

#### KEWAL KIRAN CLOTHING LIMITED

Registered & Corporate Office :- Kewal Kiran Estate, 460/7, I.B. Patel Road, Goregaon (E), Mumbai: 400 063

Tel No. +91 22 26814400 Fax No. +91 22 26814410 CIN No. L18101MH1992PLC065136 website: www.kewalkiran.com

**Date: January 20, 2024** 

To,

National Stock Exchange of India	BSE (Bombay Stock Exchange) Limited
<u>Limited</u>	"Phiroze Jeejeebhoy Tower",
Exchange Plaza, Plot No. C/1, G Block,	Dalal Street, Mumbai-400001
Bandra Kurla Complex, Bandra(East),	<b>BSE Code - 532732</b>
Mumbai-400051	
NSE Code - KKCL	

Dear Sir/Madam,

# Sub: Q3 & 9M FY24 Investor Presentation - Disclosure under Regulation 30 and other respective regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended

Pursuant to the provisions of the Regulation 30 and other respective regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed herewith the Investor Presentation for the quarter and nine months period ending December 31, 2023 (Q3 & 9M FY24).

The said presentation will also be uploaded on the website of the Company.

This is for your information and records.

Thanking you.

Yours Truly

For Kewal Kiran Clothing Limited

#### Abhijit B. Warange

Vice President – Legal & Company Secretary

Encl.: a/a

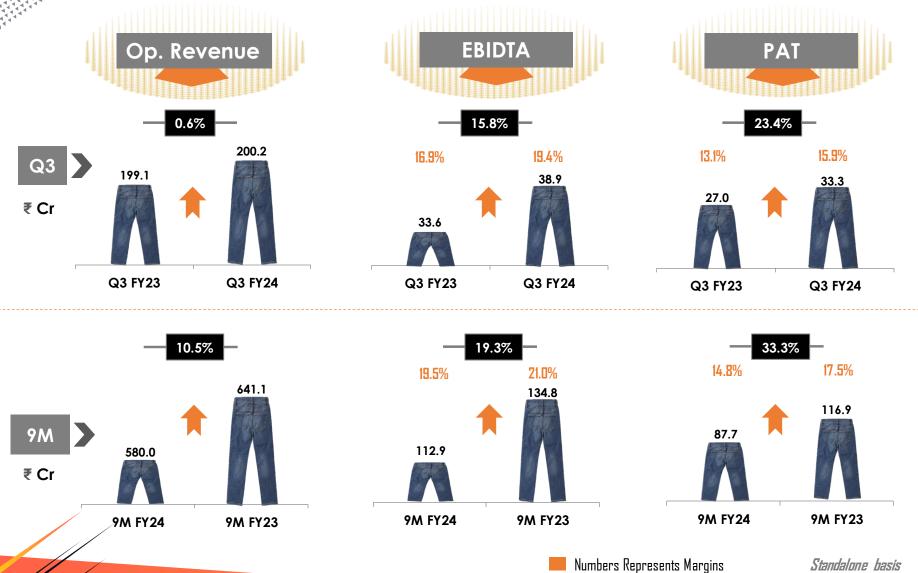


Q3 & 9M FY24 - Performance Highlights





# Q3 & 9M FY24: Key Financial Highlights







# **Profitability Highlights**

Particulars (₹ Cr)	Q3 FY24	Q3 FY23	Y-O-Y % Change	Q2 FY24	9M FY24	9M FY23	Y-O-Y % Change	FY23
Revenue from Operations	200.2	199.1	0.6%	262.5	641.1	580.0	10.5%	779.5
COGS	113.5	118.2		150.5	365.7	338.5		448.9
Gross Profit (GP)	86.7	80.9		111.9	275.4	241.4		330.6
GP Margin	43.3%	40.6%		42.7%	43.0%	41.6%		42.4%
Employee Expenses	26.4	25.3		26.1	78.4	72.5		97.9
Administrative & Other Expenses	10.2	9.7		11.9	31.1	27.8		36.3
Selling & Distribution Expenses	11.3	12.4		12.2	31.2	28.1		44.5
EBIDTA	38.9	33.6	15.8%	61.7	134.8	112.9	19.3%	151.9
EBIDTA Margin	19.4%	16.9%		23.5%	21.0%	19.5%		19.5%
Other Income	9.3	6.6		8.3	28.7	12.7		20.2
Depreciation & Amortisation	2.6	2.3		2.6	7.6	6.4		8.7
EBIT	45.6	37.9	20.3%	67.4	155.9	119.2	30.7%	163.5
EBIT Margin	21.7%	18.4%		24.9%	23.3%	20.1%		20.4%
Finance Cost	1.2	1.7		1.1	3.8	4.6		6.4
Profit before Tax	44.4	36.2	22.8%	66.2	152.1	114.7	32.6%	157.1
PBT Margin	21.2%	17.6%		24.5%	22.7%	19.3%		19.6%
Tax	11.1	9.2		16.5	35.2	27.0		37.8
PAT	33.3	27.0	23.4%	49.8	116.9	87.7	33.3%	119.3
PAT Margin %	15.9%	13.1%		18.4%	17.5%	14.8%		14.9%





