

**Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To  
The Board of Directors of  
Ethos Limited

**Report on the audit of the Standalone Financial Results****Opinion**

We have audited the accompanying statement of quarterly and year to date standalone financial results of Ethos Limited (the "Company") for the quarter ended March 31, 2022 and for the year ended March 31, 2022 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2022 and for the year ended March 31, 2022.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

**Management's Responsibilities for the Standalone Financial Results**

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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## **Other Matter**

The Statement includes the results for the quarter ended March 31, 2022 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2022 and the audited year-to-date figures up to December 31, 2021.

**For S.R. BATLIBOI & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Anil Gupta

Partner

Membership No.: 87921

UDIN: 22087921AJVYZM8980

New Delhi

May 30, 2022

Statement of Audited Standalone Financial Results for the quarter and year ended 31 March 2022

(Rupees in lakhs except share data, per share data and unless otherwise stated)

S.No.	Particulars	Quarter ended			Year ended	
		31 March 2022	31 December, 2021	31 March 2021	31 March 2022	31 March 2021
		(Audited)*	(Audited)*	(Unaudited)	(Audited)	(Audited)
1	Revenue from operations	15,869.06	19,527.91	12,309.33	57,728.37	38,657.07
2	Other income (refer note 12)	259.62	320.77	202.77	1,347.87	1,697.03
3	<b>Total income (1+2)</b>	<b>16,128.68</b>	<b>19,848.68</b>	<b>12,512.10</b>	<b>59,076.24</b>	<b>40,354.10</b>
4	<b>Expenses</b>					
	Purchase of stock-in-trade	12,106.60	16,674.48	9,712.71	46,328.61	26,084.91
	Changes in inventories of stock-in-trade	(1,029.56)	(2,811.92)	(960.48)	(5,216.17)	2,081.89
	Employee benefits expense	1,116.96	1,117.54	927.51	4,075.23	2,747.15
	Finance costs	450.90	439.34	403.37	1,664.56	1,699.57
	Depreciation and amortisation expense	799.11	855.32	766.56	3,141.18	3,247.35
	Other expenses	1,690.23	1,952.17	1,055.98	5,962.24	3,863.24
	<b>Total expenses</b>	<b>15,134.24</b>	<b>18,226.93</b>	<b>11,905.65</b>	<b>55,955.65</b>	<b>39,724.11</b>
5	<b>Profit before tax (3-4)</b>	<b>994.44</b>	<b>1,621.75</b>	<b>606.45</b>	<b>3,120.59</b>	<b>629.99</b>
6	<b>Tax expense</b>	<b>215.37</b>	<b>420.55</b>	<b>171.08</b>	<b>784.29</b>	<b>166.32</b>
	- Current tax	232.38	440.69	88.90	866.90	254.87
	- Deferred tax charge/(Credit)	(17.01)	(20.14)	82.18	(82.61)	(88.55)
7	<b>Net Profit for the period/year (5-6)</b>	<b>779.07</b>	<b>1,201.20</b>	<b>435.37</b>	<b>2,336.30</b>	<b>463.67</b>
8	<b>Other Comprehensive Income (OCI)</b>					
	<i>Items that will not be reclassified to profit or loss</i>					
	- Re-measurement of income/(loss) on defined benefit plans	(12.74)	17.83	(2.54)	1.79	(7.19)
	- Income tax relating to items that will not be re-classified to profit and loss	3.21	(4.49)	0.64	(0.45)	1.81
9	<b>Total Comprehensive income for the period/year (7+8)</b>	<b>769.54</b>	<b>1,214.54</b>	<b>433.47</b>	<b>2,337.64</b>	<b>458.29</b>
10	<b>Earnings per share of Rs. 10 each (not annualised)</b>					
	Basic	4.23	6.57	2.39	12.67	2.55
	Diluted	4.23	6.57	2.39	12.67	2.53
11	Paid-up equity share capital (face value of share of Rs.10)	1,907.82	1,877.55	1,821.28	1,907.82	1,821.28
12	Other Equity	-	-	-	21,278.22	13,892.16

