand

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5 Focused Women Wear Brand

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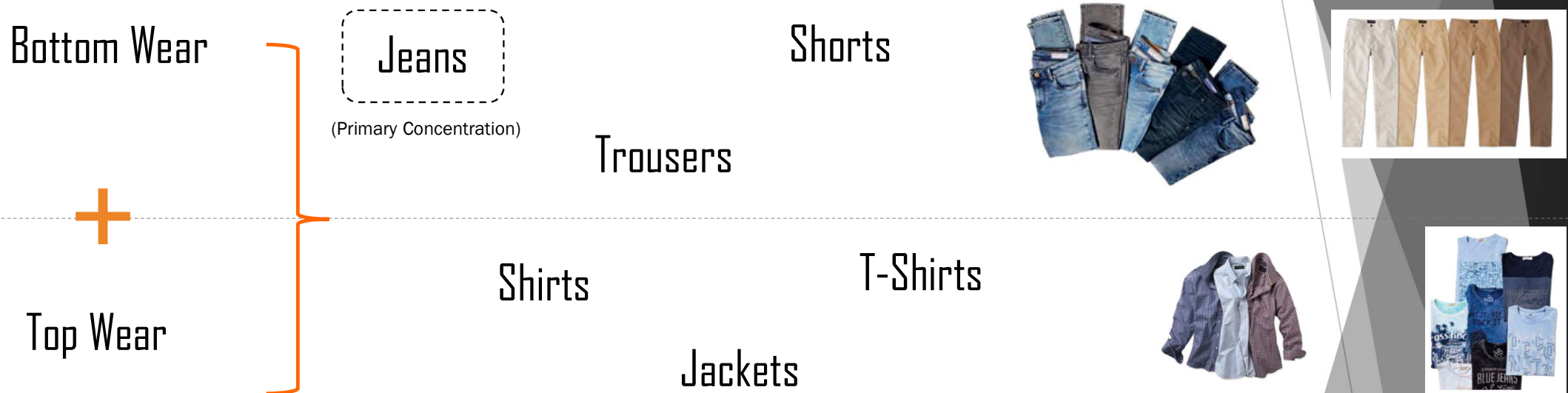
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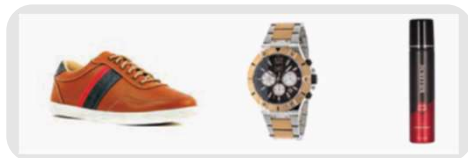
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Wide Product Portfolio capitalising Brand appeal



► **Accessories Business through Brand Extension :** Opportunistic Play capitalizing on Brand Recognition & Entrenchment

Deodorants - Shoes - Belts - Masks - Purses - Socks : Amongst Others >>> **Product Identification - Licensing - Branding - Selling**



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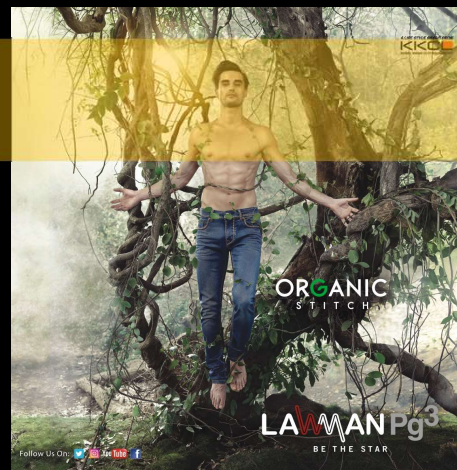
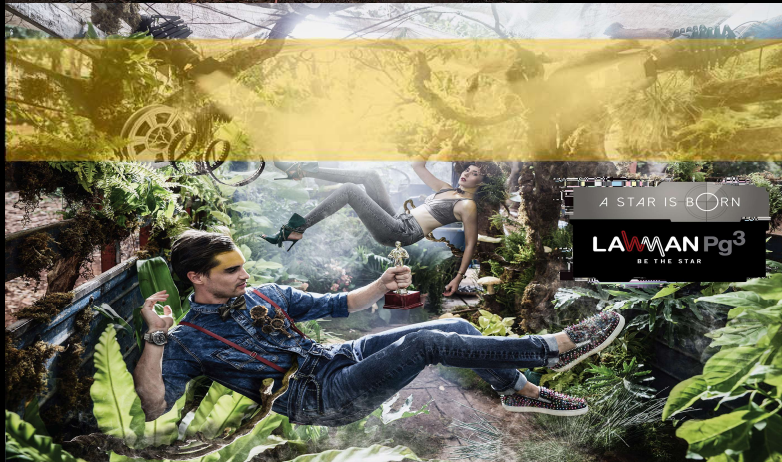
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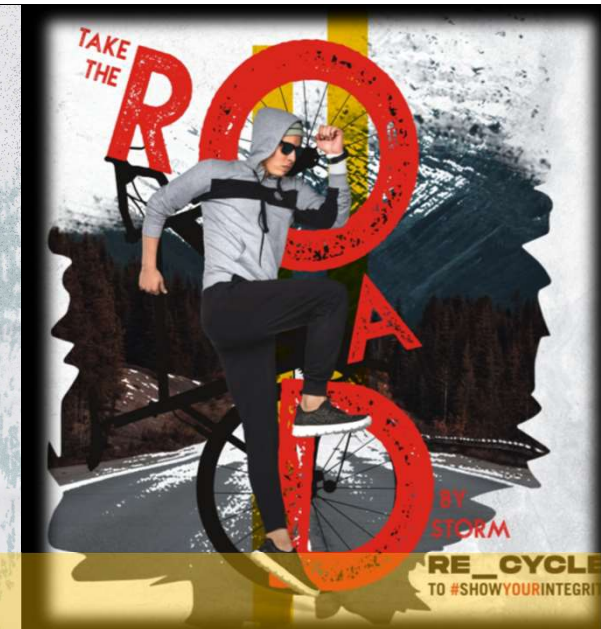
Killer : Premium Casuals