# **Balance Sheet Overview**

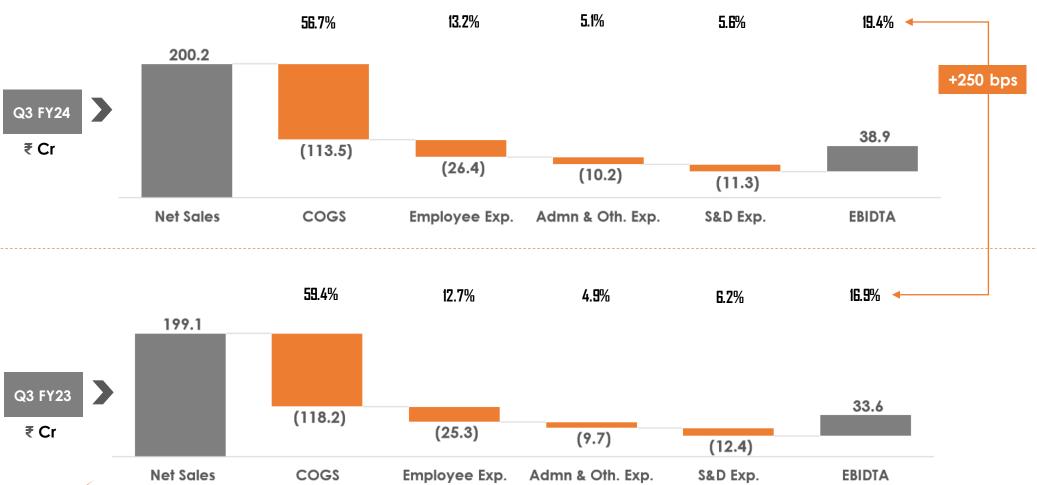
Particulars (₹ Cr)	As at Dec 2023	As at Dec 2022	As at Mar 2023
ASSETS			
	<u> </u>		
Non-Current Assets			· 
Property, Plant and Equipment	84.8	82.8	83.9
Right of Use Asset	18.2	13.8	
Capital work-in-progress	4.2	-	1.3
Investment Property + Other Intangible Assets	1.5	1.5	1.5
Financial Assets			
Investment in Subsidiary & Joint Venture	11.5	8.5	8.5
Investments Others	24.8	99.7	22.5
Loans + Other Financial Assets	44.8	16.8	23.1
Deferred Tax Assets (Net)		2.1	0.3
Other Non Current Assets	3.5	3.7	2.6
Total - Non-Current Assets	193.3	228.8	159.6
Current Assets	l		
Inventories	105.9	200.5	165.6
Financial Assets			
Investments	145.3	45.4	126.9
Trade Receivables	221.4	176.2	169.9
Cash and Cash Equivalents & Bank Bal.	160.1	171.3	170.4
Other Financial Assets (incl. Loans)	1.9	1.9	1.3
Other Current Assets	29.8	19.8	23.4
Total - Current Assets	664.3	615.1	657.6
TOTAL - ASSETS	857.6	843.9	817.2

Particulars (₹ Cr)	As at Dec 2023	As at Dec 2022	As at Mar 2023
EQUITY AND LIABILITIES	I .		
	1		
Equity	<u>:</u>		
Equity Share Capital	61.6	61.6	61.6
Other Equity	589.8	454.0	485.8
Total - Shareholders' funds	651.4	515.6	547.4
LIABILITIES	<del>:</del>		
Non-Current Liabilities	i		 I
Financial Liabilities	:		
Lease Liabilities	13.3	10.8	12.9
Provisions	0.1	0.1	0.1
Deferred Tax Liability (Net)	3.5	-	-
Total - Non-Current Liabilities	16.8	10.9	12.9
Current Liabilities	!		
Financial Liabilities	1		I
Borrowings	13.9	54.5	50.8
Lease Liabilities	2.8	1.8	2.3
Trade Payables	52.8	76.7	48.1
Other Financial Liabilities	21.7	16.4	18.9
Other Current Liabilities	34.9	14.1	41.2
Provisions	61.2	149.3	94.6
Current Tax Liabilities (Net)	2.1	4.6	0.9
Total - Current Liabilities	189.4	317.3	256.8
TOTAL - EQUITY AND LIABILITIES	857.6	843.9	817.2
		0.10.7	0.7.2





