

Date: 06.02.2020

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

**Subject:** Outcome of Board Meeting dated 6<sup>th</sup> February, 2020

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

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

Pursuant to Regulation 33 read with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the copy of Standalone Unaudited Financial Results for the third quarter and nine months ended 31<sup>st</sup> December 2019, duly approved by the Board of Directors of the Company in their meeting held today i.e. on 6<sup>th</sup> February, 2020. The meeting commenced at 2:00 p.m. and concluded at **4:10 p.m.**

We further enclose herewith the Limited Review Report issued by the Statutory Auditors of the Company on the aforesaid results.

The aforesaid results are also being disseminated on Company's website at <https://wforwoman.com/>

This is for your information and records.

**For and on behalf of TCNS Clothing Co. Limited**

**Piyush Asija**  
**Company Secretary and Compliance Officer**



**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

**TCNS CLOTHING CO. LIMITED**  
(FORMERLY KNOWN AS TCNS CLOTHING CO. PRIVATE LIMITED)  
CIN: L99999DL1997PLC090978

Corporate Office: 119 and 127, W-House, Neelgagan Tower, Mandi Road, Sultanpur, Mehrauli, New Delhi - 110030  
Registered Office: Unit no. 112, F/F Rectangle 1, D-4, Saket District Centre, New Delhi - 110017

**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019**

(All amounts in Rs. million except otherwise specified)

Particulars	For the quarter ended			For the nine months ended		For the financial year ended
	December 31, 2019 (Unaudited)	September 30, 2019 (Unaudited)	December 31, 2018 (Unaudited)	December 31, 2019 (Unaudited)	December 31, 2018 (Unaudited)	March 31, 2019 (Audited)
<b>1. Income</b>						
(a) Revenue from operations	3,289.88	3,208.45	3,001.96	9,294.62	8,572.95	11,479.53
(b) Other income (See note 3 and 6(b))	71.55	26.48	21.24	120.28	58.76	75.21
<b>2. Total income</b>	<b>3,361.43</b>	<b>3,234.93</b>	<b>3,023.20</b>	<b>9,414.90</b>	<b>8,631.71</b>	<b>11,554.74</b>
<b>3. Expenses</b>						
(a) Cost of materials consumed	1,039.90	1,127.07	1,041.82	3,376.46	3,133.40	4,151.60
(b) Changes in inventories of finished goods and work-in-progress	20.28	(13.23)	(98.82)	(274.92)	(323.40)	(452.48)
(c) Employee benefits expense	415.42	406.75	378.89	1,192.50	1,091.54	1,437.74
(d) Finance costs (See note 3)	98.93	95.56	0.47	286.81	1.84	5.14
(e) Depreciation and amortisation expense (See note 3)	248.42	238.16	55.03	718.75	158.75	222.10
(f) Rent expenses (See note 3)	57.08	59.49	282.45	163.95	814.15	1,099.43
(g) Selling and distribution expenses	758.16	699.76	626.71	2,105.73	1,834.30	2,387.99
(h) Other expenses	320.39	267.13	261.31	871.19	664.38	886.99
<b>4. Total expenses</b>	<b>2,958.58</b>	<b>2,891.49</b>	<b>2,550.87</b>	<b>8,389.47</b>	<b>7,365.04</b>	<b>9,938.51</b>
<b>5. Profit before tax (2 - 4)</b>	<b>402.85</b>	<b>343.44</b>	<b>472.33</b>	<b>1,025.43</b>	<b>1,266.67</b>	<b>1,616.23</b>
<b>6. Tax expense (See note 6)</b>						
(a) Current tax (net)	(131.59)	69.22	117.61	31.25	316.67	348.67
(b) Deferred tax expense / (credit)	(15.82)	97.35	(15.99)	62.32	(37.51)	(46.79)
<b>7. Total tax expense</b>	<b>(147.41)</b>	<b>166.57</b>	<b>101.62</b>	<b>93.57</b>	<b>279.16</b>	<b>301.88</b>
<b>8. Net profit after tax for the period (5 - 7)</b>	<b>550.26</b>	<b>170.07</b>	<b>370.71</b>	<b>931.80</b>	<b>987.51</b>	<b>1,314.35</b>
<b>9. Other comprehensive income / (loss)</b>						
Items that will not be classified to profit or loss:						
- Remeasurements of defined benefit plans	(4.55)	(10.79)	4.40	(13.63)	12.38	5.96
- Tax relating to above item	1.59	3.77	(1.54)	4.76	(4.32)	(2.08)
<b>10. Total other comprehensive income / (loss), net of tax</b>	<b>(2.96)</b>	<b>(7.02)</b>	<b>2.86</b>	<b>(8.87)</b>	<b>8.06</b>	<b>3.88</b>
<b>11. Total comprehensive income for the period (8 + 10)</b>	<b>547.30</b>	<b>169.85</b>	<b>373.57</b>	<b>922.99</b>	<b>995.57</b>	<b>1,318.23</b>
<b>12. Paid-up equity share capital (Face value Rs. 2 per share)</b>	<b>122.94</b>	<b>122.92</b>	<b>122.64</b>	<b>122.94</b>	<b>122.64</b>	<b>122.65</b>
<b>13. Other equity</b>						<b>6,062.96</b>
<b>14. Earnings Per Share (not annualised)</b>						
(a) Basic (Rs.)	8.60	2.88	5.88	14.57	15.68	20.95
(b) Diluted (Rs.)	8.35	2.79	5.81	14.15	15.56	20.60




