



BREAKING

THE CLUTTER



FY 2021-22

# Highlights

REVENUE FROM OPERATIONS

₹ 607.60 Cr

101% Growth Over FY 2020-21

EBIDTA

₹ 100.03 Cr

436% Growth Over FY 2020-21

PAT

₹ 81.65 Cr

320% Growth Over FY 2020-21

EARNINGS PER SHARE

₹ 13.25

ROCE

16.78%

CRISIL RATINGS

AA- (Stable)

BREAKING

The evolution of fashion from the big & bold printed clothing of the 1980s to subtle, informal and comfort wear in 2022, has been nothing less than fascinating. We, being a legacy brand in the Indian apparel business, have witnessed this change over the years. Therefore, it became easier for us to fathom the nuances of curating outfits in line with the global trend to appeal to the right set of customers.



THE CLUTTER



As a result, we have rightly invested in best-in-class manufacturing infrastructure to create brands that resonate confidence, fame, success, and glamour. With our diversified offerings in the luxury, mid-market and mass market segments, we try and cater to the entire spectrum of men's and women's clothing.

The carriers of fashion are today's youth as they symbolise energy, and optimism. Therefore, we are focussed on offering contemporary fashion attending to the needs of the GenZ. The design styles that we offer always tends to break the clutter and create a long-lasting impression. It took us years of hard work and persistent efforts to reach this level. Through this journey, we continued to innovate, learn to adapt to market trends and have eventually managed to carve a niche for our brands. As a result of these consistent efforts, we have grown exponentially. We firmly believe that we will be able to suffice the demands of our customers which will further lead to a sustainable growth and value for all.

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ADDING CLAMOUR  
TO ATTIRES



Kewal Kiran Clothing Limited (KKCL) is helping Indians wear fashionable outfits since 1981. We are one of the leading manufacturers of branded apparels and accessories. Our offerings include clothing for men and women in casual and semi-formal styles.

We are amongst the very few players in the country who have an integrated value chain, designing, manufacturing, branding, and retailing.

Key Highlights

STATES & UNION  
TERRITORIES

25

TOWN AND  
CITIES

240+

EXCLUSIVE  
RETAIL STORES

356

We pledge to uphold the highest standards of quality, technology, marketing, and branding while giving our customers the greatest products at the most competitive pricing. Our broad reach and exceptional in-house manufacturing enable us to create the ideal fit for consumers with diverse tastes and preferences.



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.

**Executing the business** based on the three core growth principles of: Stability, Sustainability and Scalability

**Adopting international standards** and best practices across our operations.



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 a culture where every stakeholder shall have a long-term vision and 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. We actively listen to ideas/ suggestions from people at all levels and make sure they play a role in decision-making and forming long-term goals.

