

Date: 10-06-2020

To Corporate Relationship Department BSE Limited 1st Floor, Rotunda Building P.J Towers, Dalal Street, Mumbai-400 001.	To National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E) Mumbai- 400 051.
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Dear Sir,

Subject: Disclosure on Impact of Covid-19 on Business Operations.

Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Scrip Code: BSE- 541700/Stock Symbol: NSE- TCNSBRANDS

With reference to the above captioned subject, please find attached herewith the detailed update on impact of Covid-19 on the operations of the Company pursuant to SEBI's advisory Circular dated May 20, 2020.

Kindly take the same on your record.

Thanking you,
Yours faithfully,
For TCNS CLOTHING CO. LIMITED



Piyush Asija
Company Secretary & Compliance Officer.
Contact: 9871976116



Impact of COVID – 19

A. Impact on Business

Closure of EBOs, MBO & LFS partner doors resulting from the lockdowns as well as Ecommerce sales disruption have adversely affected our business operations and led to significant decline in revenues, which was otherwise growing over last year till February. This impacted gross margins and EBITDA disproportionately as fixed costs continued.

B. Ability to maintain operations including stores/warehouses/offices & manufacturing units

Our EBOs, LFS doors, MBOs etc. were shut down entirely during the lockdown period, being categorised as non-essential services. Our warehouses were also shut during the lockdown. Factories of our vendors were also shut down till restrictions were relaxed.

Hardware and Software arrangements were ensured proactively to enable our staff to work effectively from home. Our HR team worked tirelessly through continuous interaction to ensure employees were safe, engaged and motivated. The lockdown time was also used to build employee skill-set through internal training modules and external online courses.

C. Restart of operations and steps taken to ensure smooth start of operations

With the gradual lifting of lockdown restrictions in respective areas, the Company started re-opening its stores in the non-containment zones, after establishing thorough and well-rehearsed safety protocols.

As on date, we have opened 293 EBOs (High-street 258, Airport 10, Malls 25). We will continue to open new locations, especially in malls as and when they become ready for operations.

We are also opening LFS doors as and when the stores are being opened by our partners. We have resumed online sales from to all locations where deliveries are permitted.

We have restarted our offices and warehousing operations with necessary social distancing measures.

D. Impact of COVID-19 on capital and financial resources, profitability, liquidity position, ability to service debt, assets and internal financial reporting and control

The Company has surplus cash and bank limits to manage operational requirements as of now. CRISIL has recently reconfirmed the Company's credit rating as A+/Stable for Long Term Credit and A1+ for short term.

The Company did not have any debt obligations as of 31st March 2020.

The Company has been paying all its statutory dues and other commitments on a timely basis. The company's vendor base is also being supported with payments at regular intervals.



TCNS Clothing Co. Limited

119 & 127, W-HOUSE, NEELGAGAN TOWER, MANDI ROAD, SULTANPUR, MEHRAULI, NEW DELHI-110030, INDIA
PH: 011-42193193, Fax: 011-42193194, E-mail: corporatecommunications@tcnsclothing.com, www.wforwoman.com, www.shopforaurelia.com
REGD. OFFICE: UNIT NO. 112, F/F RECTANGLE 1, D-4, SAKET, DISTRICT CENTRE, NEW DELHI- 110017, INDIA
CIN- L99999DL1997PLC090978

We have focused on operational efficiency, cost reductions and optimising inventory levels. We are currently leveraging the working capital arrangements with banks to maintain liquidity and safeguard the interest of all stakeholders.

Revenues are expected to be muted for a few months and our profitability situation may remain challenging till the time the situation normalises.

We have reviewed the risks to our tangible assets, inventories and debtors. We have made additional provisions in the books to cover incremental risks which may arise.

We have effective internal financial controls in place with necessary controls in the work from home environment.

E. Estimation of the future impact of CoVID-19

As lockdown measures are being gradually eased, we have resumed operations as per safety norms and protocols advised by MHA and local administration.

We envisage that, even after lockdown restrictions are eased, short term reduction in purchasing power, and deferment of discretionary expenses may lead to weak demand, taking a few months to adjust and fully recover. The company is also looking at introducing newer products which are suitable for the current environment, including fashion masks and accessories.

We will continue to review store profitability and decisions on new store roll outs/closure of existing stores will be recalibrated.

We are attempting to put in place equitable commercial arrangements with our vendors and landlords to combat the challenging environment. We believe that the wider ecosystem, including our partners in the value chain, is reasonably equipped to revive and scale up the operations in the medium term.

We have built up our Omni Channel capabilities over the last year and this will enable us to leverage our existing network in the new business environment.



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