Flagship brand "Killer" imbibes in it the cool confidence of today's youth and redefines denims, giving a bold character to them



Lawman : Fashion Capital

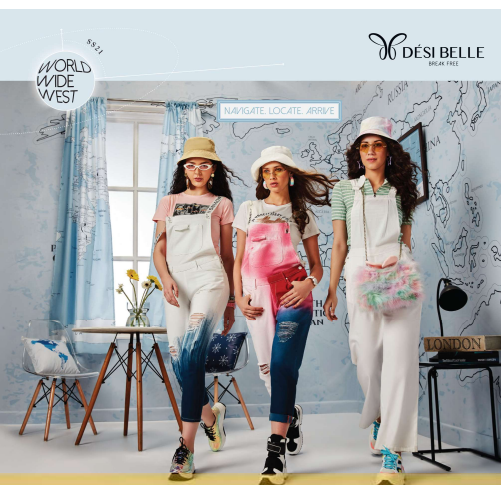
A glamorous, lifestyle brand, "LawmanPg3" specialises in trendsetting denim and partywear for young adults



Reflecting and resonating the ambition and energy of youth, "Integrati" offers a credible, trusted and value proposition across work and casual wear



A blend of classic and contemporary preferences, “Easies” is reshaping corporate fashion in India through its range of semi-formal menswear, made from the most premium range of fabric and linen



Women Wear : New Avenues



"Desi Belle" is an Indo-Western womenswear that exists at the confluence of modern style and desi touch, catering to the contemporary woman

2

KKCL Unique Success Formula - Make to Market

Market dynamics paves the way for Creator's market – Manufacturing back in focus



Manufacturing Excellence



**Robust manufacturing setup with majority of the processes developed in-house from Designing to Finished Product
- Giving it a “Good control over product costs factor and Quality”**

- ▶ **Tech-led manufacturing capabilities** : State-of-the-art technology in manufacturing denims with units equipped with advanced machinery, helping us offer the best products to our customers
- ▶ **Best in class Washing Facility:** Key Factor to Denim Manufacturing with high compliances
- ▶ With a total **annual capacity of apprx. 8 million units**, each facility is a house of innovation and a complementing factor to the styles being produced and marketed.
- ▶ **Assisted by international professionals to lead our research and technology wing** allowing us to develop new products and improving existing product range
- ▶ All KKCL manufacturing facilities are certified ISO 9000:2008 and the Vapi facility is additionally certified ISO 14001: 2004

Deliver the best of global fashion and versatile designs of the highest standards



Designing – Procurement – Washing – Stitching – Labelling – Packing – Retail



The Vapi Manufacturing Unit won gold awards in 'FAME Excellence Award 2017' and 'Grow Care' India's Environment Award 2017'.