**Generous Thoughts**

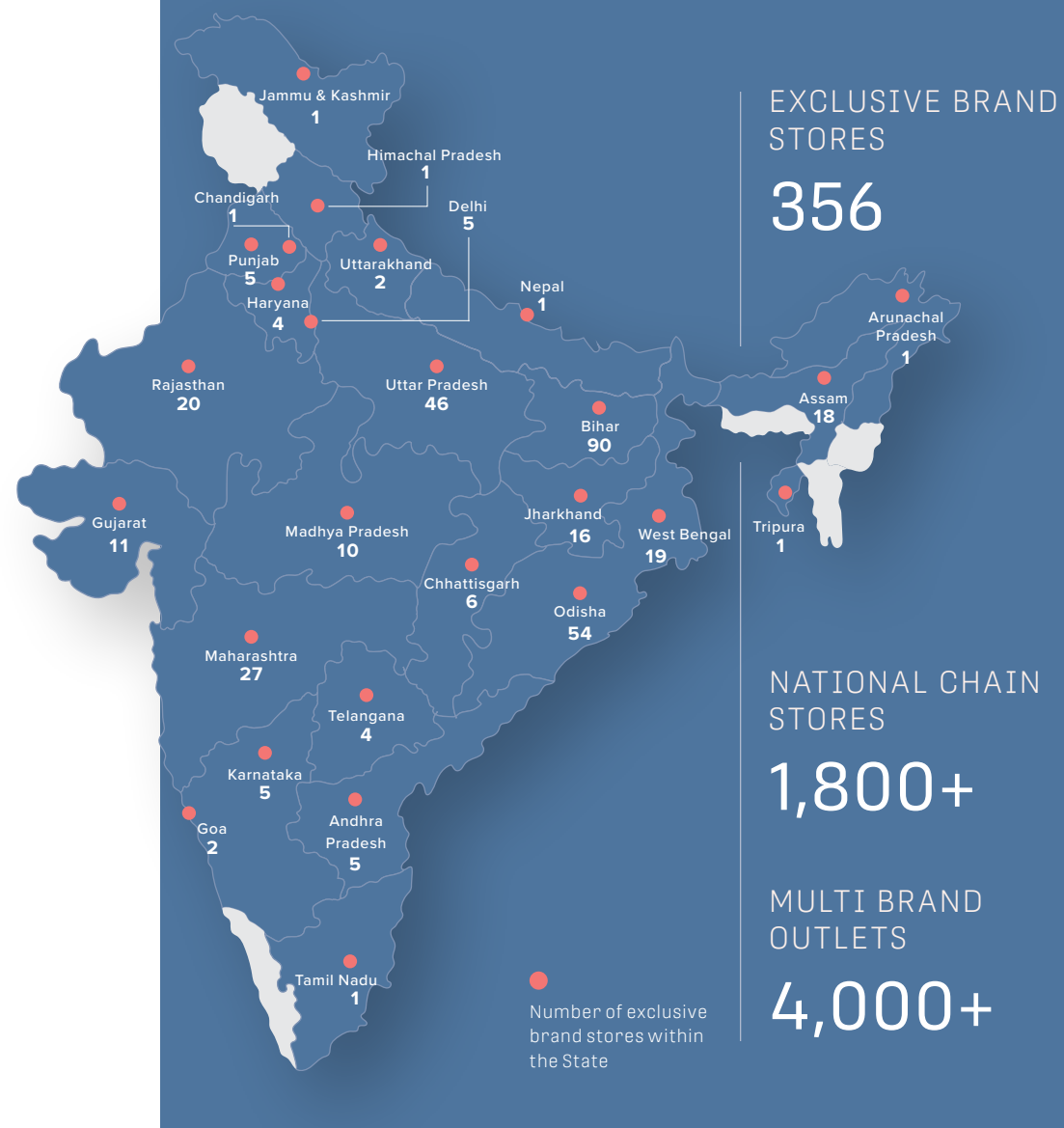
We are accountable towards stakeholders and society. We are liberal in giving back to the stakeholders to whom we are always committed. We work with them for the upliftment of society.





# DRAPING THE ENTIRE NATION

We have 356 exclusive brand stores through directly operated and franchise stores. We have a pan-India presence at 1,800 plus large format counters and 4,000-plus multi-brand outlets. We also serve international customers in select countries across the globe.



We are a truly Indian brand aiding to the 'Atmanirbhar Bharat' promise of manufacturing locally using cutting-edge machinery, indigenous talent, and marketing know-how to create branded jeans, clothing, and lifestyle items for men and women that are sold both in India and abroad.

