

A man and a woman are posing in jeans. The woman is wearing a fringed crop top and blue jeans, leaning against the man. The man is shirtless and wearing dark jeans, with one foot bare and the other in a high-heeled shoe. The background is white.

IN BRANDS WE TRUST

KKCL
KEWALKIRAN CLOTHING LIMITED

**20TH
ANNUAL
REPORT
2010-11**



THERE ARE ENOUGH People To Screw, WHY THE PLANET?



KILLER 
WHAT'S YOUR CUT





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Forward looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.


We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



OUR BRAND. OUR STORY

SOCRATES FAMOUSLY SAID, 'KNOW THYSELF'. AND HE WAS RIGHT. ISN'T THAT WHERE SUCCESS BEGINS?

Perhaps only one of the many building blocks of corporate identity, brand is still the best place to start strengthening it. A brand shows the mettle of all aspects of business. Brand is value. Brand is the face of equity. It showcases the Company's identity to the market. Beginning with employee contribution, brand progresses towards becoming the Company's greatest asset. A strong brand can elevate the perception of a company in the eyes of all its stakeholders – internal and external.



**AT KEWAL KIRAN CLOTHING LTD.,
BRAND ISN'T JUST OUR CUSTOMER PREFERENCE
MEASURE TAPE, BUT IT IS ALSO THE LAUNCH PAD
OF VALUE. AND IN RAISING VALUE, WE MULTIPLY
STAKEHOLDER CONFIDENCE. WE PRODUCE CLOTHING
FOR THE YOUTH. A PERCEPTION PAINSTAKINGLY
BUILT BY A COMPANY WITH EXPERIENCE.
A CHARACTER THAT NEEDS MAINTAINING.**

CMD'S LETTER



Dear Shareholders,

Fashion is the one business in which there is nothing called a standard product. Collections go out of fashion faster than they come in. On the other side, it can be argued that something new will always be in demand. These two facts comprise the most challenging and the most exciting aspects of our business. Having spent over three decades in this industry, we realise that there is a singular asset that connects both – the ability to address challenges and to realise opportunities.

IT IS THE BRAND.

Our inspiration to be present in the business of fashion apparel was a realisation that no indigenous brand enjoyed the kind of goodwill and equity that many international names did. The first milestone was reached when Killer was launched in 1989, which was subsequently embraced by customers in India and abroad. This was followed by the launch of a series of brands that helped us emerge among the few large branded apparel manufacturers in India.

KKCL came into being with the vision to emerge as a world-class business enterprise. Today, we have successfully created a fully integrated branded apparel company, with national and international footprints, thanks to our market insight and ceaseless innovation. If we look at global brands across industries, we find a strong focus towards market research and innovation. At KKCL, we closely follow the customer's aspirations that drive market evolution. In India and across the world, customers seek better value, they want differentiation in the same product category and they want their apparel to make a compelling style statement. This has been our guiding philosophy in creating brands that customers love to associate with.

Our vision is to touch ₹ 1,000 Crores net revenues by 2015-16. This can only be possible if we enrich our products portfolio to cater to national and international customers. At the same time, we are focused on our profitability objectives, because value creation is an important part of our organisational ethos. Killer's success has been instrumental in driving our business to new heights of brand creation and management. This has spawned many other brands as well as an entry into the women's casuals segment. We are now focusing on our first accessories extension, ADDICTIONS. These innovations will catalyse our future growth and sustainability.

Today, we have created a fully integrated branded apparel company, with national and international footprints.

Our strengths comprise designing expertise, application of advanced technology, enduring customer relationships and resolute teamwork across hierarchies and responsibilities. The wheels of our organisation represent honesty, integrity, discipline and trust: honesty and integrity resulting in stakeholder transparency and commitment; discipline encouraging regulatory compliances and customer trust driving brands loyalty.

Our market potential is immense, although challenges will continue to be a part of day-to-day business.

The garments industry in India is affected by the sharp rise in input costs - particularly the price of cotton. As if this was not enough, the government levied a 10% excise duty on all branded apparel leading to a cascading effect across the value chain. Consumers would have to pay more, and in an already inflationary environment, this would be unfair. After a representation from the industry participants, the government agreed to a partial rollback, imposing the duty on 45% as against the earlier 60% of the MRP. As a value conscious business, we don't want to overburden our consumers, but since the price and cost pressures are multi-faceted, we may be left with very few choices other than passing on part of the costs to the end-user. I am hopeful that the government will take cognizance of these challenges.