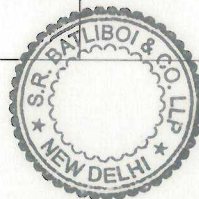
\* Refer Note 13 below



Note 1: Audited Standalone Balance Sheet as at 31 March 2022

(Rs. In Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3,672.24	3,057.40
Capital work-in-progress	-	375.73
Intangible assets	66.30	64.48
Right-of-use assets	9,159.13	8,122.03
Intangible assets under development	-	5.61
Financial assets		
- Investments	581.11	435.74
- Loans	3.67	9.79
- Other financial assets	1,106.96	889.10
Non-current tax assets (net)	185.35	147.43
Deferred tax assets (net)	893.98	811.82
Other non-current assets	1,479.39	116.49
<b>Total non-current assets</b>	<b>17,148.13</b>	<b>14,035.62</b>
<b>Current assets</b>		
Inventories	24,993.29	19,777.12
Financial assets		
- Trade receivables	518.26	1,218.04
- Cash and cash equivalents	3,726.94	1,713.85
- Other bank balances	209.09	214.32
- Loans	26.94	18.13
- Other financial assets	708.13	1,011.01
Other current assets	3,404.20	1,569.96
<b>Total current assets</b>	<b>33,586.85</b>	<b>25,522.43</b>
<b>Total Assets</b>	<b>50,734.98</b>	<b>39,558.05</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	1,907.82	1,821.28
Other equity	21,278.22	13,892.16
<b>Total equity</b>	<b>23,186.04</b>	<b>15,713.44</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
- Borrowings	2,764.42	1,708.22
- Lease liabilities	7,948.57	6,908.47
- Other financial liabilities	66.90	90.00
Provisions	134.00	146.61
<b>Total non-current liabilities</b>	<b>10,913.89</b>	<b>8,853.30</b>
<b>Current liabilities</b>		
Financial liabilities		
- Borrowings	3,177.81	3,490.61
- Lease liabilities	2,238.40	1,910.90
- Trade payables		
- total outstanding dues of micro enterprises and small enterprises	86.93	0.72
- total outstanding dues of creditors other than micro enterprises and small enterprises	8,605.57	7,446.73
- Other financial liabilities	943.86	964.72
Other current liabilities	1,268.67	907.66
Provisions	313.81	240.79
Current tax liabilities (net)	-	29.18
<b>Total current liabilities</b>	<b>16,635.05</b>	<b>14,991.31</b>
<b>Total liabilities</b>	<b>27,548.94</b>	<b>23,844.61</b>
<b>Total Equity and Liabilities</b>	<b>50,734.98</b>	<b>39,558.05</b>



Note 2: Standalone Cash Flow Statement for the year ended 31 March 2022

(Rs. In Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>A. OPERATING ACTIVITIES</b>		
Profit before tax	3,120.59	629.99
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	3,141.18	3,247.35
Property, plant and equipment written off and loss on sale of property, plant & equipment	23.72	34.60
Profit on Sale of property, plant & equipments	-	(5.31)
Share of profit in partnership firm	(70.37)	(58.30)
Interest expense	1,608.97	1,691.31
Interest income	(203.10)	(109.21)
Provisions/liabilities no longer required written back	(106.86)	(72.88)
Share options lapsed	(9.41)	-
Unrealized foreign exchange gain	(9.35)	(55.00)
Allowance for bad and doubtful debts/(written back)	(86.70)	(2.90)
Rent waiver on lease liabilities	(804.46)	(1,402.22)
Gain on termination of lease contracts	(34.42)	(46.25)
Allowance for bad and doubtful advances/recoverable	15.00	22.85
Advances / deposits / Bad debts written off	269.19	51.76
<b>Cash generated from operations before working capital changes</b>	<b>6,853.98</b>	<b>3,925.80</b>
Movements in working capital:		
(Increase) in loans	(2.69)	(8.93)
(Increase)/ Decrease in other financial assets	(1.96)	190.44
(Increase)/ Decrease in other assets	(1,505.43)	792.38
(Increase)/ Decrease in inventories	(5,216.17)	2,081.89
Decrease/(Increase) in trade receivables	693.82	(315.19)
Increase in provisions	62.20	23.77
Increase/(Decrease) in trade payables	1,310.75	(8.16)
Increase/ (Decrease) in other financial liabilities	37.15	(125.37)
Increase/(Decrease) in other current liabilities	388.00	(89.87)
<b>Cash flow from operations</b>	<b>2,619.65</b>	<b>6,466.76</b>
Income tax paid (net)	(934.00)	(228.49)
<b>Net cash flow from operating activities (A)</b>	<b>1,685.65</b>	<b>6,238.27</b>
<b>B. INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment (including intangible assets, capital work in progress, intangible assets under development and capital advances)	(2,320.83)	(959.16)
Proceeds from sale of property, plant and equipment	19.76	15.00
Payment towards purchase of investments	(75.00)	-
Investment in bank deposits (having original maturity of more than three months)	(10.59)	(85.55)
Interest received	61.32	14.02
<b>Net Cash (used in) investing activities (B)</b>	<b>(2,325.34)</b>	<b>(1,015.69)</b>



Note 2: Standalone Cash Flow Statement for the year ended 31 March 2022

(Rs. In Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>C. FINANCING ACTIVITIES</b>		
Proceeds from issue of equity share capital (including premium)	5,144.36	-
Share issue expenses	(384.58)	-
Proceeds from non-current borrowings	2,225.63	1,145.89
Repayment of non-current borrowings	(1,084.32)	(848.75)
Proceeds from current borrowings having maturity period more than 3 months	739.78	218.30
Repayment of current borrowing having maturity period more than 3 months	(351.24)	(212.60)
Proceeds from/repayments of other current borrowings (net)	(786.45)	(2,678.70)
Payment of principal portion of lease liabilities	(1,204.74)	(467.64)
Interest paid on lease liabilities	(1,020.83)	(1,062.12)
Interest expense paid	(624.82)	(581.92)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>2,652.78</b>	<b>(4,487.54)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>2,013.09</b>	<b>735.04</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,713.85</b>	<b>978.81</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>3,726.94</b>	<b>1,713.85</b>
<b>Notes :</b>		
1. Cash and cash equivalents include :		
Balance with banks in current accounts	3,540.04	224.24
Cheques, drafts on hand	4.81	12.71
Cash on hand	64.18	35.03
Credit cards receivable	117.91	42.87
Fixed Deposits with original maturity period of less than 3 months	-	1,399.00
<b>Cash and cash balance at the end of the year</b>	<b>3,726.94</b>	<b>1,713.85</b>



