

FORM DPT – 1
CIRCULAR INVITING DEPOSITS

[Pursuant to section 73(2)(a) and section 76 and rule 4(1) and 4(2) of the Companies (Acceptance of Deposits) Rules, 2014]

1. GENERAL INFORMATION

a.	Name, address, website and other contact details of the company;	Ethos Limited (CIN – U52300HP2007PLC030800) Registered office: Plot No. 3, Sector III, Parwanoo 173 220 (Himachal Pradesh) Corporate Office: 'Kamla Centre', S.C.O. 88-89, Sector 8-C, Madhya Marg, Chandigarh 160009 Website: www.ethoswatches.com Email id : investor.complaints@ethoswatches.com Phone : +91 172 2548223/24/27, 2544378/79 Fax : +91 172 2548302
b.	Date of incorporation of the company;	5 th November, 2007
c.	Business carried on by the company and its subsidiaries with details of branches or units, if any;	Retail business of selling Luxury Swiss Watches and accessories. The Company has 1 (one) subsidiary, namely Cognition Digital LLP and 1 (one) associate company, namely Pasadena Retail Private Limited. Ethos Limited is a subsidiary of KDDL Limited, a listed company. The Company has 47 (forty seven) stores all over the country.
d.	Brief particulars of the management of the company;	The Company is being managed by the Directors of the Company and experienced professionals.
e.	Name, addresses, DIN and occupations of the directors;	as given below:-

Sr. No.	Name, residential address, DIN and occupation of the Directors
1.	MR. YASHOVARDHAN SABOO, Managing Director (DIN – 00012158) House No. 1, Sector 5, Chandigarh 160008 (Industrialist)
2.	MR. MANOJ GUPTA, Executive Director (DIN – 08700786) House no. 6072, Modern Housing Complex, Manimajra, Chandigarh 160101 (Service)
3.	MR. ANIL KHANNA, Independent Director (DIN – 00012232) House No. 515, Sector 36-B, Chandigarh 160036 (Chartered Accountant)
4.	MR. DILPREET SINGH, Independent Director (DIN – 03042448) H. No. 1347, Chakarpur, D.L.F. Phase – 4, Block – B, Gurgaon, Haryana 122002 (Service)
5.	MR. MOHAIMIN ALTAF, Independent Director (DIN – 08080751) 4D, Sagar Apartment, Tilak Marg, New Delhi 110001 (Business)
6.	MR. NAGARAJAN SUBRAMANIAN, Independent Director (DIN – 02406548) 2, 2 nd Floor, Sanskriti 8, Dongersi Rd, Walkeshwar, Mumbai, Maharashtra 400006 (Business)
7.	MRS. NEELIMA TRIPATHI, Woman Director (DIN – 07588695) d/o Late Prof. G.C. Trigunayat 19, Central Lane, Bengali Market, New Delhi 110001 (Advocate)
8.	MR. SUNDEEP KUMAR, Independent Director (DIN – 02750717) s/o Mr. Ashok Kumar A-176A, Sushant Lok Phase-I, Gurgaon, Haryana – 122001 (Professional)
9.	MR. PATRIK HOFFMANN, Non – Independent Director (DIN – 09208027) s/o Mr. Wilhelm Hoffmann Rue Abraham-Robert 62A, 2300 LA, Chaux-de-Fonds, Switzerland – 2300

f.	Management's perception of risk factors;	<ul style="list-style-type: none"> The Company's ability to sustain growth is reliant on the continued growth of economy especially in the current COVID-19 situation. Expansion of the chain is also based on adequate development of retail properties commensurate with the requirements of premium and luxury lifestyle.
g.	<p>Details of default, including the amount involved, duration of default and present status, in repayment of –</p> <p>i) Statutory dues ii) Debentures and interest thereon iii) Loan from any bank or financial institution and interest thereon.</p>	<p>Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. No undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.</p> <p>The dues of income-tax on account of any dispute, are as follows:- The Company has not issued or allotted any kind of debentures. There have been no defaults in the loans taken from any banks or financial institution and interest thereon.</p>

Name of the statute	Nature of the dues	Amount (INR in lakhs)	Amount deposited (INR in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	26.63	11.12	Assessment year 2012-13	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	31.16	31.16	Assessment year 2013-14	Commissioner of Income tax (Appeals)
Income Tax Act, 1961	Income Tax	52.02	52.02	Assessment year 2014-15	Commissioner of Income tax (Appeals)
Income Tax Act, 1961	Income Tax	208.02	41.60	Assessment year 2017-18	Commissioner of Income tax (Appeals)
Income Tax Act, 1961	Income Tax	0.53	-	Assessment year 2018-19	Commissioner of Income tax
Delhi Value added tax Act, 2004	VAT and CST	3330.03	-	Financial Year 2016-17	Assistant Commissioner, Department of Trade and Taxes