Despite challenges the outlook for the industry is promising largely because of fast evolving consumption patterns and accelerated economic expansion in emerging economies. India is now witnessing a consumption boom, and this phenomenon is here to sustain as the economy continues to expand. We are committed to capitalise on this tremendous market potential through enhanced innovation and brand visibility to drive growth and reinforce business sustainability. Let me take this opportunity to thank all our stakeholders and members of the KKCL team and my colleagues at the Board for their continued support and guidance.

Kewalchand P. Jain
Chairman and Managing Director

Our strengths comprise designing expertise, application of advanced technology, enduring customer relationships and resolute teamwork across hierarchies and responsibilities.

IN FASHION. ALWAYS.

IDENTITY

A YEAR DOES NOT MAKE A BRAND. KEWAL KIRAN CLOTHING LTD. IS AN INTEGRATED INDIAN BRANDED APPAREL COMPANY. OVER A SPAN OF THREE DECADES, WE HAVE INTEGRATED CAPABILITIES TO INCLUDE THE DESIGN, MANUFACTURE, BRAND AND RETAIL OF BRANDED READYMADES AND LIFESTYLE ACCESSORIES FOR THE YOUTH.

When KKCL commenced its operations in 1980, the fashion aspiring Indian youth waited for the yearly visit of relatives from abroad to bring home a token of last season's fashion. With liberalisation opening up markets in the '90s, a flurry of western brands came to India. But India wasn't fashion forward yet. Despite an opportune segment, the Indian organised sector was too conservative to introduce western wear aggressively. One of the first items of desire being jeans, we at KKCL took the plunge with Killer towards the end of the millennium.

The success of Killer encouraged us to diversify into other apparel niches – Easies, Lawman Pg3, Integriti, and recently, our first accessories extension - ADDICTIONS. With the distinction of making an international mark in style and design innovations, we cater to those who take India to the world.



DO YOUR THING

HIGHLIGHTS

- 'Killer' our flagship brand was slotted amongst the Top 5 denim brands in India as per the IMRB Research Report.
- Opened 46 new retail stores in the year. This makes us present in more than 100 cities across the country.
- Also opened 4 new 'ADDICTIONS-Lifestyle accessories' stores.
- Our manufacturing location at Vapi (Gujarat) got completion certificate for the new factory building.



**OVER
200,000 SQ FT**

Total space owned by KKCL at manufacturing facilities.

We have manufacturing facilities at four locations Daman, Vapi (Gujarat), Dadar and Goregaon (Maharashtra).

What began as a vision to build a global Indian denim brand, has helped us establish a comprehensive presence across the country in truly international western wear. Our high benchmarks of quality have also propelled us to an export presence in the Middle East, Sri Lanka, Nepal and other countries.

COMPANY PHILOSOPHY

To be a world class business enterprise, creating values, excellence in every business and service to consumers, stake-holders and society

STYLISH ACROSS SEASONS

style: n. a distinctive appearance or design

Style is about the finer things in life. Dressing up. The painstaking attention to details. Fishing out just the garment for the mood of day. Mixing. Matching. Accessorising. It's for those who love shopping. On a lark, or planned over weeks. To spend a muggy Sunday at the mall or add distinction to one's persona.

We help so many youngsters find their style quotient. And in finding themselves, they have often stumbled upon us. Been loyal ever since. Looked to us for the tip of the season.

Style is the cornerstone of our collections – Indian at birth, global in citizenship.



BRAND Killer

LEAGUE Premium

THE WHO'S WHO? College students and entry-level executives - 16-25 years

WHAT'S IN A NAME? A brand that resonates with KKCL's internal traditions, Killer became one of the first Indian denim brand to go global.

It is one the highest selling premium denim brand of the country and for the country.

High on style and high on comfort, Killer's prominent brand markers scream youthfulness.

WHAT'S NEW? Killer for Her
Winter wear – jackets and sweaters.

BRAND Lawman Pg³

LEAGUE Party

THE WHO'S WHO? Clubwear range-18-28 years

WHAT'S IN A NAME? Focused on denims and club wear, the product range includes shirts, jackets, jeans, and trousers.

Lawman Pg³'s high end fashion wear is casual, trendy, and vibrant.

Targeted at the Youth, we introduced this year the unique design element, Vertebrae.

WHAT'S NEW? Lawman Pg³ Vertebrae
Lawman Pg³ Chica.

LAWMAN Pg³ | Vertebrae STITCH & WASH