**Note 3**

As per Indian Accounting Standard (Ind-AS) 108, Operating Segments have been defined and presented based on the regular review by the Chief Operating Decision Maker to assess the performance of each segment and to make decision about allocation of resources. The accounting principles used in the preparation of the audited standalone financial results are consistently applied to record revenue and expenditure in individual segments.

S.No.	Particulars	Quarter ended			Year Ended	
		31 March	31 December	31 March	31 March	31 March
		(Audited)*	(Audited)*	(Unaudited)	(Audited)	(Audited)
		2022	2021	2021	2022	2021
1	<b>Segment revenue</b>					
	a) Watch and Watch Accessories	15,869.06	19,418.65	12,309.33	57,619.11	38,657.07
	b) Luxury cars	-	109.26	-	109.26	-
	<b>Revenue from operations</b>	<b>15,869.06</b>	<b>19,527.91</b>	<b>12,309.33</b>	<b>57,728.37</b>	<b>38,657.07</b>
2	<b>Segment results profit before tax and interest from each segment</b>					
	a) Watch and Watch Accessories	1,288.31	1,988.35	979.94	4,511.68	2,162.05
	b) Luxury cars	-	-	-	-	-
	<b>Total</b>	<b>1,288.31</b>	<b>1,988.35</b>	<b>979.94</b>	<b>4,511.68</b>	<b>2,162.05</b>
	Add: Interest Income	46.83	49.73	32.69	203.10	109.21
	Less: Finance cost	450.90	439.34	403.37	1,664.56	1,699.57
	Less: Unallocated expense/(income)	(110.20)	(23.01)	2.81	(70.37)	(58.30)
	<b>Profit before tax</b>	<b>994.44</b>	<b>1,621.75</b>	<b>606.45</b>	<b>3,120.59</b>	<b>629.99</b>
3	<b>Segment Assets</b>					
	a) Watch and Watch Accessories	48,841.55	42,608.77	36,539.67	48,841.55	36,539.67
	b) Luxury cars	-	163.32	-	-	-
	c) Unallocated assets	1,893.43	6,835.02	3,018.38	1,893.43	3,018.38
	<b>Total Segment assets</b>	<b>50,734.98</b>	<b>49,607.11</b>	<b>39,558.05</b>	<b>50,734.98</b>	<b>39,558.05</b>
4	<b>Segment liabilities</b>					
	a) Watch and Watch Accessories	11,205.06	11,115.05	9,556.37	11,205.06	9,556.37
	b) Luxury cars	-	145.59	-	-	-
	c) Unallocated liabilities	16,343.88	18,429.98	14,288.24	16,343.88	14,288.24
	<b>Total Segment liabilities</b>	<b>27,548.94</b>	<b>29,690.62</b>	<b>23,844.61</b>	<b>27,548.94</b>	<b>23,844.61</b>

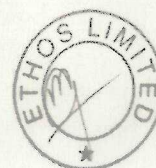
\* Refer Note 13 below





Notes

- 4 Subsequent to 31 March 2022, the Company completed its Initial Public Offering (IPO) of its equity shares which have been listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) with effect from May 30, 2022. Accordingly, the above Statement of Standalone Financial Results for the quarter and year ended March 31, 2022 ("Statement") are drawn up for the first time in accordance with the Listing requirements.
- 5 The above audited standalone financial results have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.
- 6 The audited standalone financial results (Also refer Note 12 below) have been reviewed and recommended by the Audit Committee and approved by the Board of Directors in their respective meetings held on May 30, 2022 and have been reviewed audited by the Statutory Auditors of the Company.
- 7 The Company's operations and revenue were impacted during the previous year on account of disruption in economic activity due to COVID-19. The management believes that the overall impact of the pandemic is short term and temporary in nature and is not likely to have any significant impact on the recoverability of the carrying value of its assets and the future operations.
- 8 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.
- 9 (a) During the quarter ended 30 September 2021, pursuant to receipt of INR 125.70 lakhs towards exercise price of 1,04,750 vested stock options under "Ethos Employee Stock Option Plan - 2013", the Parent Company has allotted 1,04,750 equity shares of INR 10 each to the eligible employees and directors.
- (b) The Board of Directors of the Parent Company, at its meeting held on December 01, 2021, approved the allotment of 4,57,938 equity shares of Rs. 10 each at a premium of Rs. 540 per share for an amount totalling to Rs. 2,518.66 lakhs after taking into consideration the share subscriptions and renunciations received from the existing shareholders of the Parent Company upto November 24, 2021 (the date of close of offer), in pursuance to 'Ethos - Rights Issue 2021'.
- (c) The Board of the Directors of the Parent Company, at its meeting held on March 28, 2022 has approved the allotment of 3,02,663 equity shares of Rs. 10 each at a premium of Rs. 816 per share aggregating to Rs. 2,499.99 lakhs, towards Pre-IPO placement through Preferential allotment.
- Consequent to above allotments, the paid-up equity share capital of the Parent Company stands increased from INR 1,821.28 lakhs consisting of consisting of 1,82,12,812 equity shares of INR 10 each to INR 1,907.82 lakhs consisting of 1,90,78,163 Equity Shares of INR 10 each.