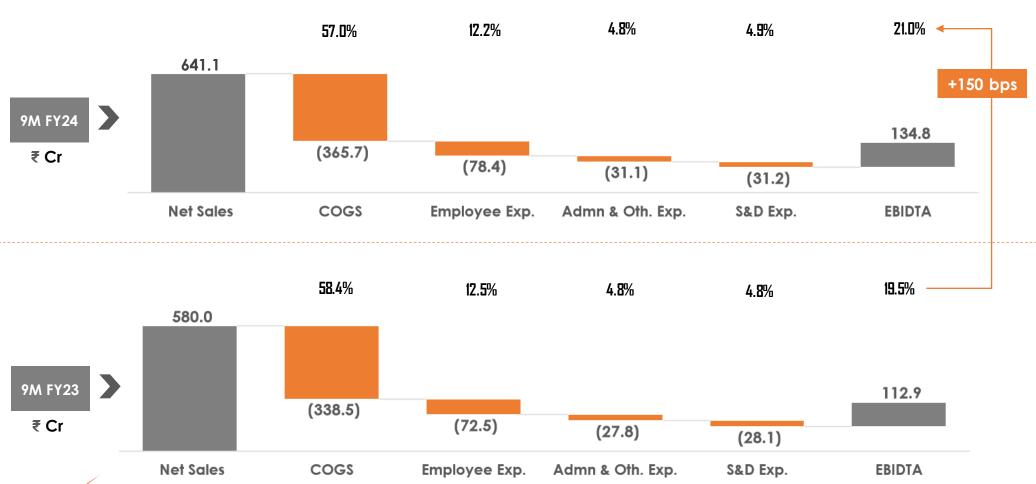
# Operational Matrix (Q3 Y-o-Y)







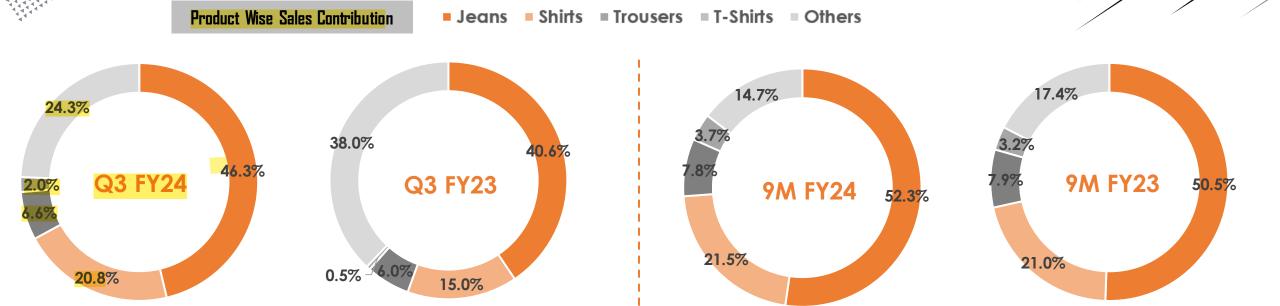
## Operational Matrix (9M Y-o-Y)







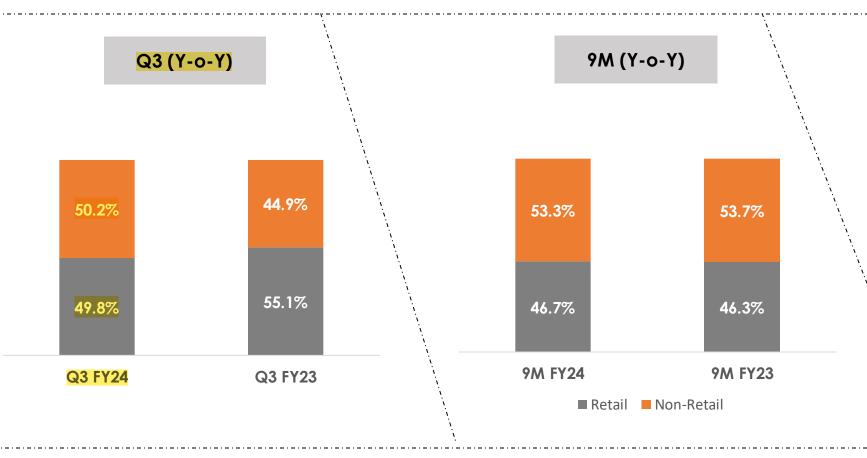
# **Product Category Performance**



Qty Sales / Sales Realisation	Q3 FY24	Q3 FY23	9M FY24	9M FY23	FY23
Apparel and Lifestyle Accessories/Products Sales Qty (Units in Lakhs)	29.19	25.74	98.11	81.29	110.7
Apparel Units (% of Total Qty Sales)	67.6%	69.6%	65.7%	72.4%	72.7%
Sales Realisation (₹ per unit)	681	767	649	709	700