**4**  
MANUFACTURING PLANTS  
IN INDIA SPANNING  
**2,37,000 sq ft**

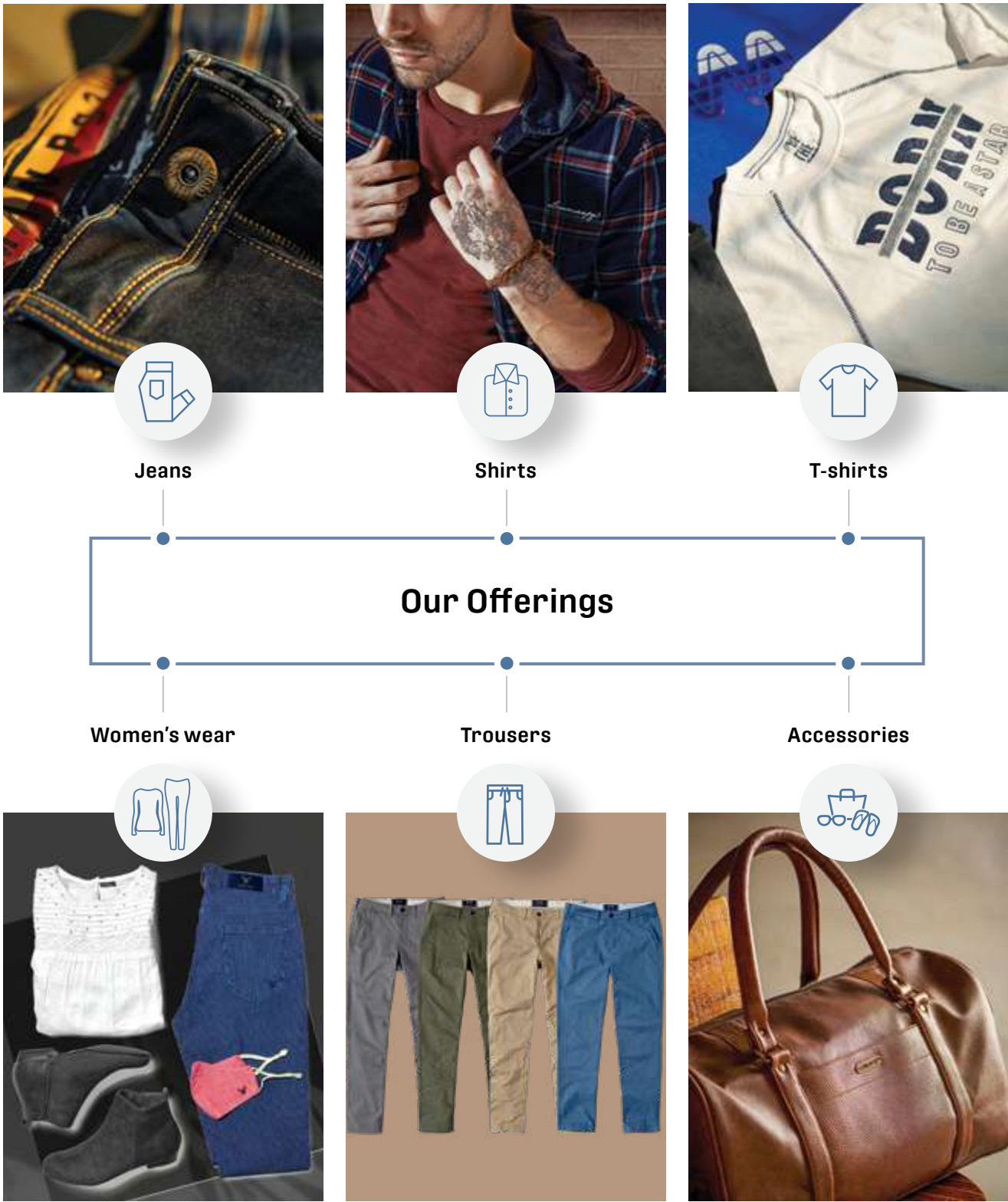
# EMPOWERING CUSTOMER ASPIRATIONS

The customers of modern day India and the rest of the world are always looking for quality, sustainability and comfort while they are buying their clothes. This trend is true for both urban and rural consumers. It has created a need for responsible brands like us to manufacture products that meet the expectations of newer generation.

Our collection has been thoughtfully curated to appeal to a variety of personalities. The men's wear product line consists of a wide variety of premium top and bottom wear items such as jeans, trousers, shirts, t-shirts, jackets, and pullovers. Among women's western wear, we also have skirts, capris, shorts, dresses, tops, and tunics.







Our Brands



**Premium Casuals**

Our flagship brand "Killer" redefines denim by giving it a bold personality and ingrains it with the sleek attitude of today's youth.



**Youth Culture**

Presents a genuine and trusted value proposition across work and informal attire, reflecting and resonating the ambition and enthusiasm of youth.



**Fashion Capital**

"LawmanPg3," a stylish lifestyle brand, specialises in latest partywear and denim for young adults.



**Contemporary Semi Formals**

"Easies" is changing corporate fashion in India by blending traditional and modern styles, with its collection of semi-formal menswear crafted from the finest fabric and linen.



**Women Wear**

An Indo-Western womenswear brand that caters to modern women existing at the confluence of contemporary style with desi touch.

**ADDICTIONS**

**Accessories Division**

Accessories play as a brand extension. This accessories division of KKCL, offers lifestyle products like deodorants, watches, wallets, belts and undergarments.