Notes

- 10 The Company has entered into an agreement dated January 1, 2022 with its Holding company i.e. KDDL Limited to purchase its brand-name "Ethos" and "Summit" (including trademarks, trade names, logos and all related rights) for an agreed amount of Rs. 3,900 lakhs. Out of Rs. 3,900 lakhs, 1/3rd amount need to be paid by the Company by March 31, 2022 as advance, 1/3rd of the payment will be made by the Company when trademark "Ethos" is transferred and registered in the name of the Company and remaining amount is to be paid when trademark "Summit" is transferred and registered in the name of the Company. As per the terms of agreement, the Company has paid Rs. 1,300 lakhs as advance towards first tranche before March 31, 2022.
- 11 Subsequent to 31 March 2022, the Company has offered and issued 45,81,500 Equity Shares of Rs. 10 each in relation to Initial Public Offering ('IPO') comprising a fresh issue of Equity shares by the Company and an offer for sale of the Equity Shares by certain existing shareholders of the Company. The net proceeds from the fresh issue of IPO would be utilised towards following:
- Repayment or pre-payment, in full or in part, of all or certain borrowings availed by the Company.
  - Funding of working capital requirements of the Company
  - Financing of capital expenditure for (a) establishing new stores and renovation of certain existing stores and (b) upgradation of enterprise resource planning software
  - General Corporate Purpose
- 12 The Ministry of Corporate Affairs vide notification dated 24 July, 2020 and 18 June 2021, issued an amendment to Ind AS 116- leases, by inserting a practical expedient w.r.t Covid-19-Related Rent Concessions" effective from the period beginning on or after 1 April 2020. Pursuant to the above amendment, the Group has applied the practical expedient by accounting unconditional rent concessions in "Other Income" in the Statement of Profit and Loss as under:

Quarter ended			Year ended	
31-Mar-22	31-Dec-21	31-Mar-21	31-Mar-22	31-Mar-21
55.81	217.50	182.34	804.46	1,402.22

- 13 a) The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year up to 31 March 2022 and the audited year-to-date figures up to 31 December 2021.
- b) The figure of the quarter ended 31 December 2021 are the balancing figures between audited figures in respect of the year-to-date figures upto 31 December 31, 2021 and the audited year to date figures up to 30 September 2021

For and on behalf of the Board of Directors of  
Ethos Limited



*Manoj Gupta*

Manoj Gupta  
Whole-time Director

Place : Chandigarh  
Date: 30 May 2022

**Independent Auditor's Report on the Quarterly and Year to Date Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To  
The Board of Directors of  
Ethos Limited

**Report on the audit of the Consolidated Financial Results****Opinion**

We have audited the accompanying statement of quarterly and year to date consolidated financial results of Ethos Limited ("Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its joint venture for the quarter ended March 31, 2022 and for the year ended March 31, 2022 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations")

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial statements of the subsidiary and joint venture, the Statement:

- i. includes the results of the following entities;

S. No.	Name of subsidiaries / joint venture	Relationship
1	Cognition Digital LLP	Subsidiary
2	Pasadena Retail Private Limited	Joint venture

- ii. are presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive income and other financial information of the Group for the quarter ended March 31, 2022 and for the year ended March 31, 2022.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group and joint venture in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

## **Management's Responsibilities for the Consolidated Financial Results**

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group including its joint venture in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture are also responsible for overseeing the financial reporting process of the Group and of its joint venture.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and



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its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its joint venture of which we are the independent auditors to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

## **Other Matters**

The accompanying Statement includes the audited financial statements and other financial information, in respect of:

- One subsidiary, whose financial statements include total assets of Rs 467.45 lakhs as at March 31, 2022, total revenues of Rs. 219.09 lakhs and Rs 365.96 lakhs, total net profit after tax of Rs. 110.42 lakhs and Rs. 70.47 lakhs, total comprehensive income of Rs. 110.19 lakhs and Rs. 70.36 lakhs, for the quarter and the year ended on that date respectively, and net cash outflows of Rs. 75.60 lakhs for the year ended March 31, 2022, as considered in the Statement which have been audited by its independent auditor.
- One joint venture, whose financial statements include Group's share of net profit of Rs. 4.59 lakhs and Rs. 2.40 lakhs and Group's share of total comprehensive income of Rs. 4.49 lakhs and Rs. 2.40 lakhs for the quarter and for the year ended March 31, 2022 respectively, as considered in the Statement whose financial statements, other financial information has been audited by its independent auditor.