Responsible Manufacturing Practices: Usage of state of art technology to avoid usage of excessive water across various stages of production leading to elimination of nearly 80% of water wastage through processes

3

Strong Market connect

Brand recognition driving market "Pull Strategy" – playing it with a flexible profit oriented & balanced market strategy



Widespread Distribution – Physical & Digital



Extensive footprint of directly operated and franchise stores, along with a presence in national large format stores & carefully selected multi-brand outlets (MBOs)

Exclusive Retail Store Count (As on March 31, 2022)

356 Stores

Mix of K-Lounge & EBOs

(incl. 1 Factory Outlet)

Combination of COCO/COMFO/FOFO driven stores

K-Lounge / EBOs :

Totally spread over an approx. area of **2,30,000 sq.ft spread across India**

MBO Presence

Widespread MBO presence through traditional Distributional Channel : 125+ Distributors covering 4,000+ MBOs across India

National Chain Stores

Select Key Stores: Shoppers Stop, Lifestyle, Reliance Trends & Others

Multiple E-Commerce Portal Presence

Select Portals: Flipkart/Myntra, Ajio, Tata Cliq, Amazon



Continuing Focus - Strengthening Distribution



Two Pronged Approach

Traditional Channels : Key to Profitability

**Structured & Focused
Win-Win Philosophy
Methodology** >>>>

- Identify Right Channel Partners
- Nurturing Channel Partners & forging long term partnerships
- Opportunities of Growth for Channel Partners
- Retaining Channel Partners

Digital / Modern Retail : Key to Visibility

**Differentiated Play
Differential Offering
Methodology** >>>>

- Calculative Approach with minimal impact on Margins
- Identification of Right Channel Partners
- Cost Benefit Analysis : visibility v/s margin contraction
- Differentiated Offering across various SKUs

EBOs

(Master Distribution & Direct by Company)

MBOs

(Distribution Platform)

NCS

(Direct by Company)

E-Commerce

(Direct by Company)

Exports

(Direct by Company)



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K-LOUNGE

- KKCL's Retail Play





4

Profitability Led Business Growth

Leveraging the learnings in creating a business model that can withstand severe challenges while enabling the Company to grow

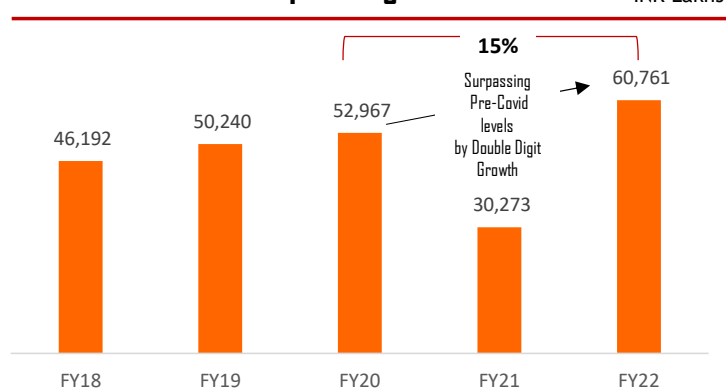


Financial Sustainability - Profitability led Growth



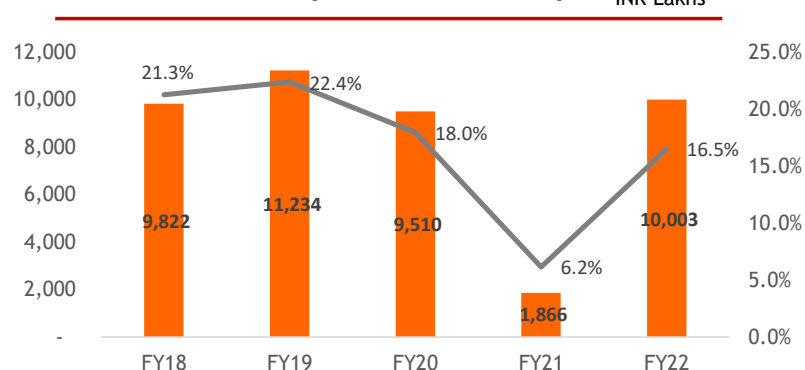
Operating Sales

INR Lakhs



EBITDA (excl. Other Income)

INR Lakhs



- Part of costs conscious apparel sector clouded by inflationary pressure on account of increased raw material prices & gas prices
- Adopted Sales growth strategy striking a balance of achieving Sales growth with minimal margin contraction

