

KEWAL KIRAN CLOTHING

Fashioning a brand image

Doing a business of 'brands' since 1989, Kewal Kiran Clothing has emerged as a successful fully integrated player in the industry. Geared up with a slew of expansion plans, it is now all set to attain new heights.

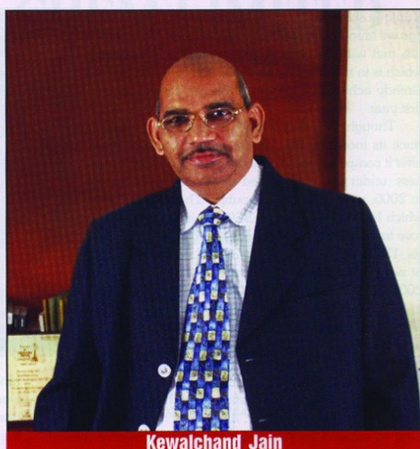
Mumbai-based apparel-maker Kewal Kiran Clothing (KKCL) is fast emerging as a leading integrated player in branded garments and high fashion dress materials with popular brands such as Killer, Lawman Pg 3, Easies and Integriti in its fold. Having firmly established itself in the domestic market, the Rs 160-crore company has now started expanding throughout the length and breadth of the country and also making forays into the overseas markets. If the growth plans in the fields of production and marketing are any guide, the company is likely to reach the Rs 1000-crore sales milestones within the next five years.

The company, which came out with its flagship brand 'Killer' in 1989, has since transformed itself into a fully integrated player with remarkable capacities ranging from designing to manufacturing processes, involving cutting, stitching, washing, finishing, ironing, branding and selling these readymade apparels in various brands.

Maintains Mr. Kewalchand Jain, the far-sighted chairman and managing director, "Each of our four established brands is positioned differently, depending on the segment targeted. These brands range from the high-fashion premium segment such as 'Killer' for denim wear (launched in 1989) and Easier (launched in 1998) for men's formal and semi-formal dresses for office and after-office hours to the economy segments through brands such as Lawman (launched in 1998), a design-led brand meant for men's club wear for the age group of 18-28 years and 'Integriti' (launched in 2002) meant for men's formal and semi-formal wear meant for people of 18-30 years of age."

All these four brands have come a long way. According to a recent research survey on urban consumer spending behaviour by images-AcNielsen, jeans wear accounts for a healthy nine per cent of the total spend on apparel and Killer has emerged as one of the most admired brands across all zones in the country. In the category of most admired men's jeans wear brands by age, Killer accounts for 8.5 per cent in the age group 18 to 25, 6.2 per cent in the age group 26 to 35, 8.8 per cent in the age group 36 to 45, 4.8 per cent in the age group 46 to 55 and 6.4 per cent in the age group of over 66 years. Of course, among the company's brands, Killer accounts for 46 per cent share followed by Integriti (26 per cent), Lawman (21 per cent) and Easies (6 per cent).

Maintaining that "Killer" has already emerged as a power brand for youth with an international feel and



Kewalchand Jain

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a unique style quotient" Mr. Jain adds, "a few months ago we launched 'Killer' brand for women wears which has met with remarkable initial success. This brand, which is in the price range of Rs. 850 to Rs. 2700, has already achieved a growth of 30 per cent in its very first year.

Though the company has been doing quite well since its inception, its pace of growth has quickened after it completed the consolidation of the group's business under one entity styled as Kewal Kiran Clothing in 2006, when it also went public. The sales turnover which had reached Rs. 26.31 crore in the fiscal 2005 rose to Rs. 85.90 crore in the fiscal 2006 and further to Rs. 133.62 crore in the fiscal 2007. Likewise the profit at net level has shot up from Rs. 3.80 crore in fiscal 2005 to Rs 11.93 crore in 2006 and to Rs. 18.64 crore in 2007. In the first three quarters of the current fiscal (April to December 2007), its turnover has already amounted to Rs. 124.40 crore on which it has earned a net profit of Rs. 18.24 crore, almost equivalent to the level realised for the whole of the last year.

Expressing his total satisfaction with the progress made by the company so far, Mr. Jain adds, "we are now planning to expand further and devise an aggressive marketing policy for home as well as abroad." At present, the company has four manufacturing units: one each at Dadar (Mumbai), Goregaon (Mumbai), Vapi (Gujarat) and Daman (Union Territory). A year ago, the total manufacturing capacity was expanded by 50 per cent to 3 million garments. A further expansion is under way at Daman which when completed by April 2008 will push it up to 4 million garments. "We are planning to expand our processing capacity at Vapi and hence a plot of 3610 sq. meters has been acquired near the existing unit," says Mr. Jain. He reveals further, "we have also invested Rs. 3 million in White Knitwear Pvt. Ltd., Surat, taking its total investment to Rs. 10.30 million.

The company is now concentrating in extending its marketing network. It has set up its own retail store styled as K-Lounge, opened its exclusive speciality brand store and its products are available at 2500 centres in the country stretching through the length and breadth of the country, from Kashmir to Kanyakumari. Highlighting the reach of the company's stores network Mr. Jain points out, "our K-Lounge stores display the complete



range of brands in terms of fashion, price and quality. As on December 31, 2007, 83 K-lounge, 6 Integriti and 1 Killer brand store have been in operation. During the last quarter of the fiscal 2008, we have planned to open 25 new retail stores comprising K-Lounge and Speciality brand store totalling to 115 stores by the end of March 2008. Our plan is to open a total 289 retail store by March 2010, comprising 103 K-Lounge, 73 Killer SBS, 51 each of Integriti SBS and P3 Lawman SBI and 5 Easies SBS."

Mr. Jain sees an even brighter future for the company. Stating out that the US \$ 12-billion Indian apparel and fashion accessories market is growing at a rate of around 15 per

cent in value terms and 5 per cent in volume terms, Mr. Jain adds "there has been a discernible shift towards the ready-to-wear segment and the concept of brand is catching up fast. In a brand-driven era, consumers are driven by explosion in organised retail space and speciality stores for specific categories. Today, apparel retailing has emerged as the largest segment of organised retail in the countries, accounting for around 40 per cent of the organised retail business and by 2010 as many as 600 malls occupying approximately 120 million sq. ft are likely to be operational. Thus there is vast growth potential for the apparel segment and KKCL is well poised to benefit from this impending boom in domestic organised retail." ■