## **Channelwise Sales Performance**





■ Retail : EBO / LFS

■ Non-Retail : MBO / E-Com / Exports / Factory & Seconds



## **EBO Network Update**

#### **EBO** Addition

Particulars	COCO/COFO Nos.	FDFD Nos.	Total Nos.
As on April 01 2022	25	331	356
As on April 01 2023	28	425	453
As on Dec 31, 2023	29	454	483

Mix of COCO / COFO / FOFO stores (with FOFO model dominant)

Totally spread over an approx. area

~2,90,000 sq.ft spread across India

★ Under Development EBOs : 28

#### Break up of EBOs

• Killer Brand EBOs : 294

• **K-Lounge** : 172

• Other Brand EBOs : 16

• Factory Outlet :

#### Killer EBO – Jaipur, Rajasthan











Madhya Pradesh

# Telangana Bihar

# Select Recent EBO Openings





Rajasthan





KKCL: Corporate Overview





## Designing Success - Since 1980's

#### Journey from a Denim Focused Brand to establishing Lifestyle Brand(s)

1st Hagship Store at Dadar (Mumbai, India)







- Amongst few home grown successful Apparel Fashion Brand with roots dating back to 1980's
- Prides itself in contribution to the evolving Denim culture in India with its Brand(s)
- Integrated Play across Value Chain : Designing Manufacturing Branding Retailing
- Established Widespread Distribution : Presence and reach across India with channel mix across EBOs, LFS Stores, E-commerce and the traditional MBO channel





## Driven by Sustainable Business Ethos

#### MISSION:

- Driving excellence through people, business partners and other stakeholders
- Focusing on consumer satisfaction and executing a customer-centric business module
- Adopting international standards and best practices across our operations
- Executing the business based on the three core growth principles of 3S

#### Financial Sustainability driven Decision Making

Key Driver for achieving the 3 Key "S" of Business

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



**Consistently Profitable** 

+

Rich Dividend Payment History

#### VISION:

To be a world-class business organization which enables value, best services and enhancement of net worth for all the stakeholders

#### **BUSINESS ETHOS**



**MORALITY** 



**RIGHTNESS** 

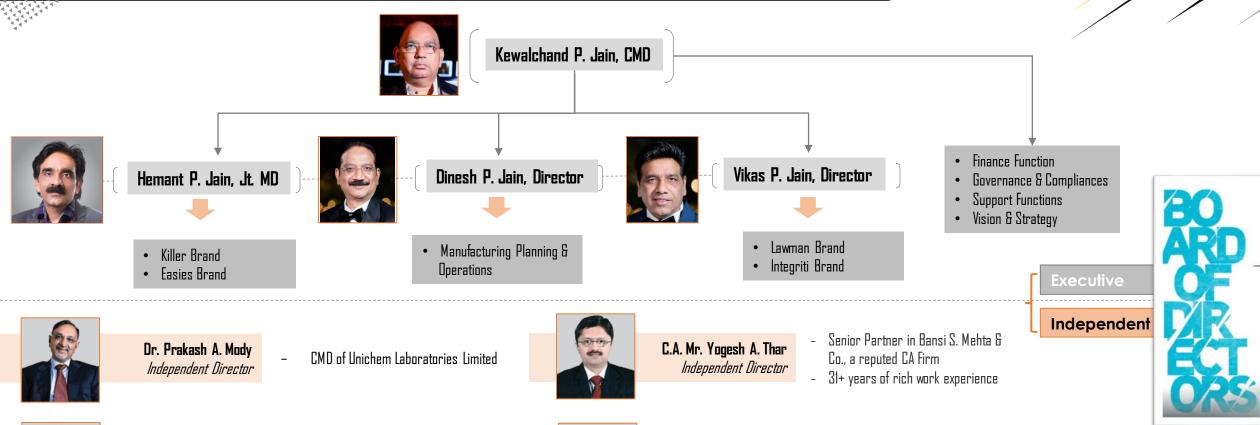


ETHICAL PRACTICES





## Supported by Focused & Experienced Board





Mr. Nimish G. Pandya Independent Director

- Founding Partner at Pandya Juris LLP, International Lawyers & Tax Consultants and Proprietor at Pandya and Co. Advocates and Notary



