

CELEBRATING

WOMEN

ROCK

GOLD

BRAND

THE OF  
THIS  
COUTURE  
IS DEDICATED

CONTEMPORARY

female icons

# TCNS

CLOTHING CO.LTD

W aurelia WISHFUL

INDIA'S LEADING WOMEN'S  
BRANDED APPAREL COMPANY

## RESULT UPDATE PRESENTATION

November 2018



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**3**  
Home Grown  
Brands



Widespread  
**Distribution**  
Network

**505** EBOs  
**1,504** Large Format Stores  
**1,580** MBOs

Strong **Design & Manufacturing**  
Capabilities

**40+** Designers  
Refreshing New Products every **2-3 weeks**  
**Wide network of Suppliers & Job-workers**

**Experienced Professional Management Team**

**NO Attrition** of Top Management in last 5 years

Robust  
**Financials**

Last 3 years CAGR  
Revenues: **+32%**  
Adjusted EBITDA: **+44%**  
Adjusted PAT: **+57%**

**Scalable**  
Business Model

**Proven Product & Retail Concept**  
**Outsourced manufacturing**  
**High ROACE**



# Leading Home Grown Brands....



**PREMIUM FUSION WEAR**



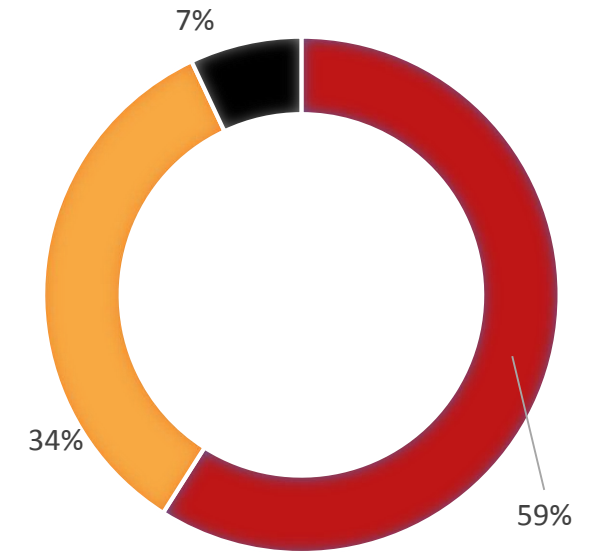
**CONTEMPORARY ETHNIC WEAR**



**PREMIUM OCCASION WEAR**

## Share of Brands (%)

As of Sep'18

