



# *New ideas* FOR A NEW GENERATION

ANNUAL REPORT 2020-21

# Index

## Corporate Identity

- 02 Who We Are
- 03 Our Presence
- 04 Our Portfolio

## Performance Review

- 08 Key Performance Indicators
- 10 Chairman's statement

## Value Creation

- 12 External Environment
- 14 Business Model

## Strategic Impact

- 16 Our Strategy
- 18 Customer Engagement

## Theme Story

- 20 Fashion in the Digital Age
- 22 The Potential of KKCL

## Demonstrating Resilience

- 24 The Team
- 26 COVID-19 Response

## Governance

- 28 Board of Directors

## Statutory Reports

- 32 Management Discussion and Analysis
- 42 Directors' Report
- 66 Business Responsibility Report
- 78 Corporate Governance Report

## Standalone Financial Statements

- 100 Independent Auditors' Report
- 108 Balance Sheet
- 109 Statement of Profit and Loss
- 110 Statement of Changes in Equity
- 111 Cash Flow Statement
- 113 Notes to Financial Statements

## Consolidated Financial Statements

- 152 Independent Auditors' Report
- 158 Balance Sheet
- 159 Statement of Profit and Loss
- 160 Statement of Changes in Equity
- 161 Cash Flow Statement
- 163 Notes to Financial Statements

# Key Highlights

**₹ 319.77 Cr**

Total Revenue

**₹ 18.66 Cr**

EBITDA

**₹ 19.42 Cr**

Profit After Tax

**₹ 15.76**

Earnings Per Share

**322**

Stores

**Killer, Lawman Pg3,  
Integriti, Easies,  
Desi Belle**

Brands

**Jeans, Shirts,  
Trousers, T-shirt**

Major Products

**16% Share of online  
in total sales**

(7% in FY 20)

# *New Ideas For a New Generation*

To continue staying relevant in an evolving market, we maintain a high level of flexibility in our strategy, operations, and financial planning. We strive to stay ahead of the curve by leveraging our storied past and prior learnings, while monitoring and adopting the latest trends across distinct product categories and demographics.

Kewal Kiran Clothing Limited (KKCL) has weathered several economic volatilities over the years. During our journey, we have invested our resources in developing powerful brand names, resilient production capabilities, and a robust distribution network. Simultaneously, we have always shunned high-risk leveraged expansion in favour of establishing substantial financial reserves to cushion the impact of any unexpected downturn, such as the COVID-19 pandemic we are facing today.

At KKCL, we believe in the tried-and-true value and importance of being trendy, adaptable, and forward-thinking. Our innovative approach to building and keeping up with trends and meeting customer requirements stands as a testament of our commitment towards fashion that is fresh and generates excitement.



## WHO WE ARE

# *Our Roads Lead to Evolution*

KKCL is one of India's top lifestyle companies and ranks amongst the country's leading manufacturers and retailers of branded apparels and lifestyle accessories. Our global reach and in-house production expertise enable us to cater to a varied set of clients with different requirements. In addition, our traditional and contemporary fashionwear across the globe is created with the finest design and quality. Our flexible approach allows us to cater to a wide spectrum spanning casual, formal, semi-formal, and western wear for men and fusion wear for women.

### VISION

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

### MISSION

- Driving excellence through our 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: Stability, Sustainability and Scalability

### VALUES

#### ETHOS

We run the business within our set frameworks of operating principles which exhibit morality and rightness. Ethical practices are the base of our business operations.

#### PASSION AND LONG-TERM VISION

We strive hard with passion and pain to meet and set the industry's benchmarks in all systems and processes and thereby give a delightful experience to our stakeholders. Our aim is to cultivate the culture where every stakeholder shall have a long-term vision and all shall work in a cohesive team to achieve our shared long-term vision.

#### SEAMLESSNESS

We work together across functional, geographical and hierarchical levels to achieve our business objectives. We exhibit openness, teamwork, shared responsibilities and a collaborative approach in our day-to-day functioning.

#### RESPECT AND HUMILITY

Every stakeholder, including employees, vendors and business partners, is treated with great respect and humility. They admit what they do not know, actively listen to ideas/suggestions from people at all levels and let their work speak instead of talking about it.

#### GENEROUS THOUGHTS

We are accountable towards stakeholders and society. We are liberal in giving back to the stakeholders to whom we are always committed. We work with them for the upliftment of society.