Robust Balance Sheet Strength

Performance: Standalone basis

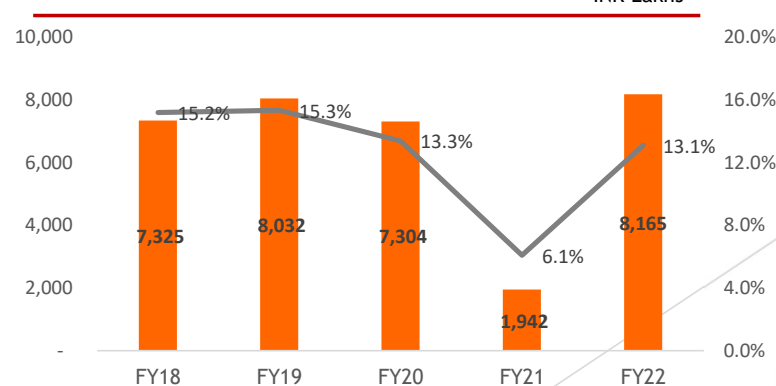
INR Lakhs	FY20	FY21	FY22
Debt	8,801.18	4,643.80	7,659.85
Cash & Investments*	27,539.33	29,848.71	34,920.85
Total Equity	44,642.19	43,296.61	47,819.42
Net Debt : Equity (x)	(0.42)	(0.58)	(0.57)
Debtor Days (in Days)**	120	182	91

* Investments includes non-current investment of ₹ 845.50 lakhs of investments in Associates and also includes a Fixed Deposit of INR 1162.62 lakhs which is classified under Other Financial Asset

** Debtor Days has been calculated basis the Average Receivables pegged to Operating Income of the Company

PAT

INR Lakhs



FY 22

- ROCE : 19.8%
- ROE : 17.1%

- ROCE : EBIT / (Total Equity + Gross Debt)
- ROE : PAT / Total Equity

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Profit & Loss Statement (Q4 :Y-o-Y)



Particulars (INR Cr)	Q4 – FY 21-22		Q4 – FY 20-21		Q4 – FY19-20	
	Amount	% of Op. Income	Amount	% of Op. Income	Amount	% of Op. Income
Income:						
Revenue from Operations	168.73	99.50%	110.04	99.40%	125.37	99.00%
Other Operating Revenue (Service / Rent Income)	0.84	0.50%	0.66	0.60%	1.27	1.00%
Revenue from Operations	169.57	100.00%	110.70	100.00%	126.64	100.00%
Expenses						
Cost of Material Consumed*	96.98	57.19%	66.08	59.69%	66.56	52.56%
Personnel Cost	22.76	13.42%	16.54	14.94%	18.05	14.25%
Administrative & Other Cost	8.58	5.06%	10.64	9.61%	8.60	6.79%
Selling & Distribution Expenses	9.10	5.37%	7.28	6.58%	11.94	9.43%
Total Expenses	137.42	81.04%	100.54	90.82%	105.15	83.03%
EBIDTA (excl. Other Income)	32.15	18.96%	10.16	9.18%	21.49	16.97%
Other Income	3.50		2.66		3.86	
Finance Expense	1.05		1.08		1.99	
Depreciation / Amortization	1.78		1.60		1.64	
Net Profit Before Tax	32.82		10.14		21.72	
Provision for Tax	8.04		1.89		5.94	
Net Profit After Tax (before OCI)	24.78		8.25		15.78	

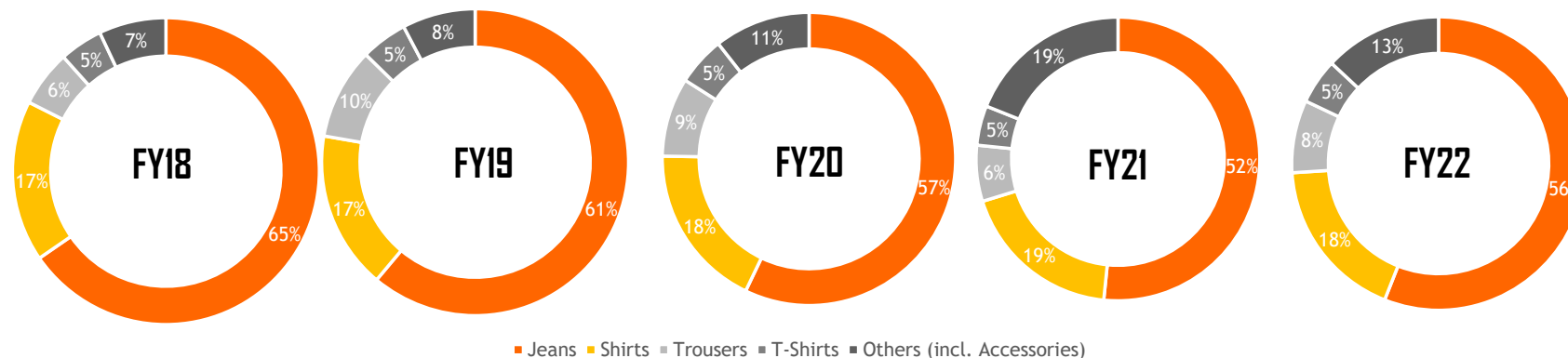
* Note : Costs of Material Consumed includes Costs of Material Consumed, Purchase of Stock in trade, Change in inventories of finished goods, work in progress and stock in trade and Manufacturing & operating expenses