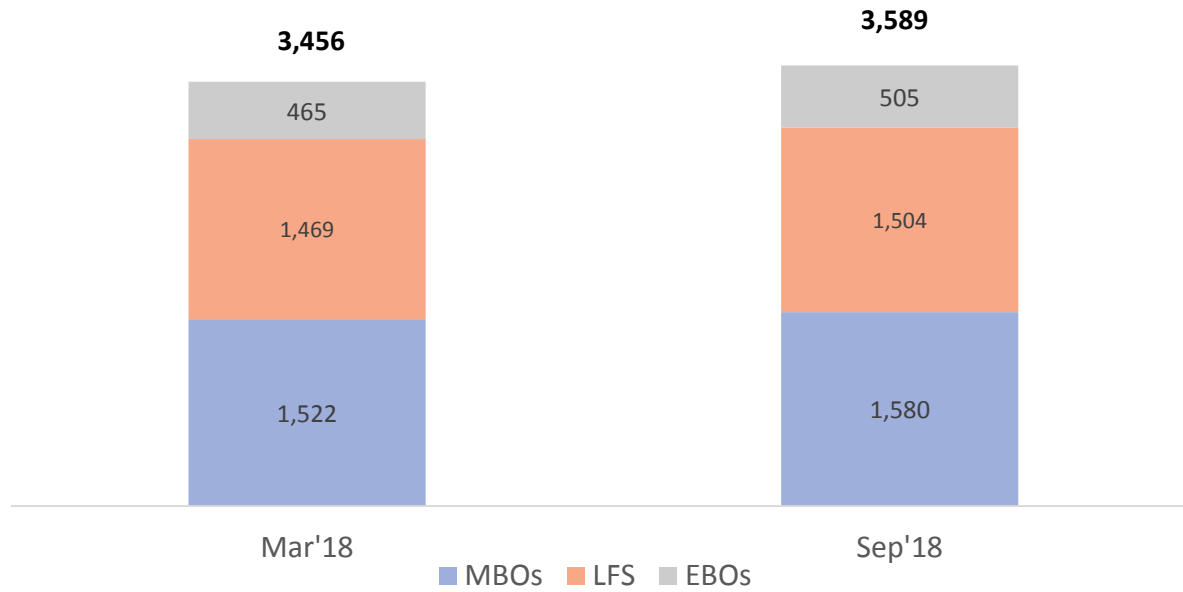


Brand wise growth Rates Q2'19 vs Q2'18  
W: 21%, Aurelia: 17%, Wishful: 14%

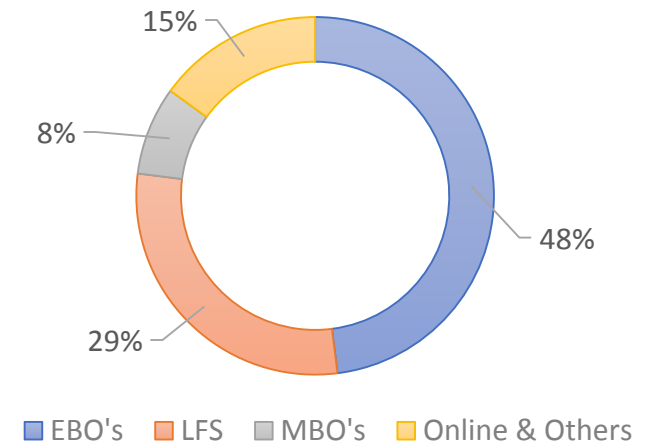
# Wide distribution network which continues to grow



## Pan India Multi Channel Presence



## Channel Wise Revenue Split % As of Sep'18



EBOs	W	Aurelia	Wishful	Total
Store Count as of Sep'18	300	203	2	505
Stores Opened Q2	9	11	1	21

## Channel wise growth Rates Q2'19 vs Q2'18

EBOs: 18%, LFS:13%, Online: 83%, MBOs: -6%

SSSG negative at -8%

# Quarterly & Half Yearly Highlights



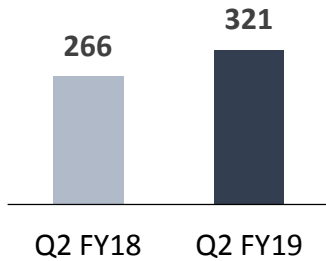
aurelia

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## Q2 FY19

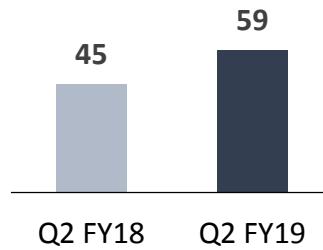
Revenues (Rs. Crs)

**+20%**



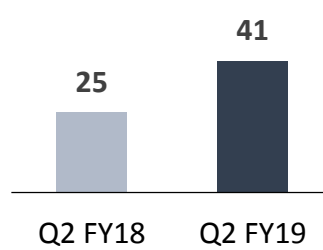
EBITDA (Rs. Crs)

**+32%**

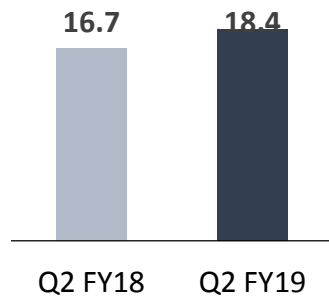


PAT (Rs. Crs)

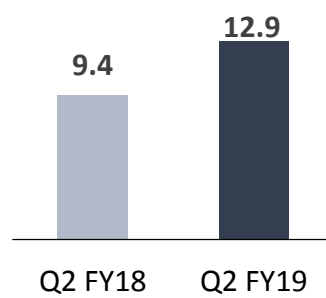
**+64%**



EBITDA (%)



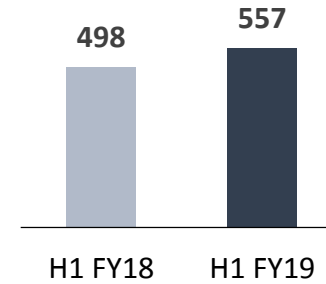
PAT (%)



## H1 FY19

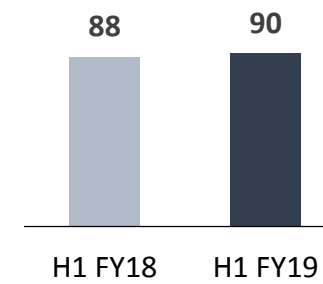
Revenues (Rs. Crs)