3. PARTICULARS OF THE DEPOSIT SCHEME

a.	Date of passing of board resolution;	31 st July, 2021
b.	Date of passing of resolution in the general meeting authorizing the invitation of such deposits;	31 st July, 2021
c.	Type of deposits, i.e., whether secured or unsecured;	Unsecured
d.	i. Amount which the company can raise by way of deposits as per the Act and the rules made thereunder,	<p>Rs. 15,54,32,785/-for acceptance or renewal of Short term deposits for repayment earlier than 6 months from the date of deposit or renewal but repayable not earlier than 3 months. From members upto 10% of the aggregate of the paid up share capital and free reserves. {Scheme A}</p> <p>Rs. 54,40,14,749/- for acceptance or renewal of any deposit, if the amount of such</p>

<p>ii. the aggregate of deposits actually held on the last day of the immediately preceding financial year and on the date of the issue of circular or advertisement and</p> <p>iii. amount of deposit proposed to be raised and</p> <p>iv. amount of deposit repayable within the next twelve months;</p>	<p>deposits together with the amount of other deposits outstanding as on date of acceptance or renewal of such deposits between 6 months and 36 months. From members upto 35% of the paid up share capital and free reserves. {Scheme B and C}</p> <p>Rs. 16,79,66,000/- as at 31st March, 2021</p> <p>Rs. 21,81,01,000/- as at 31st July, 2021</p> <p>Upto Rs. 32 Crores</p> <p>Rs. 6,48,53,000/-</p>																																																	
<p>e. Terms of raising of deposits : Duration, Rate of interest, mode of payment and repayment;</p>	<p>Scheme A – Short Term Deposit</p> <table border="1" data-bbox="657 622 1267 853"> <thead> <tr> <th>Period</th> <th>Rate of Interest</th> <th>Interest Payable</th> <th>Minimum Amount of Deposit (Rs.)</th> </tr> </thead> <tbody> <tr> <td>More than 3 months and less than 6 months</td> <td>8.00%</td> <td>On maturity</td> <td>2,00,000</td> </tr> </tbody> </table> <p>Scheme B – Fixed Deposit</p> <table border="1" data-bbox="657 909 1437 1057"> <thead> <tr> <th>Period</th> <th>Rate of Interest</th> <th>Interest Payable</th> <th>Minimum Amount of Deposit (Rs.)</th> </tr> </thead> <tbody> <tr> <td>12 months</td> <td>9.50%</td> <td>Qtrly.</td> <td>50,000</td> </tr> <tr> <td>24 months</td> <td>10.25%</td> <td>Qtrly.</td> <td>25,000</td> </tr> <tr> <td>36 months</td> <td>10.75%</td> <td>Qtrly.</td> <td>25,000</td> </tr> </tbody> </table> <p>Scheme C – Cumulative Deposit</p> <table border="1" data-bbox="657 1113 1485 1482"> <thead> <tr> <th>Period</th> <th>Compounding Basis deposit</th> <th>Minimum amount of deposit (Rs.)</th> <th>Rate of Interest with quarterly compounding</th> <th>Effective Yield per annum (Approx.)</th> </tr> </thead> <tbody> <tr> <td>6 months</td> <td>Quarterly</td> <td>1,00,000</td> <td>8.00%</td> <td>8.08%</td> </tr> <tr> <td>12 months</td> <td>Quarterly</td> <td>50,000</td> <td>9.50%</td> <td>9.84%</td> </tr> <tr> <td>24 months</td> <td>Quarterly</td> <td>25,000</td> <td>10.25%</td> <td>11.22%</td> </tr> <tr> <td>36 months</td> <td>Quarterly</td> <td>10,000</td> <td>10.75%</td> <td>12.49%</td> </tr> </tbody> </table>	Period	Rate of Interest	Interest Payable	Minimum Amount of Deposit (Rs.)	More than 3 months and less than 6 months	8.00%	On maturity	2,00,000	Period	Rate of Interest	Interest Payable	Minimum Amount of Deposit (Rs.)	12 months	9.50%	Qtrly.	50,000	24 months	10.25%	Qtrly.	25,000	36 months	10.75%	Qtrly.	25,000	Period	Compounding Basis deposit	Minimum amount of deposit (Rs.)	Rate of Interest with quarterly compounding	Effective Yield per annum (Approx.)	6 months	Quarterly	1,00,000	8.00%	8.08%	12 months	Quarterly	50,000	9.50%	9.84%	24 months	Quarterly	25,000	10.25%	11.22%	36 months	Quarterly	10,000	10.75%	12.49%
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<p>f. Proposed time schedule mentioning the date of opening of the Scheme and time period for which the circular or advertisement is valid;</p>	<p>The Scheme shall be opened effective from its date of filing with the Registrar of Companies and shall be valid till the forthcoming Annual General Meeting of the Company.</p>																																																	
<p>g. Reasons or objects of raising the deposits;</p>	<p>For meeting working capital requirements of the Company.</p>																																																	
<p>h. Credit rating obtained; Name of the Credit Rating Agencies, Rating obtained, Meaning of rating obtained, Date on which rating was obtained.</p>	<p>ICRA Limited [ICRA]MA- (Stable); Re-affirmed This rating indicates that the degree of safety regarding timely payment of interest and principal is satisfactory. 8th December, 2020</p>																																																	
<p>i. Extent of deposit insurance; Name of the Insurance Company, terms of the insurance coverage, duration of coverage, extent of coverage, procedure for claim in case of default etc.</p>	<p>-- Not applicable --</p>																																																	

