

Kewal Kiran rejigs retail plans due to high rentals

Franchisee outlets help reduce total investment

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Kewal Kiran Clothing Ltd, owner of Killer and Lawman brands, has redefined its retail strategy due to rise in property rentals, Mr Vikrant Gandhi, Chief Financial Officer, told *Business Line*.

"We had planned 100-plus stores on the lease model by the end of March, but due to the increase in property rentals last year, we opened only 16 leased outlets. Instead, we changed the model from lease to franchisee and currently

have 99 stores. This helped in reducing the total investment, while achieving the projected turnover," said Mr Gandhi.

The company spent only Rs 12 crore, of the proposed Rs 32 crore, on retail expansion during the last fiscal, while reaching the targeted turnover of Rs 135 crore for the same period. The turnover projected for the current fiscal is Rs 175 crore, said Mr Gandhi. The company will continue to expand through the franchisee model in retail and plans to set up 300 stores by 2010. It has

▶ *The company is expanding its product portfolio by introducing women's wear under the premium mass brand Integriti.*

also rethought the locations for the stores, for maximum visibility.

"We will not aim at being metro heavy, but will try and locate our company owned stores in specific elite areas where finding franchisees might be difficult," he said.

The company is expanding

Though Kewal Kiran has a presence in malls, it prefers placing its brands more in high street, as the cost benefit ratio in malls is lower than in independent stores, he explained.

The company has planned a capital expenditure of Rs 50 crore for the current fiscal, once its planned expansion, funded through its IPO is over. The company had raised Rs 81 crore last year to fund its retail, manufacturing and corporate office expansion, which will be completed by June end.

its product portfolio by introducing women's wear under the premium mass brand Integriti this season. The launch will be in select stores to begin with, and will be available in other stores only next season. Last year, the company had launched a range of ladies wear under the Killer brand.