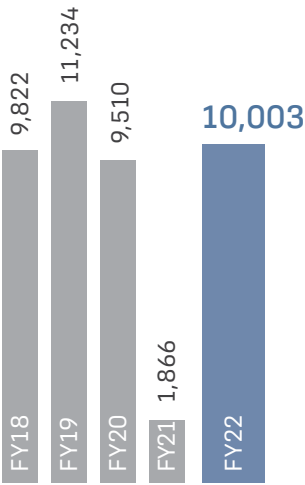
Performance Indicators

DELIVERING ON COMMITMENTS

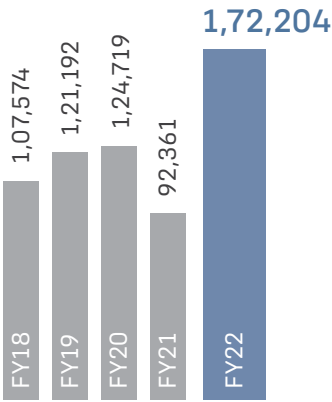


Our more than four-decade long legacy has allowed us to create a business model that consistently channelises growth and ensures equitable returns to our esteemed shareholders.

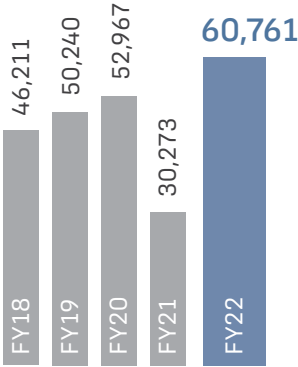
EBIDTA (₹ in Lakh)



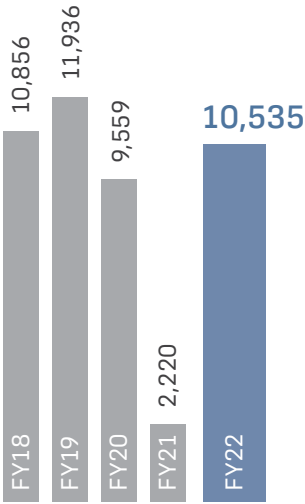
MRP Turnover (₹ in Lakh)



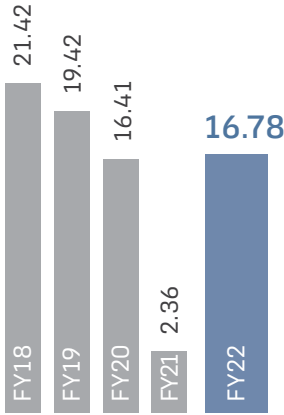
Revenue (₹ in Lakh)



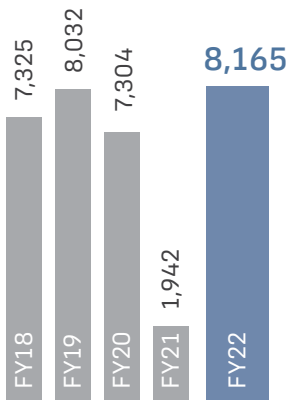
Net Profit Before Tax (₹ in Lakh)



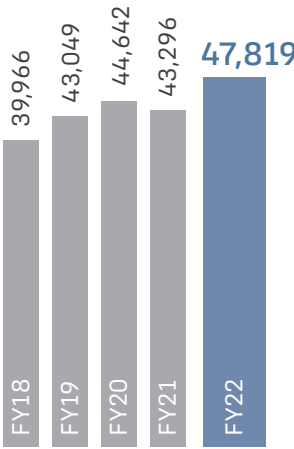
Return on Capital Employed (%)



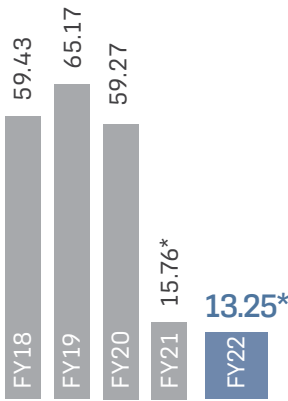
Profit After Tax (₹ in Lakh)



Net Worth (₹ in Lakh)