j.	Short particulars of the charge created or to be created for securing such deposits, if any;	-- Not applicable --
k.	Any financial or other material interest of the directors, promoters or key managerial personnel in such deposits and the effect of such interest in so far as it is different from the interests of other persons.	Nil Deposits from Directors' Relatives or Key Managerial Personnel or their relatives are at par with the deposits accepted from members.

4. DETAILS OF ANY OUTSTANDING DEPOSITS

a.	Amount Outstanding; (as on 31 st March, 2021)	Rs. 16,79,66,000/- (Rupees Sixteen crores seventy nine lacs and sixty six thousand only)
b.	Date of acceptance;	Accepted from time to time as per working capital requirements of the Company.
c.	Total amounts accepted;	Rs. 4,32,82,000/- (Rupees Four crores thirty two lacs and eighty two thousand only) *including amount of deposits renewed during the year amounting to Rs. 2,01,52,000/-.
d.	Rate of interest;	As per the approved FD scheme
e.	Total number of depositors;	156 (One hundred and fifty six only)
f.	Default, if any, in repayment of deposits and payment of interest thereon, if any, including number of depositors, amount and duration of default involved;	Nil
g.	Any waiver by the depositors, of interest accrued on deposits;	Not applicable

5. FINANCIAL POSITION OF THE COMPANY

a.	Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of circular;	(Amount in Rs. Lacs)		
		2020-21 (as per Ind AS)	2019-20 (as per Ind AS)	2018-19 (as per Ind AS)
	Profits before making provision for tax	629.99	124.87	1845.65
	Profits after making provision for tax	458.29	1.99	1100.14
b.	Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid or interest paid)	The Company has not declared dividend (interim or final) during the last three financial years. Interest Coverage Ratio for the last three years is as under:-		
		For the year ended on	:	Ratio
		31 st March, 2021	:	1.40
		31 st March, 2020	:	1.00
		31 st March, 2019	:	3.85
c.	A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of issue of circular;	Enclosed as Annexure I		
d.	Audited Cash Flow Statement for the three years immediately preceding the date of issue of circular.	Enclosed as Annexure II		
e.	Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.	No		

6. A DECLARATION BY THE DIRECTORS THAT –

- the company has not defaulted in the repayment of deposits accepted either before or after the commencement of the Act or payment of interest thereon;
- the board of directors have satisfied themselves fully with respect to the affairs and prospects of the company and that they are of the opinion that having regard to the estimated future financial position of the company, the company will be able to meet its liabilities as and when they become due and that the company will not become insolvent within a period of one year from the date of issue of the circular;
- the company has complied with the provisions of the Act and the rules made thereunder;
- the compliance with the Act and the rules does not imply that repayment of deposits is guaranteed by Central Government;