**+12%**



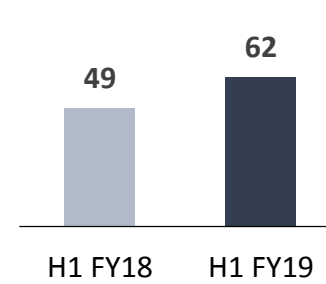
EBITDA (Rs. Crs)

**+3%**

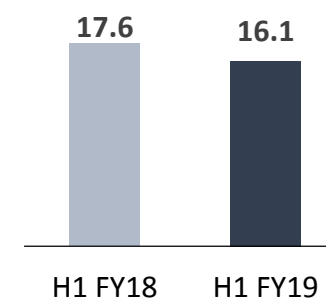


PAT (Rs. Crs)

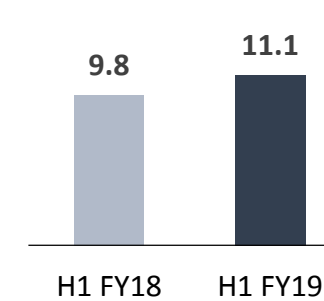
**+26%**



EBITDA (%)



PAT (%)



# Quarterly & Half Yearly Highlights (adjusted)



## Q2 FY19

## H1 FY19

Revenues (Rs. Crs) 1

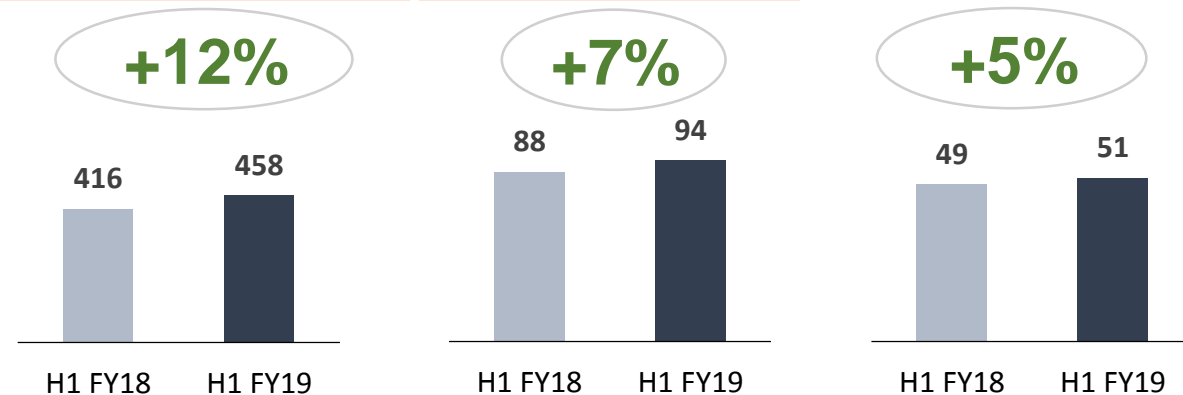
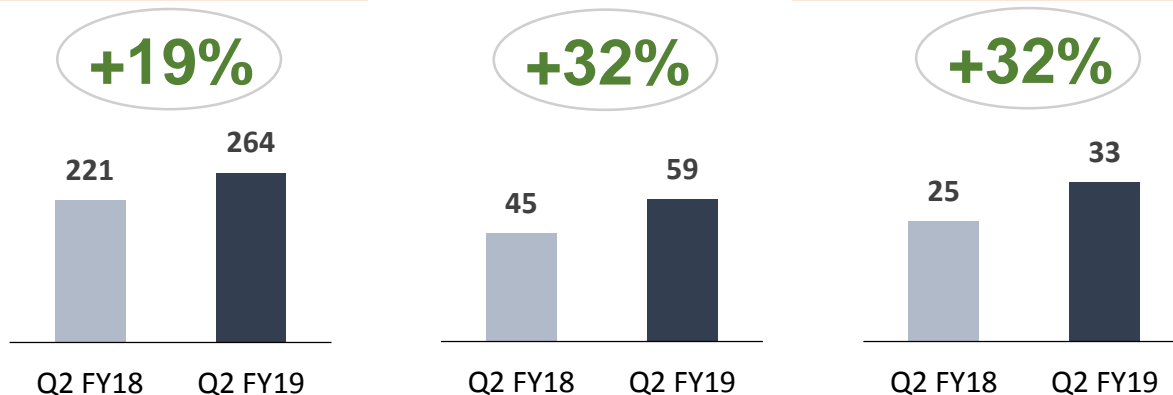
EBITDA (Rs. Crs) 2