The independent auditor's report on the financial statements of these entities have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of the subsidiary and joint venture is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Results/financial information certified by the Management.



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The Statement includes the results for the quarter ended March 31, 2022 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2022 and the audited year-to-date figures up to December 31, 2021.

**For S.R. BATLIBOI & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

*Anil Gupta*

per Anil Gupta

Partner

Membership No.: 87921



UDIN: 22087921AJVZGU4435

New Delhi

May 30, 2022

Statement of Audited Consolidated Financial Results for the quarter and year ended 31 March 2022

website: www.ethoswatches.com

(Rupees in lakhs except share data, per share data and unless otherwise stated)

S.No.	Particulars	Quarter ended			Year ended	
		31 March 2022	31 December, 2021	31 March 2021	31 March 2022	31 March 2021
		(Audited)*	(Audited)*	(Unaudited)	(Audited)	(Audited)
	<b>Income</b>					
1	Revenue from operations	15,869.06	19,527.91	12,309.33	57,728.37	38,657.07
2	Other income (refer note 13)	189.34	320.85	208.52	1,277.83	1,642.62
3	<b>Total income (1+2)</b>	<b>16,058.40</b>	<b>19,848.76</b>	<b>12,517.85</b>	<b>59,006.20</b>	<b>40,299.69</b>
4	<b>Expenses</b>					
	Purchase of stock-in-trade	12,106.60	16,674.48	9,712.71	46,328.61	26,084.91
	Changes in inventories of stock-in-trade	(1,029.56)	(2,811.92)	(960.48)	(5,216.17)	2,081.89
	Employee benefits expense	1,150.61	1,158.76	963.01	4,238.15	2,920.31
	Finance costs	452.69	439.34	407.22	1,667.28	1,703.43
	Depreciation and amortisation expense	804.12	857.96	767.74	3,150.86	3,251.95
	Other expenses	1,528.93	1,896.44	1,026.25	5,687.28	3,598.37
	<b>Total expenses</b>	<b>15,013.39</b>	<b>18,215.06</b>	<b>11,916.45</b>	<b>55,856.01</b>	<b>39,640.86</b>
5	<b>Profit before share of joint venture and income tax (3-4)</b>	<b>1,045.01</b>	<b>1,633.70</b>	<b>601.40</b>	<b>3,150.19</b>	<b>658.83</b>
6	Share of Profit of joint venture (net of income tax)	4.59	4.81	17.41	2.40	13.50
7	<b>Net Profit before tax (5+6)</b>	<b>1,049.60</b>	<b>1,638.51</b>	<b>618.81</b>	<b>3,152.59</b>	<b>672.33</b>
8	<b>Tax expense</b>	<b>265.72</b>	<b>432.78</b>	<b>167.47</b>	<b>813.79</b>	<b>196.61</b>
	- Current tax	264.05	440.69	84.79	898.57	289.43
	- Deferred tax charge/(credit)	1.67	(7.91)	82.68	(84.78)	(92.82)
9	<b>Net Profit for the period/year (7-8)</b>	<b>783.88</b>	<b>1,205.73</b>	<b>451.34</b>	<b>2,338.80</b>	<b>475.72</b>
10	<b>Other Comprehensive Income (OCI)</b>					
	<i>Items that will not be reclassified to profit or loss</i>					
	- Re-measurement of income/(loss) on defined benefit plans	(13.07)	18.23	-	1.63	(4.99)
	- Income tax relating to items that will not be re-classified to profit and loss	3.33	(4.63)	-	(0.39)	1.04
11	<b>Total Comprehensive income for the period/year (8+9)</b>	<b>774.15</b>	<b>1,219.33</b>	<b>451.34</b>	<b>2,340.04</b>	<b>471.77</b>
12	<b>Earnings per share of Rs. 10 each (not annualised)</b>					
	Basic	4.25	6.59	2.48	12.69	2.61
	Diluted	4.25	6.59	2.48	12.69	2.59
13	Paid-up equity share capital (face value of share of Rs. 10)	1,907.82	1,877.55	1,821.28	1,907.82	1,821.28
14	Other Equity	-	-	-	21,260.67	13,872.21