- e. the deposits accepted by the company before the commencement of the Act have been repaid along with interest within 365 days as per provisions of section 74(2) or within such extended period as may be allowed by Company Law Board/National Company Law Tribunal and until they are repaid, they shall be treated as unsecured and ranking pari passu with other unsecured liabilities.
 - f. in case of any adverse change in credit rating, depositors will be given a chance to withdraw deposits without any penalty.
 - g. the deposits shall be used only for the purposes indicated in the Circular;
 - h. the deposits accepted by the company (other than the secured deposits, if any, aggregate amount of which to be indicated) are unsecured and rank pari passu with other unsecured liabilities of the company.
7. *Disclaimer* – It is to be distinctively understood that the filing of circular with the Registrar should not in any way be deemed or construed that the same has been cleared or approved by the Registrar or Central Government. The Registrar or Central Government does not take any responsibility either for the financial soundness of any deposit scheme for which the deposit is being accepted or invited or for the correctness of the statements made or opinions expressed in the circular. The depositors should exercise due diligence before investing in the deposit schemes.

By order of the Board
For Ethos Limited

Anil Dhiman
Company Secretary

Place: Chandigarh

P.S. :- The text of this Circular has been approved by the Board of Directors of the Company at its meeting held on 31.07.2021 and a copy thereof duly signed by the majority of the Directors of the Company on 31.07.2021 has been filed with the Registrar of Companies, Himachal Pradesh at Chandigarh filed on 03.08.2021 vide SRN T33725300 on the MCA portal.

Annexure I : Summary of the financial position of the company (as per IND-AS)

Particulars	Amount in Rs. Lacs		
	as at 31.03.2020	as at 31.03.2020	as at 31.03.2019
ASSETS			
Non-current assets			
Property, plant and equipment	3057.40	3044.18	2,101.37
Capital work-in-progress	375.73	69.88	440.02
Right-of-use assets	8122.03	9691.23	-
Intangible assets	64.48	80.94	57.46
Intangible assets under development	5.61	5.61	38.21
Financial assets			
- Investments	435.74	377.44	42.94
- Loans	898.89	804.90	1024.27
- Other financial assets	-	128.93	99.71
Income tax assets (net)	147.43	144.64	123.25
Deferred tax assets (net)	811.82	721.45	630.46
Other non-current assets	116.49	214.72	460.13
Total non-current assets	14035.62	15283.92	5017.79
Current assets			
Inventories	19777.12	21859.01	20,556.94
Financial assets			
- Trade receivables	1218.04	938.32	774.91
- Cash and cash equivalents	1713.85	978.81	728.55
- Other bank balances	214.32	-	27.27
- Loans	657.47	721.04	405.54
- Other financial assets	350.31	549.29	259.51
Other current assets	1591.32	2379.93	2222.25
Total current assets	25522.43	27426.40	24974.97
Total Assets	39558.05	42710.32	29992.76
EQUITY AND LIABILITIES			
Equity			
Equity share capital	1821.28	1821.28	1,690.17
Other equity	13892.16	13433.87	11,481.11
Total equity	15713.44	15255.15	13,171.28
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	1708.22	1575.94	1620.46
- Lease Liabilities	6908.47	7981.82	-
- Other non-current financial liabilities	90.00	94.52	48.86
Provisions	146.61	130.04	110.23
Total non-current liabilities	8853.30	9782.32	1779.55
Current liabilities			
Financial liabilities			
- Borrowings	2682.15	5355.15	5,304.30
- Lease Liabilities	1910.90	1908.61	-
Trade payables			
-total outstanding dues of micro enterprises and small enterprises	0.72	1.93	1.93
-total outstanding dues of creditors other than micro enterprises and small enterprises	7446.73	7516.07	6972.47
- Other financial liabilities	1773.18	1612.18	1711.45
Other current liabilities	907.66	1052.51	643.36
Provisions	240.79	226.40	135.53
Current tax liabilities (net)	29.18	-	274.82
Total current liabilities	14991.31	17672.85	15041.93
Total liabilities	23844.61	27455.17	16821.48
Total Equity and Liabilities	39558.05	42710.32	29992.76

Annexure II : Audited Cash Flow Statement for the last three years (as per Ind AS)**(Amount in Rs. Lacs)**

Particulars	For the year ended		
	31 March, 2021	31 March, 2020	31 March, 2019
Cash flow from operating activities	6,307.28	3,477.71	-2,137.34
Cash flow from investing activities	-1,015.69	-1,265.24	-1,283.28
Cash flow from financing activities	-4,556.55	-1,962.20	3,529.18
Increase in cash and cash equivalents	735.04	250.26	108.56
Cash and cash equivalents at the commencement of the year	978.81	728.55	718.91
Cash and cash equivalents at the end of the year	1,713.85	978.81	827.47