## OUR PRESENCE

# *Fashionable Footprint*

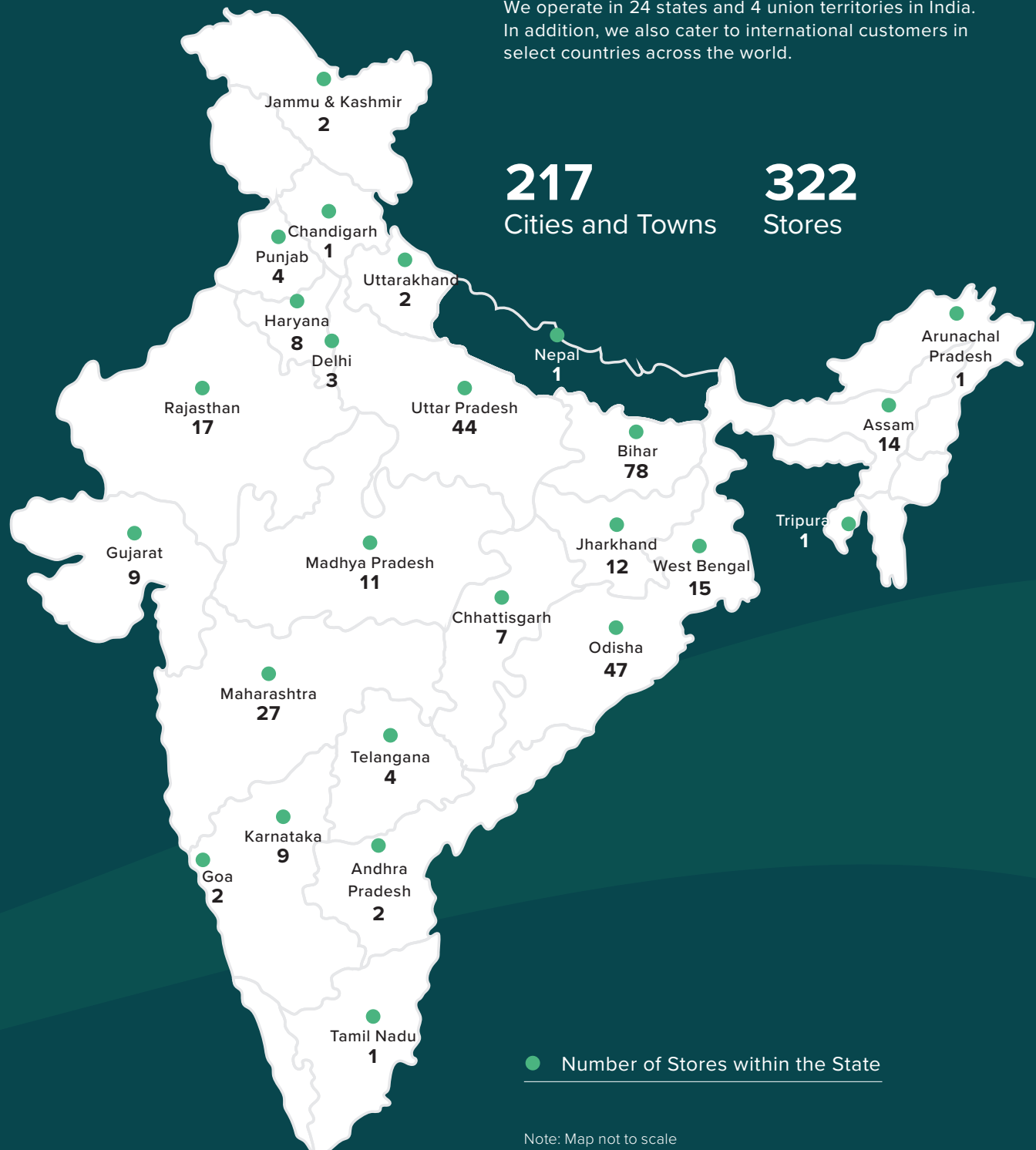
We operate in 24 states and 4 union territories in India. In addition, we also cater to international customers in select countries across the world.

**217**

Cities and Towns

**322**

Stores



## OUR PORTFOLIO

# Making Our Mark

In response to the changing demands of the Indian consumer, we have upgraded our product range and branding proposition. The conscientious customer of today's generation is not simply looking for products. The experience and story of the brands that emphasise quality, sustainability, and comfort have become more important than ever before.

**322**

Brand outlets

**125+**

Distributors

**~4,500**

Multi-brand  
Outlets (MBOs)

**35 Lakhs+**

Quantity of Apparel  
Sales (Units)

### A BRAND FOR EVERYONE

Our portfolio is carefully designed to cater to different personalities, with different choices and priorities. The product range includes a variety of high-quality bottom and top wear items such as jeans, trousers, shirts, t-shirts, jackets, pullovers and western wear, such as skirts, capris, shorts, dresses, cardigan, tops and tunics among others.