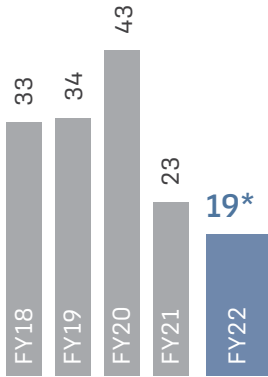


Earnings Per Share (₹)



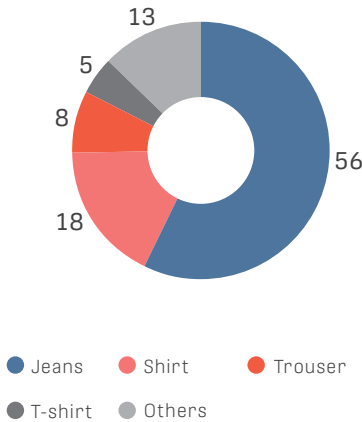
\* Impact due to expanded equity capital on account of bonus issue in the ratio of 4:1 in FY2022.

Dividend Per Share (₹)



\* Impact due to expanded equity capital on account of bonus issue in the ratio of 4:1 in FY2022. Includes ₹ 10 before bonus and ₹ 9 after bonus issue

Product Wise Sales Mix FY22 (%)





IN PURSUIT OF  
SHARED PROSPERITY



“With consistent perseverance towards achieving business growth, your Company was able to implement its strategies successfully leading to a rise in operating income from ₹ 30,272.96 Lakh in FY 2020-21 to ₹ 60,760.98 Lakh in FY2021-22, registering a staggering growth of 100.7%.”

Dear Readers,

It gives me immense pleasure to announce that your Company delivered a strong performance despite the challenges posed by the successive waves of COVID-19. Increase in key raw material prices and undesired global factors due to the Russia-Ukraine crisis lead to a surge in crude oil and commodity prices as well. Despite facing several challenges in macro and micro-economic environment, your Company achieved volume and value growth across all its key brands. With consistent perseverance towards achieving business growth, your Company was able to implement its strategies successfully leading to a rise in operating income from ₹ 30,272.96 Lakh in FY 2020-21 to ₹ 60,760.98 Lakh in FY 2021-22, registering a staggering growth of 100.7% and as compared to pre-COVID

levels of FY 2019-20, your Company achieved a growth of 14.71%. Profit After Tax increased to ₹ 8,165.47 Lakh in FY 2021-22 as against ₹ 1,942.20 Lakh in FY 2020-21 and Net Profit Margin rose to 13.1% as compared to 6.1% in FY 2020-21.

Your Company has always believed in inclusive growth and nurtured all its stakeholders to create a conducive ecosystem that is resilient to volatile market conditions and primed for growth. Focused towards working on the primary principles to achieve the '3S' of Business—Stability, Sustainability and Scalability, your Company has been able to deliver value to all its stakeholders starting with its customers and the Company's performance in FY 2021-22 is a testimony to this fact. Your Company would continue to follow these

principles, as any effect on the business which does not cover the rising day-to-day costs and impact on margins which affects sustainability, will hamper serving the lenders and vendors and meeting the expectation of investors. We shall consistently keep a tap on the operating costs and the corresponding business to quickly evaluate and cater to any crisis type situation. Further, we believe your Company's balance sheet strength provides a cushion to wave away any such unwarranted situation arising from unknown evolving external market risks.

The current apparel market has seen a number of sellers emerge with a focus and primary concentration towards marketing front with rise of multiple distribution platforms, making the sourcing of the finished apparel

products across categories the key to retaining long-term sustainable margins. We believe only companies with inherent manufacturing expertise would emerge stronger and more committed towards pursuing sustainable and profitable growth catering to the rising demand and hence your Company would benefit immensely on this front. Your Company's in-house technical capabilities with over four decades of experience and state-of-the-art manufacturing facilities ensures to achieve these objectives coupled with quality and timely deliveries. Further, our design and merchandising team, together with our marketing and procurement teams, are continuously focused in developing innovative design concepts across product categories and consistently working towards developing new and differentiated products and respond to evolving market trends and our customers' preferences.

