

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF TCNS CLOTHING CO. LIMITED

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **TCNS CLOTHING CO. LIMITED** ("the Company"), for the quarter and nine months ended 31 December, 2018 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5 July, 2016.
2. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. We have neither audited nor reviewed the accompanying financial results and other financial information for the quarter and nine months ended 31 December 2017, which has been prepared solely based on the information compiled by the management.
5. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5 July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

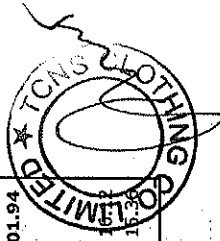



Satpal Singh Arora
Partner
(Membership No. 098564)

New Delhi, 8 February, 2019

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER, 2018

Particulars	For the quarter ended			For the nine months ended			For the financial year ended
	31 December, 2018 (Unaudited)	30 September, 2018 (Unaudited)	31 December, 2017 (See note 1)	31 December, 2018 (Unaudited)	31 December, 2017 (See note 1)	31 March, 2018 (Audited)	
1. Income							
(a) Revenue from operations	3,001.96	3,205.01	2,454.29	8,572.95	7,430.01	10,009.91	
(b) Other income	21.24	19.25	2.19	58.76	49.97	67.32	
2. Total income	3,023.20	3,224.26	2,456.48	8,631.71	7,479.98	10,077.23	
3. Expenses							
(a) Cost of materials consumed	1,044.83	1,158.99	1,018.02	3,051.39	2,765.91	3,776.02	
(b) Changes in inventories of finished goods and work-in-progress	(98.82)	(61.49)	(217.13)	(251.31)	(341.96)	(351.48)	
(c) Excise duty on sale of goods	-	-	-	-	39.37	39.37	
(d) Employee benefits expense	378.89	374.11	318.50	1,091.54	897.28	1,236.14	
(e) Finance costs	0.47	0.73	1.23	1.84	5.11	6.71	
(f) Depreciation and amortisation expense	55.03	52.80	41.55	158.75	115.94	166.71	
(g) Rent expenses	282.45	268.48	219.92	814.15	691.21	938.39	
(h) Selling and distribution expenses	626.71	661.88	511.40	1,834.30	1,555.56	2,051.47	
(i) Other expenses	261.31	233.02	201.12	664.38	591.37	765.62	
4. Total expenses	2,550.87	2,688.52	2,094.61	7,365.04	6,319.79	8,628.95	
5. Profit before tax (2 - 4)	472.33	535.74	361.87	1,266.67	1,160.19	1,448.28	
6. Tax expense							
(a) Income tax	117.61	134.25	95.40	316.67	443.55	483.58	
(b) Deferred tax	(15.99)	(10.76)	(7.36)	(37.51)	(46.52)	(16.27)	
7. Net profit after tax for the period (5 - 6)	370.71	412.25	273.83	987.51	763.16	960.97	
8. Other comprehensive income / (loss)							
Items that will not be classified to profit or loss:							
- Remeasurements of defined benefit plans	4.40	3.99	(2.50)	12.38	(3.42)	(5.04)	
- Tax relating to above item	(1.54)	(1.39)	0.86	(4.32)	1.18	1.74	
9. Total other comprehensive income / (loss), net of tax	2.86	2.60	(1.64)	8.06	(2.24)	(3.30)	
10. Total comprehensive income for the period (7 + 9)	373.57	414.85	272.19	995.57	760.92	977.67	
11. Paid-up Equity Share Capital (Face value Rs. 2 per share)	122.64	122.64	112.74	122.64	112.74	112.74	
12. Other equity including instruments entirely equity in nature							
13. Earnings Per Share (Face value Rs. 2 per share) (not annualised)							
(a) Basic (Rs.)	5.88	6.54	4.55	15.68	12.67	12.67	
(b) Diluted (Rs.)	5.81	6.48	4.46	15.56	12.42	12.42	
							4,201.94



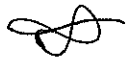
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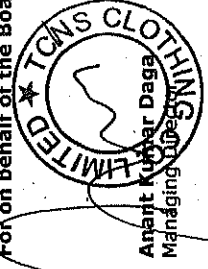
Notes to the unaudited financial results:

1. During the nine months ended 31 December, 2018, the Company has completed the initial offering of 15,714,038 equity shares of face value of Rs. 2 per share at a price of Rs.716 per equity share, through an offer for sale of equity shares by certain selling shareholders. The equity shares of the Company were listed on National Stock Exchange ('NSE') and BSE Limited ('BSE') with effect from 30 July, 2018. This Statement includes the financial results for the quarter and nine months ended 31 December, 2017 which have been prepared by the management from the books of account, which is neither audited nor reviewed by the statutory auditors of the Company.
2. The unaudited financial results for the quarter and nine months ended 31 December, 2018 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held today. These results have been subjected to limited review by the statutory auditors of the Company.
3. During the quarter and nine months ended 31 December, 2018, the Company has allotted 5,000 and 4,303,660 equity shares of Rs. 2 per share arising from exercise of ESOPs respectively, which were granted under "TCNS ESOP Scheme 2014-2017" prior to 1 April, 2017 and has accordingly claimed tax deduction in relation to such ESOPs exercised. Further, the Company has also granted Nil and 62,500 equity shares of Rs. 2 per share under "TCNS ESOP Scheme 2014-2017" during the quarter and nine months ended 31 December, 2018 respectively.
4. Effective from 1 April, 2018, the Company has adopted Indian Accounting Standard (Ind AS) 115 'Revenue from contracts with customer' using retrospective approach. Impact on the financial results due to application of Ind AS 115 (which is mainly on account of sale or return basis arrangements) is as under:

Particulars	For the quarter ended			For the nine months ended		(Rs. in million)	
	31 December, 2018	30 September, 2018	31 December, 2017	31 December, 2018	31 December, 2017	For the financial year ended	
						31 March, 2018	
Net increase in revenue from operations	482.77	569.40	389.81	1,469.93	1,204.47	1,585.66	
Net increase in selling and distribution expenses	482.77	569.40	389.81	1,469.93	1,204.47	1,585.66	
Net impact on profit before tax	-	-	-	-	-	-	

5. The Company is primarily engaged in the business of manufacturing of women apparels in India. Accordingly, the Company views its business activities as one business segment, therefore there are no separate reportable segments as per Indian Accounting Standard (Ind AS) 108 - "Operating Segments".
6. The Company has reclassified fabrication charges, product development expenses and consumption of packing materials from the head "Other expenses" to "Cost of materials consumed" during the quarter and nine months ended 31 December, 2018. Accordingly, comparative figures have been reclassified to correspond with the current period classification. This change has no impact on the profit for the periods reported.
7. These financial results have been prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India.



For on behalf of the Board of Directors

Anant Kumar Daga
Managing Director