PAT (Rs. Crs) 2,3

Revenues (Rs. Crs) 1

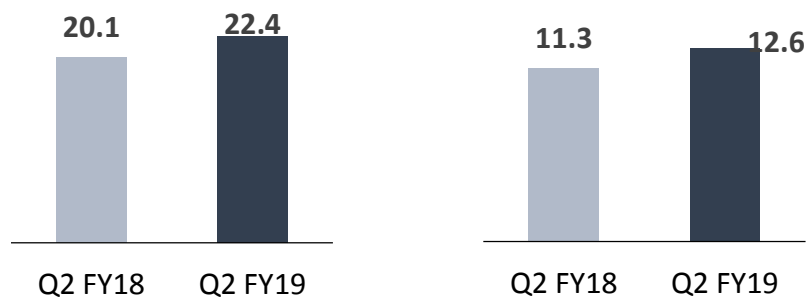
EBITDA (Rs. Crs) 2

PAT (Rs. Crs) 2,3



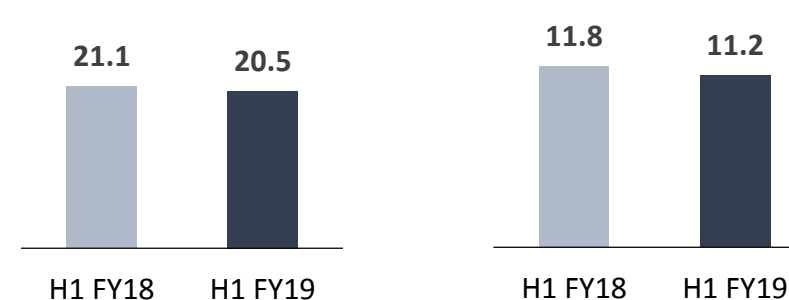
EBITDA (%)

PAT (%)



EBITDA (%)

PAT (%)



1) Pre- Ind AS 115 impact 2) Proforma adjustment of GST rate increase in Q1'19 vs Q1'18 3) Proforma for constant tax rate

# Application of New accounting standard Ind AS 115 – Revenue from contracts with Customer



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**Ind AS 115** – a new accounting standard on revenue recognition has been applied w.e.f. April 1, 2018

- The main impact has been on accounting for sales made on Sale or Return (SOR). Till last year, sales were recorded net of Dealer margin. From now, these sales are shown gross of dealer margin and at the same time dealer margin is shown as expense.
- The other change has been in netting off variable expenses on sales made on outright basis. Till last year, these were shown separately as expense. From now, these expenses are netted off from sales.

We have applied the retrospective approach and hence the comparative numbers of FY18 have also been re-instated.

This has resulted in increase in both sales and expense respectively as following **with no impact on EBITDA**.

Comparative impact for different periods are:

P&L Impact :-	(Rs. in million)					
	For the quarter ended			For the half year ended		For the financial year ended
	30 September, 2018 (Unaudited)	30 June, 2018 (Unaudited)	30 September, 2017 (Unaudited)	30 September, 2018 (Unaudited)	30 September, 2017 (Unaudited)	31 March, 2018 (Audited)
Net increase in revenue from operations	569.40	417.76	364.65	987.16	814.66	1,585.66
Net increase in other expenses	569.40	417.76	364.65	987.16	814.66	1,585.66



# Application of New accounting standard Ind AS 115 – *Revenue from contracts with Customer*



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**Ind AS 115** – a new accounting standard on revenue recognition has been applied w.e.f. April 1, 2018

- The Ind AS adjustments have also resulted in Balance sheet classifications within assets and liabilities
- The changes pertain to the balance sheet impact on sales return provisioning on outright sales. Whereas earlier, sales return provisions were netted off from Debtors, from now, Debtors are continued to be shown at gross and liability shown in a separate account. Similar treatment is to be done for inventory adjustment in reverse.
- The changes do not have any impact on reserves

**Balance Sheet Impact :-**

**(Rs. in million)**

<b>Particulars</b>	<b>As at 30 September, 2018 (Unaudited)</b>	<b>As at 31 March, 2018 (Audited)</b>
Increase in trade receivables	133.55	174.21
Decrease in inventories	(55.26)	(72.09)
Increase in other current assets for expected returns	55.26	72.09
Increase in other financial liabilities for expected returns	(133.55)	(174.21)