However, the inflationary pressure on account of rise in raw material prices, followed by the rise in crude oil prices has led to a challenging environment for manufacturing. Given your Company's primary focus on the mid-market premium segment, pricing has been a key determinant towards customer's purchase. The segment is highly price sensitive and amongst the few sectors wherein in spite of increase in costs factors across all counts, it has not seen any major price appreciation across product categories over a long period of time. The traditional channel of distribution in terms of physical stores still have a better and balanced approach towards pricing on account of the fixed costs associated with it in form of rentals. However, in terms of online channels of e-commerce in the apparel space, the increasing competition has resulted in pricing pressure wherein higher discounts to MRP to attract consumers over an extended period of time has become a new normal resulting in pressure on margins. In order to adopt and compete in these new age channels with higher discounting, there has been some pressure on the margin

profile of your Company over a period of time. However, your Company believes that these unproductive practices of offering higher discounts to MRP will take its course of extinction on account of increase in material costs. This, over a time, may bring across rationalisation and price sensibility creating a healthy business environment.

We will continue to follow a balanced approach, thereby chasing a profitable growth path. In such a challenging environment, we believe by increasing our product parlour on the back of our in-house team of designers, creating innovative fashionable products that customers would relate to together with our marketing and procurement teams capabilities, we will be able to respond to the evolving market trends and our customers' preferences, thereby maintaining sales growth with the desired profitability which is equally a requirement and necessity of time.

Our profitability and competitiveness are also dependent on our ability to respond to technological advances, emerging industry standards and cost-effective practices implemented on a timely basis. A robust IT infrastructure and keeping abreast with technological innovations is essential for ensuring strong operational efficiencies and enhancing productivity. We have implemented a range of technological initiatives in FY 2021-22 as well like the implementation of Warehouse management system (WMS), which would contribute in organising the warehouse helping in streamlining the warehouse as far as order processing and inventory management is concerned. Our aim would be to continue to evaluate and invest in new and more advanced technologies and equipment across our value chain, albeit with a practice to carry out a cost-benefit analysis before implementing and adopting to any such technological upgrade.

Fashion consciousness and retail therapy have become a core part of human lifestyle and are likely to recover and gain momentum eventually. Notwithstanding the uncertainty over the short to medium term, India is expected to continue to move along a strong growth trajectory in the apparel and retail sector, given the underlying growth drivers reflecting the changing consumer trend and increasing usage of casual wear in offices as well as at homes. Your Company caters to the continuously evolving demands of the youth of today through its plethora of apparel and accessories. The core brands of your Company offer a wide range of comfortable, superior-quality clothing and chic accessories, which are tailor-made for a diverse consumer category. Our branded lifestyle products, ranging from daily casual wear to party and office wear, are made available at affordable price points, affirming our strong market position. With the added strength of our superior manufacturing practices, strong brands and robust pan-India distribution network, your Company is well positioned to meet the near-term challenges, emerge stronger and be more committed to its long-term vision of pursuing sustainable and profitable growth.

**Kewalchand P. Jain**  
Chairman & Managing Director

# BROWSING THROUGH CHALLENGES

The value of the Indian textile and apparel sector was \$ 80 Billion in 2021 and is set to increase to \$ 190 Billion by 2026. Fashion manufacturing companies are focusing on India because of its expanding middle-class, robust industrial sector, and tech-savvy youth.

## Buoyant Demand in Retail Sector

Since the second half of 2021, the sales revenues for Indian fashion retailers have rebounded, which is encouraging them to go ahead with delayed plans for shop openings. This approach has benefited domestic garment and textile industries leading to improved margins in their operations.

The purchase patterns of India's young working-class reflect their inclination to spend money on better and more aspirational things. The per-capita expenditure on clothing is anticipated to rise from ₹ 3,900 in 2018 to ₹ 6,400 in 2023. As a result, it is anticipated that by 2023, the total amount spent on Indian clothing will increase to ₹ 9.35 Lakh Crore. With the opening up of developed economies, there is a surge in demand from major apparel markets such as USA, Europe, Australia and far eastern regions. It has immensely benefitted Indian export-oriented companies. India's textile and garment industries saw its exports climb by 40.55% to \$ 43.44 Billion in FY 2021-22 from \$ 30.90 billion in FY 2020-21.

## Technology Intervention

Technology is being used by businesses in the clothing industry to optimise the value chain. They are tracking textile raw materials all the way through the supply chain using end-to-end traceability technology. Analytics is becoming a tool that garment companies are using to source raw materials more quickly, speed up production, and simplify distribution.