\* Refer Note 14 below



Note 1: Audited Consolidated Balance Sheet as at 31 March 2022

		(Rs. In Lakhs)	
S.No.	Particulars	As at 31 March 2022	As at 31 March 2021
	<b>ASSETS</b>		
	<b>Non-current assets</b>		
	Property, plant and equipment	3,726.02	3,068.32
	Capital work-in-progress	-	375.73
	Intangible assets	66.30	64.48
	Right-of-use assets	9,159.13	8,122.03
	Intangible assets under development	-	5.61
	Investment in joint venture	157.47	80.07
	Financial assets		
	- Loans	3.67	9.79
	- Other financial assets	1,106.96	889.10
	Non-current tax assets (net)	188.32	147.43
	Deferred tax assets (net)	906.17	821.78
	Other non-current assets	1,479.39	116.49
	<b>Total non-current assets</b>	<b>16,793.43</b>	<b>13,700.83</b>
	<b>Current assets</b>		
	Inventories	24,993.29	19,777.12
	Financial assets		
	- Trade receivables	518.26	1,218.04
	- Cash and cash equivalents	3,768.32	1,830.83
	- Other bank balances	215.58	220.47
	- Loans	26.94	18.13
	- Other financial assets	710.52	1,011.70
	Other current assets	3,409.35	1,576.50
	<b>Total current assets</b>	<b>33,642.26</b>	<b>25,652.79</b>
	<b>Total Assets</b>	<b>50,435.69</b>	<b>39,353.62</b>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Equity share capital	1,907.82	1,821.28
	Other equity	21,260.67	13,872.21
	<b>Equity attributable to owners of the Company</b>	<b>23,168.49</b>	<b>15,693.49</b>
	Non controlling interest	0.00	0.00
	<b>Total equity</b>	<b>23,168.49</b>	<b>15,693.49</b>
	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
	Financial liabilities		
	- Borrowings	2,764.42	1,708.22
	- Lease liabilities	7,948.57	6,908.47
	- Other financial liabilities	66.90	90.00
	Provisions	142.35	157.09
	<b>Total non-current liabilities</b>	<b>10,922.24</b>	<b>8,863.78</b>
	<b>Current liabilities</b>		
	Financial liabilities		
	- Borrowings	3,177.81	3,490.61
	- Lease liabilities	2,238.40	1,910.90
	-Trade payables		
	-total outstanding dues of micro enterprises and small enterprises	86.93	0.72
	-total outstanding dues of creditors other than micro enterprises and small enterprises	8,267.15	7,198.63
	- Other financial liabilities	952.64	971.03
	Other current liabilities	1,276.88	916.91
	Provisions	324.90	249.45
	Current tax liabilities (net)	20.25	58.10
	<b>Total current liabilities</b>	<b>16,344.96</b>	<b>14,796.35</b>
	<b>Total liabilities</b>	<b>27,267.20</b>	<b>23,660.13</b>
	<b>Total Equity and Liabilities</b>	<b>50,435.69</b>	<b>39,353.62</b>





PARTICULARS	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>A. OPERATING ACTIVITIES</b>		
Profit before income tax	3,152.59	672.33
Adjustments to reconcile profit before tax to net cash flows :		
Depreciation and amortization expense	3,150.86	3,251.95
Property, plant and equipment written off and loss on sale of property, plant & equipment	23.72	34.60
Profit on Sale of property, plant & equipments	-	(5.31)
Interest expense	1,611.28	1,695.17
Interest income	(203.43)	(110.34)
Provisions/liabilities no longer required written back	(106.86)	(75.64)
Share of profit of joint venture	(2.40)	(13.50)
Share options lapsed	(9.41)	-
Unrealized foreign exchange gain	(9.35)	(55.00)
Rent waiver on lease liabilities	(804.46)	(1,402.22)
Gain on termination of lease contracts	(34.42)	(46.25)
Allowance for bad and doubtful debts/(written back)	(86.70)	(2.90)
Allowance for bad and doubtful advances/recoverable	15.00	22.85
Advances / deposits / Bad debts written off	269.19	51.76
<b>Cash generated from operations before working capital changes</b>	<b>6,965.61</b>	<b>4,017.50</b>
<b>Movements in working capital:</b>		
(Increase) in loans	(2.69)	(8.93)
(Increase)/ Decrease in other financial assets	(4.06)	190.43
(Increase)/ Decrease in other assets	(1,504.05)	808.79
(Increase)/ Decrease in inventories	(5,216.17)	2,081.89
(Increase)/ Decrease in trade receivables	693.82	(315.19)
Increase in provisions	62.34	34.15
Increase in trade payables	1,220.43	21.26
Increase/(Decrease) in other financial liabilities	39.62	(125.14)
Increase/ (Decrease) in other current liabilities	387.06	(87.47)
<b>Cash flow from operations</b>	<b>2,641.91</b>	<b>6,617.29</b>
Income tax paid (net)	(977.31)	(272.13)
<b>Net cash flow from operating activities (A)</b>	<b>1,664.60</b>	<b>6,345.16</b>
<b>B. INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment (including intangible assets, capital work in progress, intangible assets under development and capital advances)	(2,373.36)	(959.51)
Proceeds from sale of property, plant and equipment	19.76	15.00
Payment towards purchase of investments	(75.00)	-
Investment in bank deposits (having original maturity of more than three months)	(10.93)	(74.70)
Interest received	62.03	15.53
<b>Net cash (used in) investing activities (B)</b>	<b>(2,377.50)</b>	<b>(1,003.68)</b>
<b>C. FINANCING ACTIVITIES</b>		
Proceeds from issue of equity share capital (including premium)	5,144.36	-
Share issue expenses	(384.58)	-
Proceeds from non-current borrowings	2,225.63	1,145.89
Repayment of non-current borrowings	(1,084.32)	(848.75)
Proceeds from current borrowings having maturity period more than 3 months	739.78	218.30
Repayment of current borrowing having maturity period more than 3 months	(351.24)	(212.60)
Proceeds from/repayments of other current borrowings (net)	(786.45)	(2,678.70)
Payment of principal portion of lease liabilities	(1,204.74)	(467.64)
Interest paid on lease liabilities	(1,020.83)	(1,062.12)
Interest expense paid	(627.21)	(588.62)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>2,650.39</b>	<b>(4,494.25)</b>