#### JEANS



#### TROUSERS





## SHIRTS



## T-SHIRTS



## OTHERS



## OUR PORTFOLIO

### BRANDS THAT INSPIRE

With a wide collection of branded stores, we appeal to different fashion categories, such as clothing, footwear, and accessories. Our brands are divided into three segments, which are Premium Luxury, Premium Mid-Market and Premium Mass Market along with specialised fashionwear, partywear, lounge wear and athleisure. Despite stiff competition from foreign brands, our five prominent Indian clothing and accessories brands and two prominent Indian retail trade names have successfully etched a space for themselves with a loyal customer following.



Our flagship brand embodies the spirit of the youth and reimagines denim, giving it a distinctive personality.



A glamorous brand that specialises in denim and partywear for the youth. Lawman Pg<sup>3</sup> has taken over the showbiz magazine CineBlitz and rebranded it to reflect the brand DNA of glamour and elegance.



With this collection of semi-formal menswear, produced from the highest quality materials, we are redefining corporate fashion in India.



Our latest brand is in the investment phase, with substantial long-term potential and unique prospects to fuel future growth.



A one-stop destination for the fashion-conscious, K-Lounge stores showcase KKCL's home-grown apparel and other accessories.



Our second-largest brand, which lends a genuine and trustworthy value proposition across professional and casual clothing, echoing the ambition and enthusiasm of millennials.

### ADDICTIONS

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





### STEADY AND STRATEGIC EXPANSION

Long-term consumer recall is made possible by our powerful “phygital” network. By constantly positioning ourselves at the right places, we have established a leadership position in the apparel and lifestyle industry.

To promote sales growth, KKCL has established a broad footprint of directly managed and franchised stores with a presence in large format stores, multi-brand outlets (MBOs) across multiple formats, carefully selected exclusive-brand outlets (EBOs) and several leading e-commerce portals.

# 102

EBOs

# 56

New Stores  
In Pipeline

# 4

Plants in India  
spanning  
2,37,000 sq. ft.

# 219

K-Lounge Stores

# 1

Factory Outlet

### BRICK-AND-MORTAR STORES

- Company Owned and Company Operated (COCO)
- Franchisee Owned and Franchisee Operated (FOFO)
- Factory Outlets
- Multi-Brand Outlets (MBO)
- National Chain Stores (NCS)

### E-COMMERCE PLATFORMS



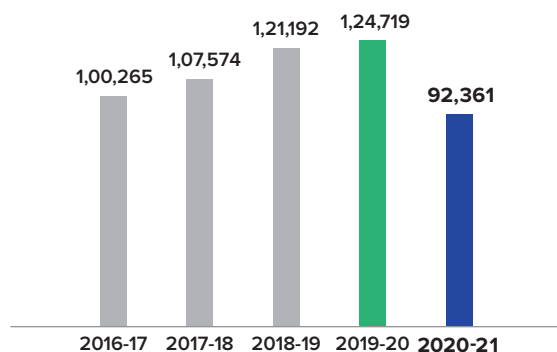
## KEY PERFORMANCE INDICATORS

# Another Year of Perseverance

While navigating the challenges arising from the global pandemic, we utilised the year to lay down the foundation for further expansion. Despite the challenging circumstances, our portfolio has gradually grown, and we have solidified our capabilities.

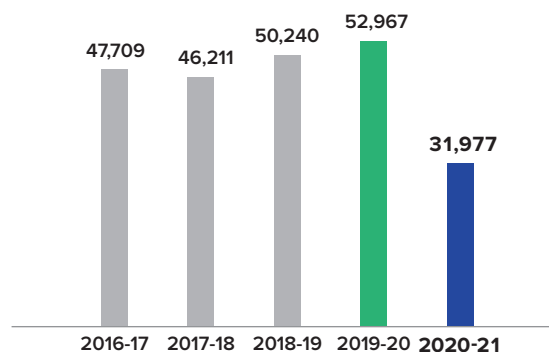
### MRP Turnover

(₹ in Lakh)



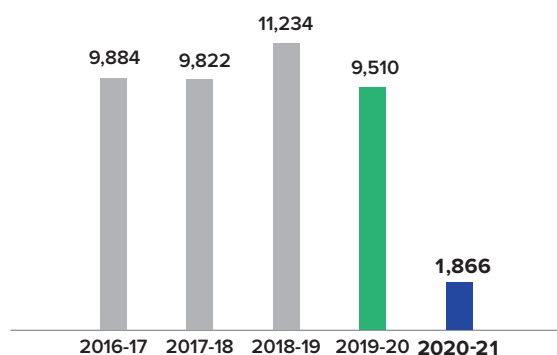
### Revenue

(₹ in Lakh)



### Operating Profit

(₹ in Lakh)



### Net Profit Before Tax

(₹ in Lakh)