The way clothing is manufactured is changing as a result of machine-learning algorithms. They are creating outfits using algorithms to find trends and styles that are lacking from the company's inventory. Artificial intelligence is also used for colour matching, pattern inspection, and flaw detection during the production process.



## Sustainable Fashion

10% of all carbon emissions globally are attributed to the fashion business, according to the United Nations Environment Programme. As more and more people consciously choose to wear clothing that is created sustainably, the global ethical fashion is expected to reach \$ 8.3 Billion by 2023 at a CAGR of 9%. Brands have started taking steps to lessen the environmental impact of their products and shop operations because of growing environmental consciousness.

Sustainable fashion business involves using natural or recycled fabrics instead of synthetic ones because they require less water, energy, and pesticides to produce. For instance, organic cotton consumes much less water than conventionally used cotton. However, it still makes up to just 1% of total cotton production. Carbon footprint of garment industry will be greatly reduced through the adoption of sustainable practices, from raw material manufacturing to packaging.



## KKCL's Response

We have always been a brand that has an intention to explore newer range of segments as per market demands. Expanding our product portfolio will give us an edge over our competitors providing us an opportunity to improve our market share.

KKCL aims to build its retail footprint across the diverse spectrum of distribution channels. It will help us reach more and more customers over online and offline platforms.

Our Company is increasing technological interventions in designing to supply chain to distribution in order to minimise costs and optimise margins. The implementation of WMS has helped in streamlining order processing and inventory management.

With a focus on sustainable operations, our products are intended to cause minimum impact on the environment. Our responsible manufacturing processes have helped reduce water wastage and conserve resources.





CAPITALISING ON OPPORTUNITIES



We have grown more resilient because of the challenges we have overcome in recent years. With a 360-degree perspective on the value that our business creates, we are well aware of the risks and opportunities. We want to create brands that meet all the requirements of Indian consumers, from daily wear to exclusive traditional wear, at an affordable price point.

**Technology Upgrade**  
Even though there is always a cost associated with technology advancements, we are nonetheless committed to implement them across our functions. It would greatly benefit us by streamlining our processes and raising productivity. Embracing digital is the need of the hour.

**Family Focussed Portfolio**  
We continue to explore opportunities in womenswear and kids wear segment to be a brand that caters to the clothing needs of the entire family. With the growing market for these categories in the urban areas, we are targeting a profitable expansion of this portfolio.

New Product Categories

In a constant pursuit to enhance the scope of our offerings, we are looking for opportunities to fill any gap there might be in the consumer apparel market.

Increasing Brand Visibility

A robust sales growth can be achieved by having a wider presence on the streets. We intend to introduce more brand EBOs that combine COCO/COFO and FOFO. We favour having a predominately large number of FOFOs. This will help in balancing the distribution channel wise sales across all mediums.

Customer Connect

We will focus on budgeting adequate funds on our marketing and advertising strategies. We want to embed the brand DNA for each of our trademarks into the minds of our consumers through promotional initiatives. With marketing strategies, we help our audience relate to our brands more than ever and also gain their loyalty.

Brand Name	Brand Mood
Killer	Attitude
Integrati	College festivals
LawmanPg3	Glamour
Easies	Corporate happenings
Desi belle	Women western wear