C.A Ms. Drushti R. Desai Independent Director

- Partner in Bansi S. Mehta & Co., a reputed CA firm
- 20+ years of experience







## Board Governance Update – New ID's Appointment



Paresh H. Clerk Independent Director

- Fellow Member of the Institute of Chartered Accountants of India
- Partner of Bansi S. Mehta & Co., Chartered Accountants with expertise in audit, due diligence for local and international acquisitions and accounting and company law advisory
- Member of the Accounting and Auditing Committee of Bombay Chartered Accountants' Society (Since 2007)
- Co-author of `Thumb Rules of Book-Keeping' a book published by Bombay Chartered Accountants' Society(BCAS)
- Regular contributor to articles on accounting and auditing published by BCAS, Chamber of Tax Consultants and Tax Sutra



Jayraj S. Sheth Independent Director

- Fellow Member of the Institute of Chartered Accountants and has completed executive education programme on 'Leading Professional Service Firms (PSFs) and on 'Leadership and Change Management' of IIM-Ahmedabad and XLRI, Jamshedpur respectively
- Presently pursuing Management Consultancy
- Worked in diverse senior leadership roles with Reliance Group, Ernst & Young, KPMG, TLC Legal, EPL Consultants India Pvt. Ltd
- Member of the Indirect Tax Committees of IMC, BCAS and CTC and Past Chairman of the Indirect Taxation Committee of IMC Chamber of Commerce & Industry.

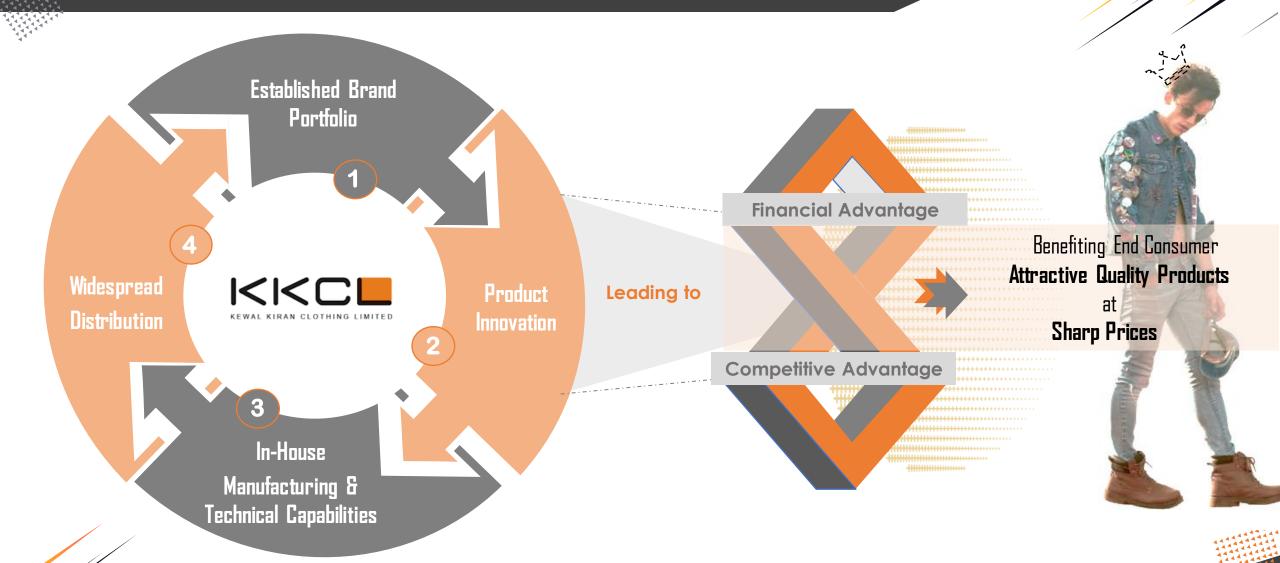


Ushma Sheth Sule Independent Director

- Chartered Accountant from Institute of Chartered Accountants of India and Master of Business Administration with majors in Finance from Kelly School of Business (USA)
- Currently, working as an Investment Professional since over 16 years with Rare Enterprises (Family office fund of late Mr. Rakesh Jhunjhunwala)
- Worked with Merrill Lynch -New York, Travelocity Texas, Connect Capital Holdings- Mumbai and Ernst & Young-Mumbai.



