

# The high-spirited growth of KALS

After becoming one of the leading players in Tamil Nadu, KALS is not only set to expand pan India, but also the Middle East, Africa and South East Asia.



S Vasudevan

**K**ALS Group, one of the leading licensed manufacturers in Tamil Nadu, has been bolstering its two generation long presence in the liquor trade industry, especially in Tamil Nadu. And one of the key reasons for the same is that the manufacturer has been able to 'maintain its quality' as echoed by S Vasudevan, Chairman & Managing Director, KALS Group. Over the years, the company has witnessed a growth in its overall market share to 16%, whereas its brewery market stands at 20%.

Tamil Nadu is among the top five liquor markets in the country with 11 private players who are licensed to manufacture liquor, although its sale is completely controlled by the government. But what is noteworthy is that KALS has been cash positive from its first year of manufacturing.

"Not much has changed in the last 10 years," says Vasudevan. Both the popular parties in the state, the DMK and the AIMMK, treat the industry equally without dealing with them directly. In 1983, the MGR government established the Tamil Nadu State Marketing Corporation (TASMAC) for procurement and sale of alcohol in the state. Licenses to liquor-selling outlets and bars were granted through auctions before. Incidentally, in 1981, the government created Tamil Nadu Spirit Corporation too and manufactured liquor until 1987. The most popular spirit in Tamil Nadu continues to be Brandy, which constitutes close to 75% of the alcohol-beverage market. This is followed by rum, which constitutes 15%, while wine and whiskey constitute 5% each.

All TASMAC outlets maintain stocks for three months, amounting to approximately 120 lakh cases of IMFL and 60 lakh cases of beer. The state had 11



of the premium beer Kolt and premium brandy 1848. Currently La Martine sells two million cases annually. Two years later, the company introduced a new series of beer including the premium Sterren 7. KALS sells nearly seven million cases of IMFL and 4.3 million cases of beer per year to TASMAL. The company has now also secured an approval to export its beer and also sell it in cans in Tamil Nadu. The company also revived KALS Napoleon Brandy and launched Aspira Lemon Twist



Rum, which have already sold 4,000 cases in the first three months.

Their manufacturing mantra has its underpinning in the fact that every brand in the KALS liquor portfolio is a product of stringent manufacturing process as utmost attention to quality is maintained in each and every step involved from blending to bottling. "The group maintains its high production standards by keeping the entire process from blending, bottling to packaging under strict quality control. The group has to its credit several well-known labels covering all the three segment of the IMFL and brewery industry," says Vasudevan, "At KALS, we ensure a seamless coordination of all functions not just in production, but also in its supply chain management. From tracking market changes and market research to sourcing raw materials, manufacturing and delivering finished goods, KALS maintains the highest efficiency."

He points out how they have retained their market leadership in Tamil Nadu with stupendous year-on-year growth since its inception owing to the fully automated manufacturing and bottling plants located in Tamil Nadu and Karnataka (four manufacturing units). Add to this the impeccable supply chain framework, and well-integrated value chain. The brewery plant is a fully automatic plant, installed



with machinery from Krones, Germany, with a canning line for servicing the export market. To ensure good products, the group has a tie-up with Fitch for Product Development and with VLB, Germany to access latest knowledge and developments in the beer industry.

With their organic and inorganic growth, KALS is in the process of establishing footprints across India and the export segment across the globe. "In order to enable our fast-paced growth, we have invested in marketing, sales and product development extensively. By investing in

a sophisticated microbiological lab and state-of-the-art manufacturing plants, combined with implementing international procedures and quality demands, we ensure meeting global standards of quality. We are also certified for our Quality Management Systems (ISO 9001:2015), Environmental Management Systems (ISO 14001), and HAZARD Analysis & Critical Control Points in line with the auspices of international standards of ISO 2200," Vasudevan points out.

"In our continuous endeavour towards product diversification, our New Product Development is in constant research to introduce more premium products," he adds. Vasudevan says they are focused on fostering long-term mutually beneficial relationships, and are in a perpetual