# Q2 & H1 FY19 – Statement of revenue



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Particulars	(All amounts in Rs. million except otherwise specified)					
	For the quarter ended			For the half year ended		For the financial year ended
	30 September, 2018 (Unaudited)	30 June, 2018 (Unaudited)	30 September, 2017 (See note 1)	30 September, 2018 (Unaudited)	30 September, 2017 (Unaudited)	31 March, 2018 (Audited)
<b>1. Income</b>						
(a) Revenue from operations	3,205.01	2,365.98	2,664.80	5,570.99	4,975.72	10,009.91
(b) Other income	19.25	18.27	24.46	37.52	47.78	67.32
<b>2. Total income</b>	<b>3,224.26</b>	<b>2,384.25</b>	<b>2,689.26</b>	<b>5,608.51</b>	<b>5,023.50</b>	<b>10,077.23</b>
<b>3. Expenses</b>						
(a) Cost of materials consumed	1,158.99	847.57	960.13	2,006.56	1,745.97	3,776.02
(b) Changes in inventories of finished goods and work-in-progress	(61.49)	(91.00)	(13.57)	(152.49)	(124.83)	(351.48)
(c) Excise duty on sale of goods	-	-	-	-	39.37	39.37
(d) Employee benefits expense	374.11	338.54	311.80	712.65	578.78	1,236.14
(e) Finance costs	0.73	0.64	1.68	1.37	3.88	6.71
(f) Depreciation and amortisation expense	52.80	50.92	38.38	103.72	74.39	166.71
(g) Rent expenses	268.48	263.22	228.91	531.70	471.29	938.39
(h) Selling and distribution expenses	661.88	545.71	540.31	1,207.59	1,044.16	2,051.47
(i) Other expenses	233.02	170.05	215.99	403.07	392.17	765.62
<b>4. Total expenses</b>	<b>2,688.52</b>	<b>2,125.65</b>	<b>2,283.63</b>	<b>4,814.17</b>	<b>4,225.18</b>	<b>8,628.95</b>
<b>5. Profit before tax (2 - 4)</b>	<b>535.74</b>	<b>258.60</b>	<b>405.63</b>	<b>794.34</b>	<b>798.32</b>	<b>1,448.28</b>
<b>6. Tax expense</b>						
(a) Income tax	134.25	64.81	174.08	199.06	348.15	483.58
(b) Deferred tax	(10.76)	(10.76)	(19.56)	(21.52)	(39.16)	(16.27)
<b>7. Net profit after tax for the period (5 - 6)</b>	<b>412.25</b>	<b>204.55</b>	<b>251.11</b>	<b>616.80</b>	<b>489.33</b>	<b>980.97</b>
<b>8. Other comprehensive income /(loss)</b>						
Items that will not be classified to profit or loss:						
- Remeasurements of defined benefit plans	3.99	3.99	(0.46)	7.98	(0.92)	(5.04)
- Tax relating to above item	(1.39)	(1.39)	0.16	(2.78)	0.32	1.74
<b>9. Total other comprehensive income / (loss), net of tax</b>	<b>2.60</b>	<b>2.60</b>	<b>(0.30)</b>	<b>5.20</b>	<b>(0.60)</b>	<b>(3.30)</b>
<b>10. Total comprehensive income for the period (7 + 9)</b>	<b>414.85</b>	<b>207.15</b>	<b>250.81</b>	<b>622.00</b>	<b>488.73</b>	<b>977.67</b>

# Statement of Assets and Liabilities As of Sep'18 and Mar'18



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PARTICULARS	(Rs. in million)	
	As at 30 September, 2018 (Unaudited)	As at 31 March, 2018 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Plant and equipment	564.25	505.68
(b) Capital work-in-progress	4.68	24.88
(c) Intangible assets	43.04	12.89
(d) Intangible assets under development	-	56.30
(e) Financial assets		
(i) Investments	200.00	-
(ii) Other financial assets	483.25	393.06
(f) Deferred tax assets (net)	133.75	115.01
(g) Income tax assets (net)	77.80	94.73
(h) Other non-current assets	92.28	71.81
<b>Total non-current assets</b>	<b>1,599.05</b>	<b>1,274.36</b>
<b>Current assets</b>		
(a) Inventories	2,454.19	2,239.41
(b) Financial assets		
(i) Investments	432.94	20.77
(ii) Trade receivables	1,739.43	1,570.50
(iii) Cash and cash equivalents	438.80	366.93
(iv) Other bank balances	18.62	123.91
(v) Other financial assets	4.50	5.66
(c) Other current assets	314.14	336.26
<b>Total current assets</b>	<b>5,402.62</b>	<b>4,663.44</b>
<b>Total assets</b>	<b>7,001.67</b>	<b>5,937.80</b>