# Riding on Key Competitive Success Factors





## KKCL's New Dawn of Growth



Increase Visibility & Growing Coverage

Expansion of **Product Category** 

Aids Revenue Diversification and Increased Shelf Space

Increased Support towards Marketing & Distribution

Increased support to distribution channel & Higher Marketing Spend

Addition of **Experienced Professional Team** 



Independent Market Intel & Newer Ideas



Planned Bi-Annual **Trade Shows** 

Helps in Supply Chain Planning

## FOCUSED ON HIGH SALES GROWTH WITH SUSTAINABLE MARGINS



Mr. Kewalchand P. Jain, CMD

Growth Focus: We believe Indian market would continue to provide opportunities to grow and the segment we serve have potential to absorb newer products from established brands





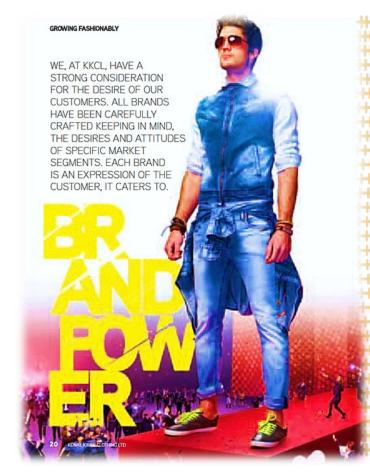


KKCL: Established Brand Portfolio





## **KKCL**: Brand Powerhouse



Flagship Brand catering to Premium Luxury segment



Premium Mid Market Segment Brand



Fashion/Partywear Brand Focused on Mid Market Segment



Targeted Premium Mass Market Brand



5 Focused Women Wear Brand



6 Focused Kids wear Brand





Denims: Label Tagging an important marketing tool













## Across Age Across Personality Across Occasion















**KKCL: Product Innovation** 







# Wide Product Portfolio capitalising on Established Brands

T-shirts





**Casual Blazer** 

Widening Product Portfolio with Rising Brand Aspiration

**Shirts** 



Lifestyle Brand

Bottom wear to Top Wear To Accessories

To being





**Athleisure** 

**Trousers** 









**Denim Focused** 





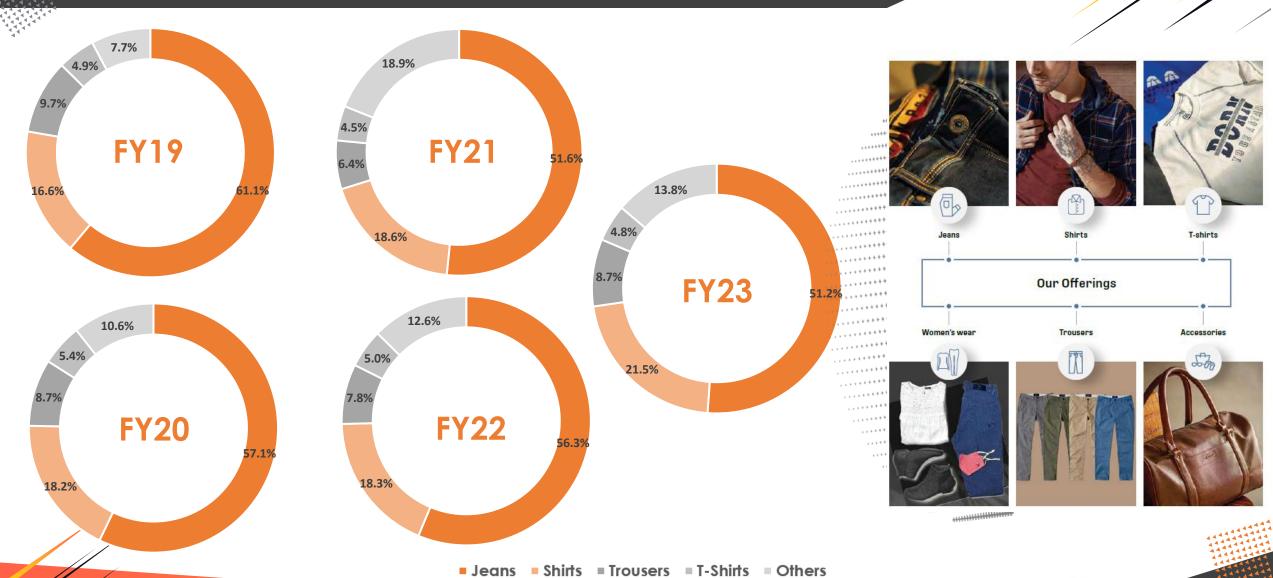


**Accessories** 





## **Product Wise Sales Performance**





KKCL: In-House Manufacturing & Technical Capabilities



# Manufacturing: A Key MOAT for KKCL

#### IN-HOUSE CAPABILTIES: Designing – Procurement – Washing – Stitching – Labelling – Packing – Retail



- State of the Art manufacturing capabilities: Technology led manufacturing units equipped with advanced machinery, helping us offer the best products to our customers
- Assisted by international professionals to lead our research and technology wing allowing
  us to develop new products and improving existing product range
- Years of Experience in the field of manufacturing has given them a strong acumen in terms of managing supply chain smoothly
- Manufacturing facilities are certified ISO 9000:2008 and the Vapi facility is additionally certified ISO 14001: 2004
- Balanced approach towards Manufacturing to derive Costs Advantage: House the key value added processes within the in-house arena and outsource the less critical functions