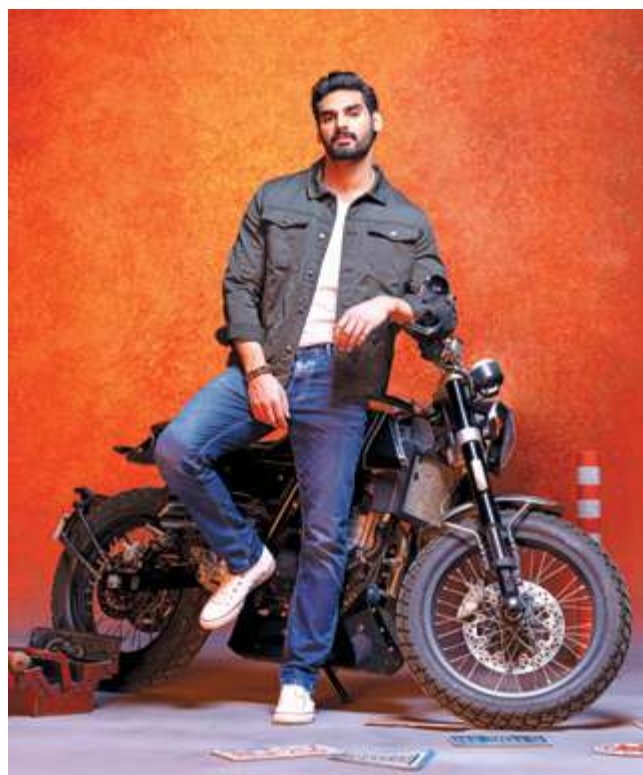
KEY DRIVERS OF LONG-TERM SUSTENANCE

Our Company depends on aggressive marketing technique to develop a connect with our customers and generate brand recall. Sufficing the market demand using lean manufacturing that reduce costs by making the best use of available resources. An efficient inventory management system and a reliable supply chain that monitors the timely flow of raw materials. Our multifaceted distribution channels meet the varying preferences and purchasing needs of our consumers. And finally, to bring in technology upgrades, we need strong finances. It would be realised through cash-optimisation practises, effective collecting methods and robust sales.



# CAMPAIGNING TO ACHIEVE BRAND LOYALTY

Killer



The core objective of **Socially Killer: Autumn Winter '21** was mainly to follow its philosophy of a youthful and innovative brand with 'This Is Us' attitude. We targeted communities on digital platforms with the launch of campaigns on 'Hackers', 'Performers' and 'Originators'. We signed Ahan Shetty as the new brand Ambassador of Killer and launched the campaign 'Riders' to complement his role in the film 'Tadap'.

The **Socially Killer: Spring Summer '22** showcases the connect with the launch of 'GenZ' and 'Vloggers' communities.

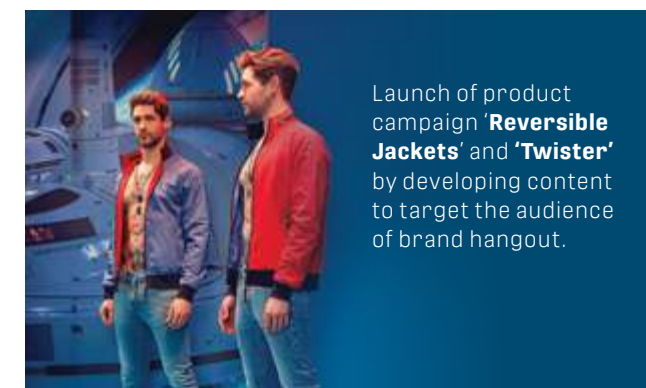


With digital consuming a significant portion of buyer preference, our communication strategy was designed to catch the attention of these tech savvy Gen-Z customers. We launched several campaigns across our brands spread with varying objectives. Our marketing initiative ensured that we ramp up our spending on social media by signing up celebrities and influencers to engage with the online audience. It has helped in increasing the company's brand recall among current and future customers.

LawmanPg3



The **Star Keep Shinning** campaign of LawmanPg3 added new stars to its collection by onboarding celebrity designer Rocky S and producing commercially viable collection.



Launch of product campaign '**Reversible Jackets**' and '**Twister**' by developing content to target the audience of brand hangout.

Integriti



The connection with the youth was amplified in the digital space with the launch of '**X-Factor Jackets**' with 'Biker', 'City', 'Forest', 'Snow' and 'Trek' line of collections.



Integriti signed Tanuj Virwani, who is known for playing the role of Indian captain Vayu Raghavan in Inside Edge, as the brand ambassador for **Spring Summer'22 collection**. He is a prominent face on OTT platform with a strong youth following.



Integriti brand marked 20 years since its inception in the year 2002. We launched the **20 spirited years** celebration campaign on Instagram by revealing Tanuj Virwani as the brand ambassador.

LawmanPg3 and Integriti



LawmanPg3 & Integriti secured the chance to capitalise on the cricketing fever by partnering with the India-Sri Lanka tri-series and generating high visibility branding inside and outside the stadium. The series followed immediately post the most renowned cricket festival, IPL. The continuous appearance of the Integriti and LawmanPg3 logos during the tri-series had the biggest impact.