PARTICULARS	(Rs. in million)	
	As at 30 September, 2018 (Unaudited)	As at 31 March, 2018 (Audited)
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	122.64	112.74
(b) Instruments entirely equity in nature	-	242.27
(c) Other equity	5,291.39	3,959.67
<b>Total equity</b>	<b>5,414.03</b>	<b>4,314.68</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	1.92	2.18
(ii) Other financial liabilities	61.48	59.15
(b) Provisions	64.66	55.73
(c) Other non-current liabilities	4.09	4.09
<b>Total non-current liabilities</b>	<b>132.15</b>	<b>121.15</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	-	0.04
(ii) Trade payables		
(a) Total outstanding dues of micro, small and medium enterprises	4.13	16.86
(b) Total outstanding dues of creditors other than msme enterprises	1,123.35	1,127.46
(iii) Other financial liabilities	69.18	68.52
(b) Provisions	1.83	1.22
(c) Other current liabilities	257.00	287.87
<b>Total current liabilities</b>	<b>1,455.49</b>	<b>1,501.97</b>
<b>Total equity and liabilities</b>	<b>7,001.67</b>	<b>5,937.80</b>

# Disha Patani as Aurelia Brand Ambassador



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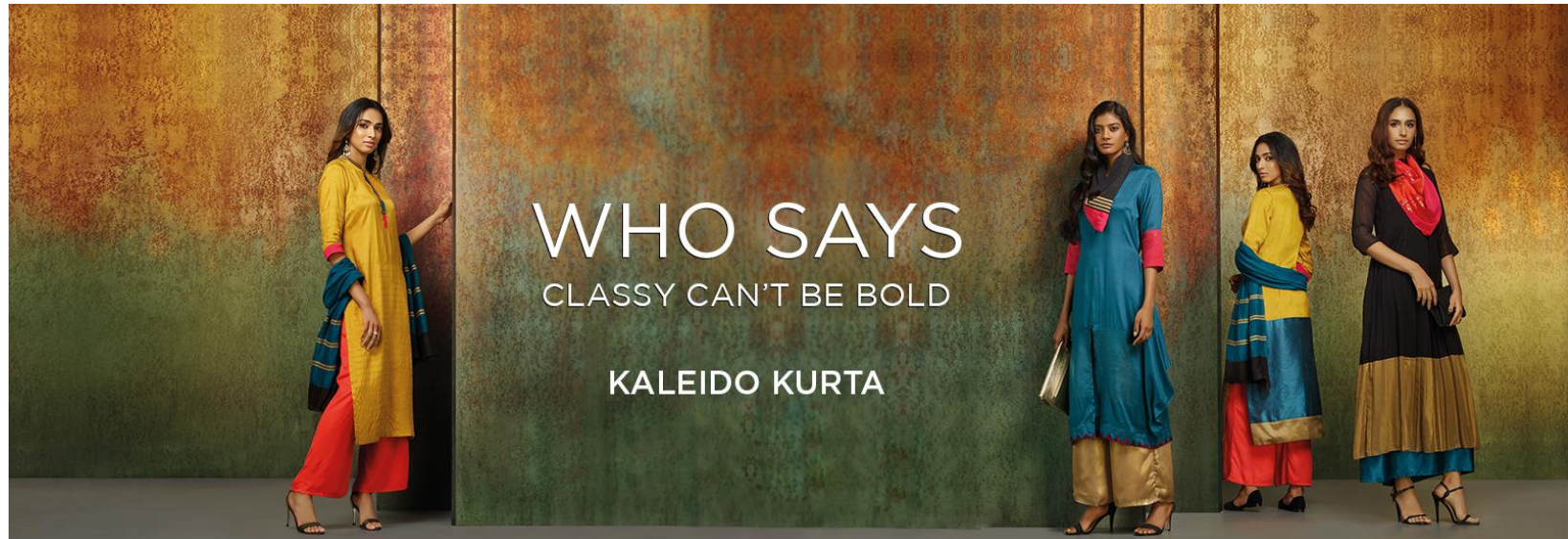


# 'Who Says' W Campaign



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## TCNS Clothing Co. Ltd



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