## Latest Mfg. Technology with Environment Friendly Practices



 Use of High end Machines with objective to Conserve Water, Purify Chemicals and save resources like time and energy



 Adopt certified green chemicals, latest blue technology and energy conservation initiatives to be one of the best environment friendly organisations



• Use of Ozone System for Denim Wash: (i) Water Saver (ii) Stain remover with less water and (iii) purify chemicals used during denim manufacturing







BEST IN CLASS
IN-HOUSE
WASHING
FACILITY

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









KKCL: Widespread Distribution





## **Growing Distribution Coverage**

#### Widespread Distribution across Channels

EBO

483 (COCO/COFO : 29 , FOFO : 454)

MBO

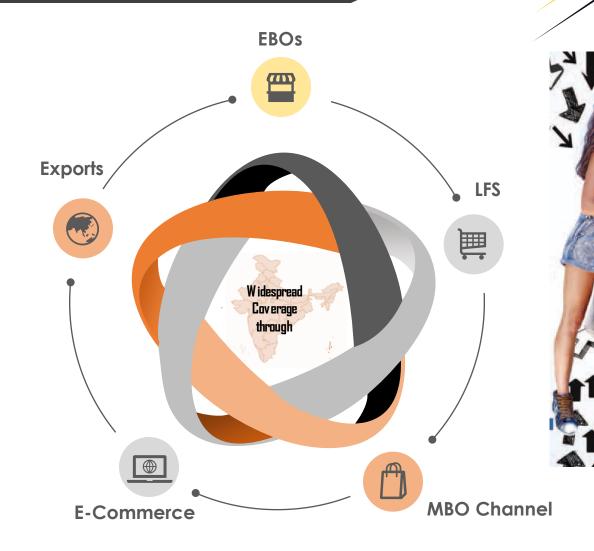
Widespread MBO presence through traditional Distributional Channel: 80+ Distributors covering ~3,000+ MBOs across India