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**Notes to the unaudited financial results:**

- The above unaudited financial results for the quarter and nine months ended December 31, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 6, 2020. These results have been subjected to limited review by the statutory auditors of the Company.
- During the quarter and nine months ended December 31, 2019, the Company has allotted 7,500 equity shares and 1,45,500 equity shares respectively of face value of Rs. 2 per share arising from exercise of Employee stock options plans (ESOPs), which were granted under "TCNS ESOP Scheme 2014-2017".
- Effective April 1, 2019, the Company adopted Ind AS 116 'Leases' using the modified retrospective method. Under the method, the Company (lessee) recognised a lease liability at the present value of all the remaining lease payments as at April 1, 2019, and Right-Of-Use asset ('ROU') at its carrying amount as if Ind AS 116 had been applied since the commencement of the lease. Accordingly, this has resulted in recognising ROU of Rs. 3,341.53 million and corresponding lease liability of Rs. 3,959.70 million and decrease in Retained Earnings (Other Equity) of Rs. 402.19 million (net of Deferred Tax Asset of Rs. 216.03 million) as at April 1, 2019. ROU is depreciated over the remaining lease term and the lease liability is reduced when paid, with the interest on the lease liability being recognised as finance costs. Further, as required under the modified retrospective method, the previous period information is not restated and hence not comparable.

To the extent the performance for the quarter and nine months ended December 31, 2019 is not comparable with the previous period results, the reconciliation of above effect on 'Statement of Unaudited Financial Results for the Quarter and nine months ended December 31, 2019' is as under:

Particulars	Quarter ended December 31, 2019 (comparable basis)	Change due to Ind As 116 increase /(decrease) during the quarter	Quarter ended December 31, 2019 (as reported)	Nine months ended December 31, 2019 (comparable basis)	Change due to Ind As 116 increase /(decrease)	(Rs. in million)
						Nine months ended December 31, 2019 (as reported)
Finance costs	4.16	94.77	98.93	8.16	278.65	286.81
Depreciation and amortisation expense	62.93	185.49	248.42	171.37	547.38	718.75
Rent expenses	310.87	(253.79)	57.08	914.83	(750.88)	163.95
Lease liability written back	-	(16.89)	(16.89)	-	(24.18)	(24.18)
<b>Impact on profit before tax</b>		<b>(9.58)</b>			<b>(50.97)</b>	

- 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.
- 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".
- Tax expense**
  - The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Company had recognised the tax provision for the quarter and half year ended September 30, 2019 and remeasured the deferred tax assets (including deferred tax assets created on transition to IND AS 116 as at April 01, 2019 as stated in note 3 above) basis the rates prescribed in that section (i.e. 25.17% inclusive of surcharge and cess). The full impact of this change had been recognised in tax expense for the quarter and half year ended September 30, 2019. As a result, the tax expense for the quarter and half year ended September 30, 2019 was higher by Rs. 87.65 millions.
  - The Company had claimed credit in relation to deduction of fair value impact of share based payments to employees in the Income Tax return filed for the Assessment year 2017-18 (Financial year ended March 31, 2017). However, the tax credit was not recorded in the financial statements for the year ended March 31, 2017 prepared under previous GAAP. During the current quarter, the Company has received Income Tax Assessment order for Assessment year 2017-18, where in the tax credit of Rs. 243.66 million along with interest of Rs. 35.98 million has been allowed. Based on the assessment order, the Company has recognized the above tax refund and interest (included under Other Income) during the current quarter.

Place: New Delhi  
Date: February 6, 2020

For on behalf of the Board of Directors

Anant Kumar Daga  
Managing Director



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

### TO THE BOARD OF DIRECTORS OF TCNS CLOTHING CO. LIMITED (FORMERLY KNOWN AS TCNS CLOTHING CO. PRIVATE LIMITED)

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **TCNS CLOTHING CO. LIMITED (FORMERLY KNOWN AS TCNS CLOTHING CO. PRIVATE LIMITED)** ("the Company"), for the quarter and nine months ended 31 December 2019 ("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 amended).
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's 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 express a conclusion 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard 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 amended, 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)  
UDIN: 20098564AAAAAG3993

Place: New Delhi  
Date: 06 February 2020