**Note 2: Consolidated Cash Flow Statement for the year ended 31 March 2022**

(Rs. In Lakhs)

PARTICULARS	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>1,937.49</b>	<b>847.23</b>
Cash and cash equivalents at the beginning of the year	1,830.83	983.60
Cash and cash equivalents at the end of the year	3,768.32	1,830.83
<b>Notes :</b>		
1. Cash and cash equivalents include :		
Balance with banks in current accounts	3,581.42	341.22
Cheques, drafts on hand	4.81	12.71
Cash on hand	64.18	35.03
Credit cards receivable	117.91	42.87
Fixed Deposits with original maturity period of less than 3 months	-	1,399.00
<b>Cash and cash balance at the end of the year</b>	<b>3,768.32</b>	<b>1,830.83</b>



**Note 3**

As per Indian Accounting Standard (Ind-AS) 108, Operating Segments have been defined and presented based on the regular review by the Chief Operating Decision Maker to assess the performance of each segment and to make decision about allocation of resources. The accounting principles used in the preparation of the audited consolidated financial results are consistently applied to record revenue and expenditure in individual segments.

S.No.	Particulars	Quarter ended			Year Ended	
		31 March	31 December	31 March	31 March	31 March
		(Audited)*	(Audited)*	(Unaudited)	(Audited)	(Audited)
		2022	2021	2021	2022	2021
1	<b>Segment revenue</b>					
	a) Watch and Watch Accessories	15,869.06	19,418.65	12,309.33	57,619.11	38,657.07
	b) Marketing Support and other Services	219.00	94.85	92.00	365.63	473.48
	c) Luxury cars	-	109.26	-	109.26	-
	<b>Total</b>	<b>16,088.06</b>	<b>19,622.75</b>	<b>12,401.33</b>	<b>58,094.00</b>	<b>39,130.55</b>
	Less: Inter segment revenue	(219.00)	(94.85)	(92.00)	(365.63)	(473.48)
	<b>Revenue from operations</b>	<b>15,869.06</b>	<b>19,527.91</b>	<b>12,309.33</b>	<b>57,728.37</b>	<b>38,657.07</b>
2	<b>Segment results profit before tax and interest from each segment</b>					
	a) Watch and Watch Accessories	1,292.92	1,993.15	997.35	4,514.09	2,175.55
	b) Marketing Support and other Services	162.46	34.90	(4.18)	102.35	89.87
	c) Luxury cars	-	-	-	-	-
	<b>Total</b>	<b>1,455.38</b>	<b>2,028.05</b>	<b>993.17</b>	<b>4,616.44</b>	<b>2,265.42</b>
	Add: Interest Income	46.92	49.81	32.86	203.43	110.34
	Less: Finance cost	452.69	439.34	407.22	1,667.28	1,703.43
	<b>Profit before tax</b>	<b>1,049.60</b>	<b>1,638.51</b>	<b>618.81</b>	<b>3,152.59</b>	<b>672.33</b>
3	<b>Segment Assets</b>					
	a) Watch and Watch Accessories	48,841.55	42,608.77	36,539.67	48,841.55	36,539.67
	b) Marketing Support and other Services	105.36	157.34	134.44	105.36	134.44
	c) Luxury cars	-	163.32	-	-	-
	d) Unallocated assets	1,488.78	6,558.16	2,679.51	1,488.78	2,679.51
	<b>Total Segment assets</b>	<b>50,435.69</b>	<b>49,487.59</b>	<b>39,353.62</b>	<b>50,435.69</b>	<b>39,353.62</b>
4	<b>Segment liabilities</b>					
	a) Watch and Watch Accessories	10,922.25	10,975.44	9,296.11	10,922.25	9,296.11
	b) Marketing Support and other Services	41.11	41.29	46.85	41.11	46.85
	c) Luxury cars	-	145.59	-	-	-
	d) Unallocated liabilities	16,303.84	18,430.92	14,317.17	16,303.84	14,317.17
	<b>Total Segment liabilities</b>	<b>27,267.20</b>	<b>29,593.24</b>	<b>23,660.13</b>	<b>27,267.20</b>	<b>23,660.13</b>