LFS

**Select Key Stores:** Reliance Retail, Max, Lifestyle, & Others 2000+ counters across regions

E-Comm

**Multiple E-commerce Platform Presence :** Flipkart / Amazon

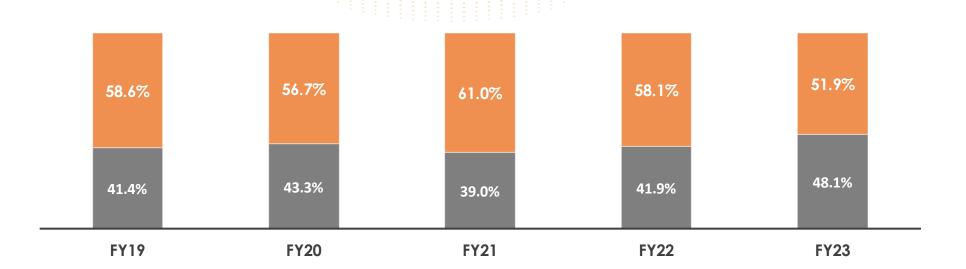




## Channel Wise Sales Contribution

Brand recognition driving market Pull Strategy

Playing it with a flexible Profit oriented & Balanced Market Strategy



Retail : EBO / LFS

Non-Retail : MBO / E-Com / Exports / Factory & Seconds





## Sales Volume & Realisation







## Consistent Robust Financial Performance

FY19

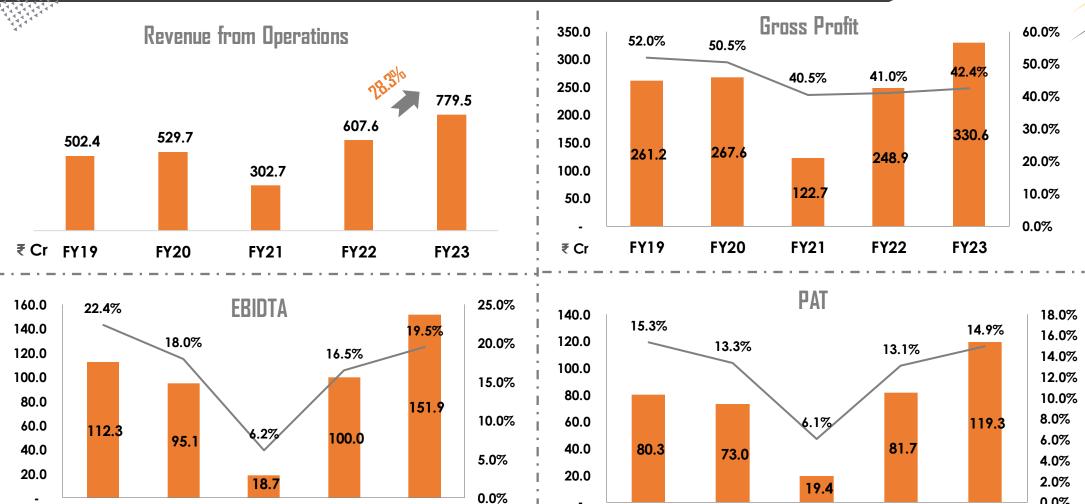
₹ Cr

**FY20** 

FY21

**FY22** 

**FY23** 



₹ Cr

**FY19** 

**FY21** 

**FY22** 

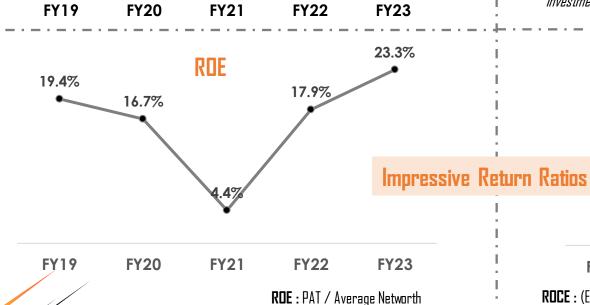
**FY20** 



# Consistent Robust Financial Performance (contd.)

#### **Working Capital Days - Improving Efficiencies**

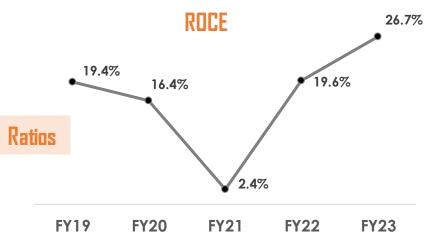




#### Strong Balance Sheet Strength

Particulars	FY22	FY23	Q3FY24
Cash & Cash Equivalent / Bank Deposits	205.1	181.1	194.0
Investments	137.3	149.4	170.1
Total Debt	76.7	50.8	13.9
Net Cash Position	265.7	279.7	350.3

<sup>\*</sup> Investment does not include investment in Subsidiary & JV



ROCE: (EBIT – Bank Charges) / Capital Employed (Networth + Borrowings + Lease Liabilities + Net Deferred Tax – Other Intangible Assets)





KKCL: Marketing Focused Approach





## Increased Brand Awareness Campaign

#### Brands are the centre of Communication Strategy

- Brand Positioning
- Brand Traits
- Short term and Long term goals of each Brand



- Mode of Advertising: Preferred mode of advertising differ from brand to brand
  - (i) Print Advertisements, (ii) movies and events sponsorships (iv) sports sponsorships (v) outdoor advertising
- Current Trending Marketing Focus: With an objective to create a cult for the customer base and for them to be proud to associate with the brand they aspire, the focus is to leverage Outdoor Advertisements and Large Sports sponsorships and social media collaborations
- Select Recent Past Brand Promotions :
  - Was the official Sponsor for Team India's Cricket Team
  - Title Sponsor of India v/s Bangladesh Cricket Test Series
  - India V/s South Africa & India v/s West Indies In-stadium Brand Advertisement
  - Pro Kabaddi League- Season 9 Team Sponsorships







# **Strengthening Channel Partnerships**

#### Bi-Annual Trade Shows for Key Fashion Seasons

- Helps to connect in-person with channel parnters
- Feedback sharing
- Better Supply Chain planning on account of Order Bookings
- Lesser risks towards dead Inventory









- EOSS support in form of costs sharing
- Shop-in-Shop arrangement with some channel partners
- Wider Product range catering across categories and across seasons













## Recent Awards & Accolades



**Economic Times : Asian Business Leaders 2022-23** 





India's Retail Champ Award – Retailers Association of India (RAI)













**Economic Times: Iconic Brands of India 2022** 



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Denim + Fashion









# Thank You



460/7, I.B. Patel Road, Kewal Kiran Estate, Goregaon (East), Mumbai 400063 Investor Relations Advisor



Marathon Capital Advisory Private Limited

Rahul Porwal (99675 76900 / rahul@marathoncapital.in)
Bhavin Ranawat (9819345619 / bhavin@marathoncapital.in)