Profit & Loss Statement (12M : Y-o-Y)

Particulars (INR Cr)	FY 21-22		FY 20-21		FY 19-20	
	Amount	% of Op. Income	Amount	% of Op. Income	Amount	% of Op. Income
Income:						
Revenue from Operations	605.12	99.6%	300.66	99.3%	524.88	99.10%
Other Operating Revenue (Service / Rent Income)	2.49	0.40%	2.07	0.7%	4.79	0.90%
Revenue from Operations	607.61	100.0%	302.73	100.0%	529.67	100.00%
Expenses						
Cost of Material Consumed*	358.72	59.04%	180.05	59.48%	262.08	49.48%
Personnel Cost	79.77	13.13%	52.64	17.39%	71.45	13.49%
Administrative & Other Cost	35.43	5.83%	32.76	10.82%	33.08	6.25%
Selling & Distribution Expenses	33.66	5.54%	18.60	6.14%	67.96	12.83%
Total Expenses	507.58	83.54%	284.05	93.83%	434.57	82.05%
EBIDTA (excl. Other Income)	100.03	16.46%	18.68	6.17%	95.1	17.95%
Other Income	16.86		17.04		17.53	
Finance Expense	4.53		6.81		8.81	
Depreciation / Amortization	7.03		6.7		8.23	
Net Profit Before Tax	105.33		22.21		95.59	
Provision for Tax	23.69		2.78		22.55	
Net Profit After Tax (before OCI)	81.65		19.42		73.04	

* Note : Costs of Material Consumed includes Costs of Material Consumed, Purchase of Stock in trade, Change in inventories of finished goods, work in progress and stock in trade and Manufacturing & operating expenses

Product Wise Performance



Product wise Sales as a % of Total Income from Sales of Apparel and Lifestyle Accessories/Products

	FY18	FY19	FY20	FY21	FY22
Sales Performance					
Apparel and Lifestyle Accessories/Products Sales Qty (Units in Lakhs)	58.69	84.00	82.95	57.77	89.77
Apparel Units % of Total Qty Sales	78.7%	60.5%	64.2%	60.7%	76.2%
Sales Realisation* (INR per unit)	779	591	633	520	674

* Calculated at WSP (Wholesale Sales Price)





Additions : Accessories Play as a Brand Extension



The accessories wing of KKCL, “Addictions” offers lifestyle products such as deodorants, watches, wallets, belts and innerwear



Innerwear – From the House of KKCL



Focused Growth Strategy

On course with sound fundamentals & well-prepared to make the best of the available opportunities, by catering to both the visible and latent needs of consumers



Focused Growth Strategy

► Continuous focus to explore new product categories :

1

- With an established brand franchise in Menswear segment, KKCL intends to explore new avenues of growth with focus on new range of products in the jackets and winterwear segment.
- This will also help the Company to fortify its regional penetration in the northern market in India

► Aggressive Marketing & Advertising :

2

- Dedicated Expenditure to be made towards aggressive marketing and advertising leading to brand entrenchment across targeted customer base
- Focus on customer connect programmes leading to enduring customer relationship

► Technology Upgradation :

3

- Always on the anvil to look at bringing in technological upgradation across functions to smoothen operations however keeping the costs benefit analysis in mind
- Explore towards strengthening its own digital and e-commerce platform to capitalise its brand strengths and also thereby providing an omnichannel avenue across its EBO network

4

- **Continue to explore opportunistic play in the Womenwear and Kidswear segment** with an impetus of achieving profitable growth expansion with an ultimate objective of creating a family focused product portfolio

Thank You



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