\* Refer Note 14 below



Notes

- 4 The financial results of following entities have been consolidated with the financial results of Ethos Limited (The Company), hereinafter referred to as "the Group" or "Holding Company":  
Cognition Digital LLP (Subsidiary)  
Pasadena Retail Private Limited (Joint Venture)
- 5 Subsequent to 31 March 2022, the Company completed its Initial Public Offering (IPO) of its equity shares which have been listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) with effect from May 30, 2022. Accordingly, the above Statement of Consolidated Financial Results for the quarter and year ended March 31, 2022 ("Statement") are drawn up for the first time in accordance with the Listing requirements.
- 6 The above audited consolidated financial results have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.
- 7 The audited consolidated financial results (Also refer Note 12 below) have been reviewed and recommended by the Audit Committee and approved by the Board of Directors in their respective meetings held on May 30, 2022 and have been audited by the Statutory Auditors of the Company.
- 8 The Group's operations and revenue were impacted during the previous year on account of disruption in economic activity due to COVID-19. The management believes that the overall impact of the pandemic is short term and temporary in nature and is not likely to have any significant impact on the recoverability of the carrying value of its assets and the future operations.
- 9 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.
- 10 (a) During the quarter ended 30 September 2021, pursuant to receipt of INR 125.70 lakhs towards exercise price of 1,04,750 vested stock options under "Ethos Employee Stock Option Plan - 2013", the Parent Company has allotted 1,04,750 equity shares of INR 10 each to the eligible employees and directors.
- (b) The Board of Directors of the Parent Company, at its meeting held on December 01, 2021, approved the allotment of 4,57,938 equity shares of Rs. 10 each at a premium of Rs. 540 per share for an amount totalling to Rs. 2,518.66 lakhs after taking into consideration the share subscriptions and renunciations received from the existing shareholders of the Parent Company upto November 24, 2021 (the date of close of offer), in pursuance to 'Ethos - Rights Issue 2021'.
- (c) The Board of the Directors of the Parent Company, at its meeting held on March 28, 2022 has approved the allotment of 3,02,663 equity shares of Rs. 10 each at a premium of Rs. 816 per share aggregating to Rs. 2,499.99 lakhs, towards Pre-IPO placement through Preferential allotment.
- Consequent to above allotments, the paid-up equity share capital of the Parent Company stands increased from INR 1,821.28 lakhs consisting of consisting of 1,82,12,812 equity shares of INR 10 each to INR 1,907.82 lakhs consisting of 1,90,78,163 Equity Shares of INR 10 each.



**Notes**

**11** The Parent Company has entered into an agreement dated January 1, 2022 with its Holding company i.e. KDDL Limited to purchase its brand-name "Ethos" and "Summit" (including trademarks, trade names, logos and all related rights) for an agreed amount of Rs. 3,900 lakhs. Out of Rs. 3,900 lakhs, 1/3rd amount need to be paid by the Parent Company by March 31, 2022 as advance, 1/3rd of the payment will be made by the Parent Company when trademark "Ethos" is transferred and registered in the name of the Parent Company and remaining amount is to be paid when trademark "Summit" is transferred and registered in the name of the Parent Company. As per the terms of agreement, the Parent Company has paid Rs. 1,300 lakhs as advance towards first tranche before March 31, 2022.

**12** Subsequent to 31 March 2022, the Company has offered and issued 45,81,500 Equity Shares of Rs. 10 each in relation to Initial Public Offering ('IPO') comprising a fresh issue of Equity shares by the Company and an offer for sale of the Equity Shares by certain existing shareholders of the Company. The net proceeds from the fresh issue of IPO would be utilised towards following:

- i. Repayment or pre-payment, in full or in part, of all or certain borrowings availed by the Company.
- ii. Funding of working capital requirements of the Company
- iii. Financing of capital expenditure for (a) establishing new stores and renovation of certain existing stores and (b) upgradation of enterprise resource planning software
- iv. General Corporate Purpose

**13** The Ministry of Corporate Affairs vide notification dated 24 July, 2020 and 18 June 2021, issued an amendment to Ind AS 116- leases, by inserting a practical expedient w.r.t Covid-19-Related Rent Concessions" effective from the period beginning on or after 1 April 2020. Pursuant to the above amendment, the Group has applied the practical expedient by accounting unconditional rent concessions in "Other Income" in the Statement of Profit and Loss as under:

(Rs. in lakhs)

Quarter ended			Year ended	
31-Mar-22	31-Dec-21	31-Mar-21	31-Mar-22	31-Mar-21
55.81	217.5	182.34	804.46	1,402.22

**14** a) The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year up to 31 March 2022 and the audited year-to-date figures up to 31 December 2021.

b) The figure of the quarter ended 31 December 2021 are the balancing figures between audited figures in respect of the year to date figures upto 31 December 31, 2021 and the audited year to date figures up to 30 September 2021

For and on behalf of the Board of Directors of  
Ethos Limited



*(Signature)*

Manoj Gupta  
Whole-time Director

Place : Chandigarh  
Date: 30 May 2022

